



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

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

**VOTE NO. 11
ANNUAL REPORT
2018/2019 FINANCIAL YEAR**

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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INFORMATION REPORT 2018/19**

2. LIST OF ABBREVIATIONS/ACRONYMS

| | |
|---------|--|
| AFS | Annual Financial Statements |
| AGSA | Auditor General of South Africa |
| BBBEE | Broad Based Black Economic Empowerment |
| CDP | Community Development Programme |
| CDW | Community Development Worker |
| CFO | Chief Financial Officer |
| CIDB | Construction Industry Development Board |
| CoGHSTA | Cooperative Governance Human Settlements and Traditional Affairs |
| CRU | Community Residential Units |
| CWP | Community works Programme |
| DDG | Deputy Director General |
| DORA | Division of Revenue Act |
| DPSA | Department of Public Service and Administration |
| EEDBS | Enhanced Extended Discount Benefit Scheme |
| EPHP | Enhanced Peoples Housing Process |
| 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 |
| IRDP | 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 |
| MPSA | Minister of Public Service and Administration |
| MTEF | Medium Term Expenditure Framework |
| NHBRC | National Home Builders Registration Council |
| OSD | Occupational Specific Dispensation |
| PFMA | Public Finance Management Act |
| RDP | Reconstruction Development Programme |
| RWOPS | Remunerative Work Outside the Public Service |
| SAPS | South African Police Services |
| SAQA | South African Qualifications Authority |
| SCOPA | Standing Committee on Public Accounts |
| SCM | Supply Chain Management |
| SDF | Spatial Development Framework |
| SDIP | Service Delivery Improvement Plan |
| SPLUMA | Spatial Planning and Land Use Management Act |
| SSA | State Security Agency |
| TDRG | Title Deeds Restoration Grant |
| TR | Treasury Regulations |
| VBS | Venda Building Society |
| WSP | Workplace Skills Plan |

3. FOREWORD BY THE MEC



It gives me great pleasure to join the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) amid to the new establishment of the 6th Administration of Government. I've heard much about the department and it's exciting for me to become part of the team. My leadership philosophy is based on joining hands together for a sustainable competitive differentiation and workmanship for a good and constructive common cause. Reaching our goals will require individual excellence, and working in collaboration to reach our set performance targets. The unpardonable sin will be not giving your work your best effort, not caring about the quality of your work, or not getting better as we strive to be the best we can be in the provision of service delivery to all Limpopo citizenry.

The outcome of the 2019 national government elections brings a new dawn, hope and confidence of good governance in the next five years. It is a chapter which starts with good riddance to repair fallacies of the past and have a special focus on basic Human Rights to serve the people with clean drinking water, sanitation, electricity, shelter, waste removal and infrastructure as per our departmental mandate. The department has maintained the highest standards of governance in the previous 5th administration and we also expect the same outcome of excellence in good governance during the 6th Administration.

On performance, I'm really pleased by the strides which the department has achieved in the previous financial years. Just to name a few, these include: 371 posts filled within the establishment from 2014/15 to 2018/19 financial years ; Achievement of unqualified audit opinion with matters of emphasis in 2017/18 which was an improvement from Qualified Opinion in 2016/17 financial year; The achievement were as follows:- houses completed across all housing programmes; households connected to basic water and sanitation services; housing units have been transferred to individual beneficiaries; Municipalities with unqualified audits have decreased from 9 to 8, qualified opinions increased from 10 to 13 and adverse as well as disclaimer opinions decreased from 3 to 2 and 5 to 2 respectively; Support to municipalities on the implementation of SPLUMA especially on the establishment and development of tribunals. I'm really cheerful to Team CoGHSTA for these attained performance targets.

Traditional leaders play a role of upholding the values and administering the affairs of our domain. They are saddled with the responsibilities of working with municipalities to identify the needs of our communities and involved in the shaping and participating in service delivery. They also play a role in disaster management and the promotion of indigenous knowledge system. They promote peace, foster cohesion and contribute to the political system of governance. Above all odds, our department is mandated to support institutions of traditional leadership.

The challenges of service delivery are real. Let us all as collective rise to the occasion and service, capacitate and support municipalities with the provision of oversight in the implementation of Operation Clean Audit Action Plan. We have committed ourselves to continuously give support to all municipalities through our various partners such as SALGA, the Office of the Auditor General, the Provincial Treasury, National CoGTA and sector departments.

The Limpopo population is growing and urbanising. Through urbanisation, our communities are flocking to towns looking for work, housing and basic services and access to health and education facilities. We are excited as government that we have launched the new housing plan in Seshego Ext 78, Polokwane municipality recently. The former low-cost houses (RDP) have been phased out. Our communities expect more from government, to stay in decent shelters. Many people in our province are poor and unemployed, creating marked inequalities and presenting service delivery challenges. The provision of decent shelter is focused to all conditions i.e. urban, rural & informal settlements. To achieve this, the department needs to expedite the appointment of service providers in formalisation of informal settlements, connection of households to basic services close the back-logs, issue title deeds for subsidy market and scrap off poor performing contractors. Let's meet the targets that we have set for ourselves in line with the Business Human Settlements plan.

The department should strive to stabilise its finances. Let's ensure that from 2019/20 financial year onwards we receive a clean audit. It will also encourage and stimulate municipalities to stabilise their finances to obtain a positive audit outcome as well.

Finally, the department has to maximise available resources, to deliver positive results and achieve intended government outcomes.

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature appears to be 'RB Maki'.

Makamu RB (MPL)

M.E.C of the Department of Cooperative Governance, Human Settlements and Traditional Affairs

Date: 31 July 2019



4. REPORT OF THE ACCOUNTING OFFICER



Overview of the Operations of the Department:

The performance of the Department in its efforts to fulfil its constitutional mandate and its vision for integrated, sustainable human settlements in line with outcome 8, 9 and 12 outlines the overview of the operations of the department. 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). Performance in the preceding financial years has been challenging particularly in the human settlements and co-operative governance sectors due to surrendering of allocation and instability in municipalities. Reprioritisation of funds in the Traditional Affairs sector has somewhat delayed implementation of projects to improve support provided to Institution of Traditional Affairs Leadership such as construction and rehabilitation of traditional affairs offices. The department has recorded significant progress as compared to previous financial years in the implementation of annual performance plan. The Department recorded a vacancy of 9.14% in accordance with the funded vacant posts, 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.

In fulfilling departmental obligations to citizens of the province, department has achieved major progress in the human settlement sector notably: - delivery of new housing units of 10 533 through improved contractor performance and partnership with HDA. Other related services are summarised as follows:-

- ❖ 2 397 households connected to basic services as part of informal settlements upgrading and integrated residential development programme
- ❖ CRU, EPHP and FLISP projects are still behind schedule
- ❖ A total of 2 903 current and prospective housing beneficiaries have been exposed to consumer education on how to participate in various programmes

The department continues to provide traditional councils with administrative support that include payment of salaries, provision of tools of trade, furniture and conducting workshops for traditional surgeons and protocols. Municipal performance remains a challenge, especially on financial management. Several municipalities were affected by the challenges of VBS as it has a potential to override the gains made on improved audit outcomes, and institutional stability.

Overview of the financial results of the department:

- Departmental receipts**

| Departmental receipts | 2017/2018 | | | 2018/2019 | | |
|--|--------------|-------------------------|-------------------------|--------------|-------------------------|-------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sale of goods and services other than capital assets | 1 248 | 1 105 | 143 | 1 528 | 1 567 | (39) |
| Transfers received | 0 | 50 | (50) | - | - | - |
| Fines, penalties and forfeits | 1 | 6 | (5) | | | |
| Interest, dividends and rent on land | 933 | 412 | 521 | 1 820 | 2 167 | (347) |
| Sale of capital assets | 800 | 550 | 250 | 892 | 615 | 277 |
| Financial transactions in assets and liabilities | 1 863 | 2 301 | (438) | 1 533 | 3 865 | (2 332) |
| Total | 4 845 | 4 424 | 421 | 5 773 | 8 214 | (2 441) |

The departmental revenue estimate for the year under review amounted to R5.773 million (2018: R4.845 million) and actual collection amounted to R8.214 million (2018: R4.424 million) resulting in an over collection by R2.441 million (2018: .442 million under-collection). The department's target for the year under review was to collect 100% of the Revenue Estimates.

The over-collection is largely attributable to interest that were no longer economical to maintain through an auction during the year under review and cash was received in the subsequent financial year.

Revenue Tariff policy

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

Free service 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 R21.8 million was written off as irrecoverable during the year under review. Included in the amount written off is R19.0 million in respect of Fruitless and Wasteful expenditure as a result of blocked projects identified during 2007/08 financial year as irrecoverable as well as an amount of R2.8 million in respect of Traditional Leader illegitimate salary allowances received. All these debts were written off in terms of the transversal debt management policy approved by the Provincial Treasury.

• **Programme Expenditure**

| Programme Name | 2017/2018 | | | 2018/2019 | | |
|---------------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 | 339 392 | 337 250 | 1 837 | 359 951 | 359 750 | 201 |
| Human Settlements | 1 390 289 | 1 388 589 | 1 700 | 1 446 803 | 1 370 703 | 76 100 |
| Cooperative Governance | 278 786 | 273 347 | 5 439 | 359 675 | 357 975 | 1 700 |
| Traditional Institutional Development | 459 372 | 429 671 | 29 701 | 522 577 | 508 610 | 13 967 |
| Total | 2 467 839 | 2 428 857 | 38 982 | 2 689 006 | 2 597 038 | 91 968 |

The Department has spent R2.597 billion or 96.6% (2017/18: R2.43 billion or 98.4%) of the total budgeted allocation of R2.69 billion which represents an underspending of R91.945 million or 3.42%.

Reasons for underspending:

Administration: Underspending is as a result of delay in filling vacant positions as a result of, among others, slow processing of documents by compliance institutions such as SAQA, SAPS and SSA etc.

Human Settlements: Underspending is as a result of underperformance by some contractors relating to HSDG, EPWP and Title Deeds Restoration (TDRG) grants. Daily contractor performance reports are generated to enable early detection of poor performance and timely intervention. Site visits by management are also being conducted continuously to ensure close monitoring.

Cooperative governance: Underspending is as a result of delay in filling vacant positions as a result of, among others, slow verification and processing of documents by compliance institutions such as SAQA, SAPS and SSA etc. Slow procurement process in purchasing of computer equipment contributed to underspending.

Traditional Affairs: Underspending is mainly as a result of delayed procurement processes and implementation of construction of Traditional Council Offices. Rollover has been applied to provincial treasury to complete outstanding work on construction of Traditional council offices.

Virements

No virements were applied during the period under review.

Roll overs

The rollovers totalling R91.113 has been requested for both Conditional Grant (HSDG Grant: R73.980 Million) and Equitable Share: R17.133 million

Unauthorised Expenditure

The department did not incur any unauthorised expenditure during the 2018/19 financial year as disclosed in the Annual Financial Statements.

Fruitless and Wasteful Expenditure

Fruitless and Wasteful Expenditure amounting to R999 000 was incurred and is disclosed in the note to the financial statements. The Fruitless and Wasteful expenditure was mainly due to interest charged on overdue accounts. Details of the Fruitless and Wasteful expenditure are disclosed in the Annual Financial Statements

Future plans of the department

Regular monitoring of service providers to ensure compliance with the service contracts with the department. The organisational structure will be reviewed to rationalise functions with resources available.

Public Private Partnerships

The Department did not enter into any Public Private Partnership in the previous financial year as well as the current financial year.

Discontinued activities / activities to be discontinued

The Department did not discontinue any activity during the financial year under review and there are no plans to discontinue any activity.

New or proposed activities

There were no new or proposed activities

Supply chain management

- There were no unsolicited bid proposals concluded for the year under review
- There are SCM processes and systems are in place to prevent irregular expenditure.
- Challenges experienced in SCM and how they were resolved

Gifts and Donations received in kind from non-related parties

- None

Exemptions and deviations received from the National Treasury

No exemptions and deviations were received from the National Treasury

Events after the reporting date

There were no events (adjusting and non-adjusting) favourable and unfavourable that occurred after the reporting date and the date of approval of the Annual Financial Statements.

Other

- **Employment Equity**

The department has achieved 38.8% of women representation at SMS level due to natural attrition, deaths, transfers & resignations while filling of vacant posts was delayed.

- **Payment of invoices**

The department has achieved 97% payment of undisputed claims/invoices within 30 days from date of receipt in compliance with the relevant prescripts

Acknowledgement/s or Appreciation

This report reflects the efforts made by various branches in improving performance of the department. Indeed teamwork is the corner stone of achieving desired results.



Dumalkile NR
Accounting Officer

Department of Co-operative Governance, Human Settlements and Traditional Affairs
Date: 31 May 2019

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 2019.

Yours faithfully



Accounting Officer
Dumalisile NR
Date: 31 May 2019

6. STRATEGIC OVERVIEW

6.1. Vision

Integrated Sustainable Human Settlements

6.2. 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.

6.3. 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

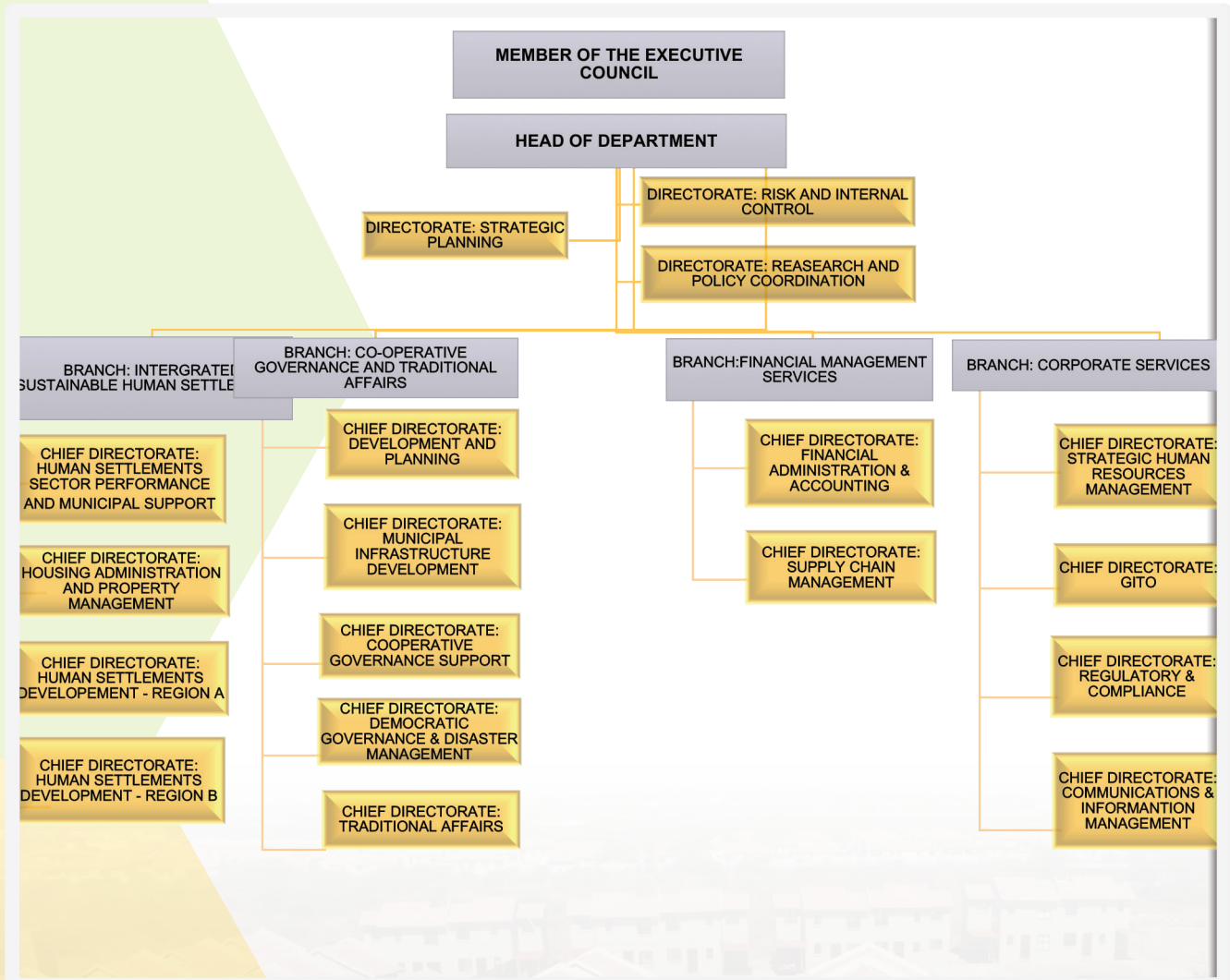
| Section of the Constitution | Direct responsibility in ensuring compliance |
|-----------------------------|--|
| Chapter 2, section 26 | This section puts direct responsibility on the Department in ensuring that everyone has access to adequate housing, which is carried out through the ISHS programme |
| 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 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 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 |

| Relevant Act | Key Responsibilities |
|--|--|
| | <p>management centres;</p> <ul style="list-style-type: none"> • 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 120 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Background

Coghsta is assigned with responsibility of ensuring that inhabitants of the province have appropriate housing, municipalities are supported in delivering services to communities, promoting co-operative governance and proving support to traditional leaders and communities within their jurisdiction. 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. Integrated Sustainable Human Settlements

The programme is mandated with responsibilities which includes 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 an effort to reduce the housing backlog in the current cycle delivered 2 125 houses in 2014/15, 8 588 in 2015/16, 10 741 in 2016/17, 9 100 in 2017/18 and 10 533 in 2018/19 which translates to a total of 32 887. The improvement in delivery is attributed to implementation of the turnaround strategy which focused on the following:-

- ❖ Improved procurement of service providers through establishment of database of contractors which shortened the turnaround time on appointment
- ❖ Improved Terms of Reference for appointment of contractors by incorporating CIDB grading and NHBRC
- ❖ Improved contract management system by establishment of Contract Management Committee to regularly adjudicate on contract performance which lead to termination of contracts or reduction of scope of work.
- ❖ Enterprise Project Management System has been developed and is currently at testing stage

The Department did not perform as expected in the following:

- ❖ Acquisition of land for housing development due to prolonged process by Treasury
- ❖ Servicing of sites as a result of delay in appointment of service providers and community protests
- ❖ Issuing of title deeds due delay in releasing power of attorney certificates and township proclamation.
- ❖ Community Residential Units due to non performing contractors and labour unrests.

2.1.2 Co-operative Governance

In the year under review, the programme continued to provide support to municipalities in terms of implementing their mandates pursued through the following sub-programmes i.e. Development Planning, Municipal Infrastructure Development, Local Government Support, Democratic Governance and Disaster Management.

The department continues to provide support to municipalities with regard to appointment of critical section 54A and 56 Managers posts in line with the Municipal Systems Act.

Table 1: The status of Municipal Administration vacancies of Senior Managers at end March 2019.

| Vacant managers category | Municipalities |
|-----------------------------|---|
| Municipal Managers | Vhembe, Lepelle-Nkumpi, Maruleng and Modimolle-Mookgophong |
| Chief Financial Officers | Maruleng, Greater Giyani, Vhembe, Elias Motsoaledi and Fetakgomo/Tubatse |
| Technical Services Managers | Capricorn, Polokwane, Blouberg, Musina, Makhado, Thulamela, Greater Giyani, Makhuduthamaga, Lephalale and Modimolle-Mookgophong |
| Community Services | Thabazimbi, Waterberg, Bela-Bela, Maruleng, Capricorn and Mogalakwena |
| Corporate Services | Lepelle-Nkumpi |
| Development and Planning | Ephraim Mogale, Waterberg, Bela-Bela, Musina, Makhado, Thulamela, Maruleng, Greater Giyani and Molemole |

The Limpopo Provincial Government's Executive Council in 2018/19 resolved that an urgent forensic audit be instituted on municipalities that invested funds with VBS.

Table 2: List Municipalities and Amounts of Exposure

| District | Municipality | Exposure 21/02/2018 |
|---------------------|--|----------------------|
| Vhembe District | Vhembe District municipality | 311,514,197 |
| Sekhukhune District | Fetakgomo-Greater Tubatse local municipality | 210,649,850 |
| Mopani District | Greater Giyani Municipality | 158,170,963 |
| Capricorn District | Lepelle-Nkumpi local municipality | 151,599,668 |
| Vhembe District | Collins Chabane Municipality | 122,410,521 |
| Sekhukhune District | Ephraim Mogale local municipality | 82,846,973 |
| Vhembe District | Makhado Municipality | 61,712,340 |
| Sekhukhune District | Elias Motsoaledi local municipality | 20,302,088 |
| | Grand Total | 1,119,206,600 |

In an effort of ensuring municipalities have sound financial management systems, the department support and guided all local municipalities during the implementation of 2018/19 general valuation rolls and are levying property rates and on compilation of Annual Financial Statement for submission to Auditor General for auditing purposes.

Table 3: Summary of Provincial Audit Outcome Overview: -

| No | Audit Opinion | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|----|---------------|-----------|-----------|-----------|-----------|-----------|
| 1 | Disclaimer | 6 | 6 | 3 | 5 | 02 |
| 2 | Adverse | 1 | 0 | 2 | 3 | 02 |
| 3 | Qualified | 11 | 14 | 12 | 10 | 13 |
| 4 | Unqualified | 12 | 10 | 13 | 9 | 08 |
| 5 | Clean Audit | 0 | 0 | 0 | 0 | 0 |
| 6 | Outstanding | 0 | | 0 | 0 | 02 |
| | Total | 30 | 30 | 30 | 27 | 27 |

NB: Modimolle-Mookgophong & Thabazimbi submitted their AFS late and their results are still outstanding

The Municipal Infrastructure Grant still continues to be one of the major contributor in supporting municipalities to access basic services. The provincial allocation for 2018/2019 was increased from R 3,216,894,000.00 to R3, 218,586,000.00 during the adjustment process, an amount of R104.808 million was surrendered from poor spending municipalities in Limpopo and R106.500 million was reallocated to municipalities within the Limpopo province as at end of March 2019:

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.

Table 4: Main services and standards

| Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|--|--------------------|------------------------------------|-----------------------------|--------------------|
| Enhanced Peoples Housing Process Units Completed | RDP house dwellers | 52 | 170 | 17 |
| Rental units built | Hostel dwellers | 0 | 215 | 0 |

Table 5: Batho Pele arrangements with beneficiaries (Consultation access etc.)

| Current/actual arrangements | Desired arrangements | Actual achievements |
|--------------------------------------|----------------------|--|
| B2B Pillar 1 Community engagement | MEC'S Imbizo held | 2 Izimbizo held at Musina and Mogalakwena Local Municipalities |

Table 6: Service delivery information tool

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

Table 7: Complaints mechanism

| Current/actual complaints mechanism | Desired complaints mechanism | Actual achievements |
|-------------------------------------|------------------------------|-------------------------------------|
| Departmental toll free number | Short messaging system (sms) | 1622 Received and were all resolved |

The bulk of complaints are related to Traditional Leadership disputes and access to housing. Complaints are provide feedback on the state of their query depending on the type of inquiry/complaint

2.3 Organisational environment

The approved Human Resource (HR) Plan for the Medium-Term Expenditure Framework (MTEF) indicates that its implementation is complicated by the fact that the Compensation of Employees (CoE) often has to be redirected from programmes for payment of allowances to Traditional Leaders as they are recognised by the National/Provincial Government. Departments are subjected to Provincial Treasury approval for filling of vacant posts of which prolongs further the recruitment process.

Vacancy rate in the department is reasonable, however at SMS level is at 31% mainly due to resignation and natural attrition. This had an effect on employment equity targets which is at 38%. Compliance on financial disclosures and performance management it's high as a result of institutionalisation systems.

2.4 Key policy developments and legislative changes

There were no key changes to policy developments and legislation



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 | <ul style="list-style-type: none"> 100% of queries logged through Departmental, Premier, and Presidential hotlines were resolved 38.8% of Percentage of women represented 371 posts filled within the establishment from 2014/15 to 2018/19 financial years Investigated all cases that were lodged on corruption and anti-fraud |
| | | 1.2 Financial management support and advisory services for effective accountability | <ul style="list-style-type: none"> Achieved unqualified opinion with matters of emphasis in 2017/18 which was an improvement from Qualified Opinion in 2016/17 financial year Achieved an average of 97.5% for payment of invoices within 30 days |
| 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 | <ul style="list-style-type: none"> Multi-year Housing development plan reviewed and submitted to National Department 6 municipalities were prepared for accreditation for level 8 570 beneficiaries were exposed to Consumer Education |
| | | 2.2 Reduced housing backlog by 80 600 units by 2019 | <ul style="list-style-type: none"> 39 624 houses completed across all housing programmes 11 194 sites connected to basic water and sanitation services |
| | | 2.3 Transferred 22 605 housing properties to beneficiaries by 2019 | <ul style="list-style-type: none"> 9 663 housing units have been transferred to individual beneficiaries |
| 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. 2017/18 municipal audit opinions in the Province. Municipalities with unqualified audits have decreased from 9 to 8, qualified opinions increased from 10 to 13 and adverse as well as disclaimer opinions decreased from 3 to 2 and 5 to 2 respectively. 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 SPLUMA especially on establishment development tribunals |
| 4. Traditional Affairs | Administrative support to the institutions of | 4.1 Supported all established institutions of | 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 |

| Strategic Goal | Goal statement | Outputs | Progress |
|----------------|--|--------------------------------|-----------------------------------|
| | Traditional Leadership in the Province provided annually | Traditional Leadership by 2019 | 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
- ❖ Financial Management 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

The department managed to appoint 29 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 1431 officials were trained in line with the departmental Workplace Skills plan. 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.
- Hazardous environment was monitored and dealt with through Occupational Health and Safety Officers to ensure compliance with the OHS prescripts.

Strategic objectives:

| Programme Name: Administration | | | | | | |
|---|--|--------------------------|------------------------------|---|---|--|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations | |
| 1. Professional corporate service(s) support | 100% of resolved queries logged through Departmental toll free, Premier and Presidential hotline | 100% | 100% | 0 | None | |
| 2. Financial management support and advisory services for effective accountability. | 98.3% | 100% | 95.80% | 4.2% | Underspending on HSDG & Traditional Affairs | |

Reasons for all deviations

- Poor performance by some contractors for Human Settlements Development and delay in construction of Traditional Council Offices.

Performance indicators

| Programme: Administration | | | | | | | |
|--|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|---|
| Sub – Programme: Corporate Services | | | | | | | |
| Strategic Objective 1: Professional Corporate Service(s) Support | | | | | | | |
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 1.1. Number of posts to be filled | 147 | 56 | 48 | 25 | 45 | 20 | The posts were carried over from the previous year. |

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| Programme: Administration Sub – Programme: Corporate Services Strategic Objective 1: Professional Corporate Service(s) Support | | | | | | | |
|---|---------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|---------------------------------------|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 1.2. Number of officials trained as per WSP | 1 298 | 1403 | 908 | 700 | 1431 | 731 | Implementation of Mandatory trainings |
| 1.3. Percentage of women representation at SMS | 55% of total component is women | 55% | 56% overall and 42% for SMS | 45% | 38.8% | 6.2% | Natural attritions |
| 1.4. Percentage of Employee Wellness cases attended to | N/A | N/A | N/A | 100% | 100% | 0 | None |
| 1.5. Percentage of resolved queries logged through the Departmental toll free, Premier and presidential hotline | 99% | 100% | 100% | 100% | 100% | 0 | None |
| 1.6. Percentage of reported anti- fraud and corruption cases Investigated | 88% | 100% | 100% | 100% | 100% | 0 | None |
| 1.7. Number of accountability reports submitted | N/A | N/A | 6 | 6 | 6 | 0 | None |

| Programme: Administration | | | | | | | |
|---|------------------------------|------------------------------|------------------------------|--------------------------------|------------------------------|---|--|
| Sub – Programme: Corporate Services | | | | | | | |
| Strategic Objective 2 : Financial Management Support and Advisory Services for Effective Accountability | | | | | | | |
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 2.3.Percentage of allocated budget spent | 81% | 95% | 98.03% | Spend 100% of allocated budget | 95.80% | 4.2% | Poor performance by some contractors for Human Settlements Development and delay in construction of Traditional Council offices. |

Reasons for all deviations

- ❖ Representation of women at SMS declined due to natural attrition, resignations and transfers to other departments
- ❖ Improved implementation of mandatory trainings resulted in overachievement and. re-induction of deputy directors on constitutional values, process improvement, awareness trainings for traditional affairs and CDW's
- ❖ Invalid banking details of service providers which affects turnaround times of payments and late submission of invoices by end users.

Strategy to overcome areas of under performance

- ❖ Reissue of IN34 circular to remind all officials to submit the invoices on time and that action will be taken against those who delay invoices.
- ❖ Investigations to identify officials who delayed payment was underway to unearth root causes and institute disciplinary proceedings against all those affected.
- ❖ The department motivated for the advertisement of Senior Management Service positions that were vacated as per approved Human Resource plan. Appointment of women will be prioritised to ensure the department complies with DPSA prescripts.

Changes to planned targets

❖ None

Linking performance with budgets

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. Maintenance of ICT Systems and provision of fleet services. Programme had spent 99,3% of the final appropriation in the year under review.

Sub-programme expenditure

| Sub- Programme Name | 2017/2018 | | | 2018/2019 | | |
|---------------------|---------------------------|--------------------------|--------------------------------|---------------------------|--------------------------|--------------------------------|
| | 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 |
| Office Of The MEC | 1,978 | 1,673 | 305 | 1,978 | 1,978 | 0 |
| Corporate Services | 337,414 | 335,577 | 1,837 | 358,049 | 357,802 | 171 |
| Total | 339,392 | 337,250 | 2,142 | 359,951 | 359,780 | 171 |

4.2 Programme 2: Integrated Sustainable 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 for the financial year under review

- ❖ Housing development properly planned by October each year
- ❖ Reduced housing backlog reduced by 80 600 units by 2019
- ❖ Transferred 22 605 housing properties to beneficiaries by 2019

Strategic objectives, performance indicators, planned targets and actual achievements

- ❖ The performance of programme in 2018/19 remained stagnant as compared to previous years. This was a result of the delay in appointment service providers in formalisation of informal settlements, connection of households to basic services, Issuing of title deeds for subsidy market and poor performing contractors.
- ❖ New housing units provided increased significantly as a result of units delivered through HIDA for previous allocations
- ❖ In the year under review the housing rental tribunal successfully resolved 269 cases out of 308 cases which constituted to 87%.

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Strategic objectives:

| Programme Name: Human Settlements | | | | | |
|---|---------------------------------|-----------------------------|---------------------------------|---|---|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| 3. Housing development properly planned by October each year | 14 850 | 8 000 | 7 201 | 799 | Polokwane municipality has not finalised its priority areas |
| 4. Reduced housing backlog reduced by 80 600 units by 2019 | 9 100 | 12 079 | 13 095 | 1 016 | Improved performance by HDA on rural housing programme |
| 5. Transferred 22 605 housing properties to beneficiaries by 2019 | 2 617 | 8 731 | 3 624 | 5 107 | Un-proclaimed townships |

Reasons for all deviations

- ❖ Delay in procuring service providers
- ❖ HDA was allocated housing units in previous years and delivered in the current year
- ❖ Beneficiaries are untraceable as occupation of houses transferred from multiple beneficiaries over the years

Performance Indicators

| Programme: Human Settlements Sub – Programme: Housing Needs, Research and Planning Strategic Objective: Housing development properly planned by October each year | | | | | | | |
|--|---|---|--|---|--|--|--|
| Performance Indicator | Actual Achievement 2015/16 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 3.1. A Multi Year Housing Development plan/APP developed by October | Reviewed Multiyear Human Settlements development plan | Reviewed Multiyear Human Settlements development plan | Reviewed Multiyear Human Settlements development plan | Reviewed Multiyear Human Settlements development plan | Reviewed Multiyear of the Limpopo MYHDP has been submitted to NDHS. | None | None |
| 3.2. Number of informal settlements formalised through township establishment | 0 | 0 | Two settlements formalized to phase 1: Nkamboko Steenbok Pan /Lesedi | 6 | 2 Draft General Plans submitted to Surveyor General Plan office for approval | 6 | Delay in procuring of service providers |
| 3.3. Number of planned human settlement(Housing) development based on IDPs and National Priorities approved | 12 000 | 13 639 | 14 850 | 8 000 | 7 201 | 799 | Polokwane Municipality did not submit the development areas. |

| Programme: Human Settlements Sub – Programme: Housing Needs, Research and Planning Strategic Objective: Housing development properly planned by October each year | | | | | | | |
|--|--|-------------------------------------|--|---|---|--|---|
| Performance Indicator | Actual Achievement 2015/16 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| (Number of development sites identified) | | | | | | | |
| 3.4. Number of municipalities accredited on Human settlements provision | One Municipality prepared for level two accreditation Three municipalities prepared for level accreditation (accreditation preparatory meetings for Makhado, Musina and Greater Tubatse local municipalities were held) | 0 | 4 Municipalities (Lephalale, Makhado, Fetakgomo – Tubatse and Musina supported for level 1 accreditation and Polokwane municipality accredited for level 2 | Prepare 5 Municipalities (Mogalakwena, Thabazimbi, Greater Tzaneen and Bela-Bela, Fetakgomo Tubatse) for level 1 accreditation | 6 municipalities were prepared for level 1 accreditation, two municipalities were assessed (Greater Tzaneen and Bela-Bela) municipalities for level 1 | 1 | Thulamela municipality was included as is has consistently achieved positive audit outcomes |
| 3.5. Number of Hectares | 131 hectares of | 0 | 0 | 31ha | 0 | 31Ha | Approved |

| Programme: Human Settlements Sub – Programme: Housing Needs, Research and Planning Strategic Objective: Housing development properly planned by October each year | | | | | | | |
|--|--|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|--|
| Performance Indicator | Actual Achievement 2015/16 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| of land acquired | land acquired at Greater Tzaneen Municipality – Hamawasha and Greater Tubatse Municipality - Moolfontein | | | | | | acquisition of two pieces of land awaiting Provincial Treasury concurrence approval. |
| 3.6 Number of beneficiaries exposed to consumer education | N/A | 2 578 | 3 089 | 2 500 | 2 903 | 403 | Special request of consumer education from Collins Chabane Municipality. |

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| Programme: Human Settlements | | | | | | | |
|---|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|--|
| Sub – Programme: Housing Development, Implementation and Targets | | | | | | | |
| Strategic Objective: Reduced housing backlog reduced by 80 600 units by 2019 | | | | | | | |
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 4.1 Number of new houses built (Rural and Urban) | 8 588 | 10 135 | 8 303 | 6 965 | 10 533 | 3 568 | Additional units delivered by the HDA from roll over projects |
| 4.2. Number of households connected to basic services as part of the informal Settlements Upgrading Programme | 1 091 | 0 | 2 813 | 3 316 | 724 | 2 592 | Delay in appointment of service providers |
| 4.3. Number of new sites connected to basic water and sanitation services as part of the Integrated Residential Development Programme | 346 | 4 067 | 480 | 1 313 | 1 673 | 360 | Extended scope of work for existing contractors in order to service more sites |

| Programme: Human Settlements Sub – Programme: Housing Development, Implementation and Targets Strategic Objective: Reduced housing backlog reduced by 80 600 units by 2019 | | | | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|--|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 4.4. Number of rental units built (CRU) and (SH) | 0 | 0 | 0 | 215 | 0 | 215 | Non-performing contractors and labour unrest |
| 4.5. Number of Enhanced Peoples Housing Process units completed | N/A | 90 | 52 | 170 | 17 | 153 | Delay in appointment of service providers |

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| Programme: Integrated Sustainable Human Settlements Sub – Programme: Housing Assets Management and Property Managements Strategic Objective: Transferred 22 605 housing properties to beneficiaries by 2019 | | | | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|--|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 5.1. Number of units transferred through the Enhanced Extended Discount Benefit Scheme | 0 | 0 | 0 | 100 | 109 | 9 | Roll overs and Improved monitoring of service providers by senior management |
| 5.2. Number of new title deeds issued for the subsidy market | N/A | N/A | N/A | 1 082 | 0 | 1 082 | Delay in appointment of service providers |
| 5.3. Number of units Registered and Endorsed | 1 978 | 1017 | 2 617 | 7 549 | 3 454 | 4 095 | Delay by Lephalale Municipality in issuing clearance certificates and power of attorney |
| 5.4. Number of Finance-linked individual subsidy programme (FLISP) units completed | 43 | 6 | 0 | 100 | 6 | 94 | <ul style="list-style-type: none"> Applicants failing national credit requirements Unavailability of |

| Programme: Integrated Sustainable Human Settlements Sub – Programme: Housing Assets Management and Property Managements Strategic Objective: Transferred 22 605 housing properties to beneficiaries by 2019 | | | | | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|---|
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| | | | | | | | affordable stock |
| 5.5. Number of Military Veterans Units to be completed | N/A | N/A | 10 | 150 | 6 | 144 | Units are scattered across the province. |
| 5.6. Number of job opportunities created | 1 325 | 8 672 | 3 823 | 5 000 | 228 | 4 772 | Underperforming of contracts were terminated and scope of work was reduced. |
| 5.7. Number of beneficiaries/subsidies approved on the Housing Subsidy System (HSS) | 8 459 | 8 128 | 15 857 | 7 450 | 6 182 | 1 268 | Late appointment of contractors to allocate subsidies |
| 5.8. Number of reports on rental disputes compiled | 1 | 1 | 1 | 1 | 1 | 0 | None |

| Programme: Integrated Sustainable Human Settlements | | | | | | | |
|---|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|-----------------------|
| Sub – Programme: Housing Assets Management and Property Managements | | | | | | | |
| Strategic Objective: Transferred 22 605 housing properties to beneficiaries by 2019 | | | | | | | |
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 5.9. Number of Reports submitted (Human settlement advisory Panel) | 1 | 1 | 1 | 1 | 1 | 0 | None |

Reasons for all deviations

- ❖ Delay in appointment of service providers for servicing of sites, construction of EPHP units and formalisation of township establishments
- ❖ Prolonged process of acquisition of land and market prices of properties
- ❖ Non- performing contractor and labour unrests impacted negatively completion of rental units
- ❖ Delay issuing clearance certificates and power of attorney by Lephalale municipality for registration of title deeds.

Strategy to overcome areas of under performance

- ❖ The department is continuously engaging provincial treasury on finalisation of acquisition of land after head of the department approved for acquisition of two (2) pieces of land in Elias Motsoaledi and Maruleng Municipalities.
- ❖ To improve contractors performance the department conducted site visit by management to ensure close monitoring and reduction of allocated units per contractor
- ❖ Departmental DBAC through supply chain was engaged to fast track appointment of service providers to delivery in housing programmes
- ❖ Planning to be strengthened through project pipelining.

Changes to planned targets

- ❖ None

Linking performance with budgets

The Human Settlement Development Grant (HSDG) accounts for the majority of developments and infrastructure projects undertaken by the department. The HSDG budget allocation for 2018/19 financial year is R1, 312,187 and total spending as at 31 March 2019 amounted to R1, 236,182 which translated to 94.2%. The department managed to achieve targets set in 2018/19 for performance indicators: - New houses built and new sites connected to basic services as part of the IRDP. But further failed attain targets in the following programmes: - Rental units built, EPHP, FLISP and issuing of title deeds.

Sub-programme expenditure

| Sub- Programme Name | 2017/2018 | | | 2018/2019 | | |
|--|---------------------------|--------------------------|--------------------------------|---------------------------|--------------------------|--------------------------------|
| | 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 |
| Housing Needs, Research and Planning | 65,509 | 65,078 | 431 | 56,821 | 56,749 | 72 |
| Housing Development, Implementation Planning and Targets | 1,275,782 | 1,275,033 | 749 | 1,322,297 | 1,257,184 | 65,213 |
| Housing Assets Management and Property Management | 48,998 | 48,478 | 520 | 67,585 | 56,761 | 10,824 |
| Total | 1,390,289 | 1,388,589 | 1,700 | 1,446,803 | 1,370,694 | 76,109 |

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, cooperative governance support, democratic governance and disaster management.

Sub-programmes:

- ❖ Local Governance Support
- ❖ Development Planning
- ❖ Democratic Governance and Disaster management
- ❖ Municipal Infrastructure Development

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 Municipal Infrastructure Grant still continues to be one of the major contributor in supporting municipalities to access basic services. The provincial allocation for 2018/2019 was increased from R 3,216,894,000.00 to R3, 218,586,000.00 during the adjustment process, an amount of R104.808 million was surrendered from poor spending municipalities in Limpopo and R106.500 million was reallocated to municipalities within the Limpopo province as at end of March 2019.
- ❖ As at the end of March 2019 the vacancy rate was as follows: Municipal Managers- 14%; Chief Financial Officers-18%; Technical Services Managers- 37%; Community Services Managers-22%; Corporate Services Managers-4%; Development and Planning Managers-33%. Audit outcomes of municipalities has improved slightly subject to completion of two outstanding municipalities. One of the major challenge is that the rate at which municipalities address some of the issues raised by AG and ability to implement consequence management.
- ❖ Community protests have increased significantly in the year under review which can be attributed to effectiveness or complaints management systems and public participation programmes

Strategic objectives.

| Programme Name: Cooperative Governance | | | | | |
|--|------------------------------|--------------------------|------------------------------|---|-----------------------|
| Strategic objectives | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| Improved support and oversight in all municipalities by 2019 | 4 | 4 | 4 | 0 | None |

Reasons for all deviations

❖ None

Performance indicators.

| Programme: Cooperative Governance | | | | | | | |
|---|----------------------------------|---------------------------------|---------------------------------|-----------------------------|---------------------------------|--|--------------------------|
| Sub –Programme: Co-operative Governance Support | | | | | | | |
| Strategic Objective: Improved support and oversight in all municipalities by 2019 | | | | | | | |
| Performance Indicator | Actual Achievement nt 2015/16 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 6.1. Number of Section 47 reports compiled as prescribed by the MSA | 1 | 1 | 1 | 1 | 1 | 0 | None |
| 6.2. Number of municipalities supported to comply with MSA Regulations on the appointment of senior | 30 | 27 | 27 | 27 | 27 | 0 | None |

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| Programme: Cooperative Governance Sub –Programme: Co-operative Governance Support Strategic Objective: Improved support and oversight in all municipalities by 2019 | | | | | | | |
|---|----------------------------|------------------------------|------------------------------|--------------------------|------------------------------|---|-----------------------|
| Performance Indicator | Actual Achievement 2015/16 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| managers | | | | | | | |
| 6.3. Number of municipalities supported to institutionalize the Performance Management System (PMS) | 30 | 27 | 27 | 27 | 27 | 0 | None |
| 6.4. Report on the implementation of Back-to-Basics action plans by municipalities | 4 | 4 | 4 | 4 | 4 | 0 | None |
| 6.5. Number of municipalities guided to comply with MPRA. | 25 | 22 | 22 | 22 | 22 | 0 | None |
| 6.6. Number of municipalities monitored on the extent to which anti-corruption measures are implemented | N/A | N/A | N/A | 27 | 27 | 0 | None |
| 6.7. Number of capacity building interventions conducted in municipalities | 4 | 4 | 4 | 4 | 4 | 0 | None |
| 6.8. Number of municipalities monitored on the implementation of infrastructure delivery programmes | 29 | 27 | 27 | 27 | 27 | 0 | None |
| 6.9. Number of municipalities supported to implement indigent policies | 25 | 22 | 22 | 22 | 22 | 0 | None |

| Programme: Cooperative Governance Sub –Programme: Co-operative Governance Support Strategic Objective: Improved support and oversight in all municipalities by 2019 | | | | | | | |
|--|-----------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|------------------------------|
| Performance Indicator | Actual Achievement 2015/16 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 6.10. Number of municipalities supported to maintain functional ward committees | 30 | 26 | 27 | 22 | 22 | 0 | None |
| 6.11. Number of municipalities supported to respond to community concerns | N/A | N/A | N/A | 22 | 11 | 11 | Capacity constraints |
| 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 | N/A | N/A | N/A | 5 | 5 | 0 | None |
| 6.14. Number of municipalities supported with development of IDP | 30 | 27 | 27 | 27 | 27 | 0 | None |
| 6.15. Number of municipalities supported with compilation of AFS for submission to the AG to achieve clean Audit. | 30 | 27 | 27 | 27 | 27 | 0 | None |
| 6.16. Number of municipalities supported with review of staff establishment | N/A | 27 | 27 | 27 | 27 | 0 | None |

| Programme: Cooperative Governance Sub –Programme: Co-operative Governance Support Strategic Objective: Improved support and oversight in all municipalities by 2019 | | | | | | | |
|--|-----------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|------------------------------|
| Performance Indicator | Actual Achievement 2015/16 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations |
| 6.17. Number of municipalities supported to implement SDFs in terms of the guidelines | 25 | 22 | 22 | 22 | 22 | 0 | None |
| 6.18. Number of municipalities supported to implement LUS's in terms of the guidelines | N/A | N/A | 22 | 22 | 22 | 0 | None |
| 6.19. Number of municipalities supported to demarcate sites | N/A | N/A | N/A | 22 | 22 | 0 | None |
| 6.20. Number of reports on provision of basic services | N/A | N/A | 4 | 4 | 4 | 0 | None |
| 6.21. Number of meetings of the Intergovernmental Disaster Management Forum | 4 | 4 | 4 | 4 | 4 | 0 | None |
| 6.22. Number of reports on the functionality of IGR structures. | N/A | N/A | 4 | 4 | 4 | 0 | None |

Reasons for all deviations

- ❖ Capacity constraints (e.g. personnel & systems) on municipalities supported to respond to community concerns

Strategy to overcome areas of under performance

- ❖ Department to prioritise on assessment of 11 municipalities in first quarter 2019/20 financial year.

Changes to planned targets

- ❖ None

Linking performance with budgets

- ❖ Programme spent 98.4% of the final appropriation which is similar to the spending attained in 2017/18 financial year and achieved 90% of the total APP targets which is mainly on administration processes to support municipalities

Sub-programme expenditure

| Sub- Programme Name | 2017/2018 | | | 2018/2019 | | |
|----------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Local Governance | 215,509 | 210,793 | 4,716 | 294,653 | 292,959 | 1,694 |
| Development Planning | 63,277 | 62,554 | 723 | 65,022 | 65,016 | 6 |
| Total | 278,786 | 273,347 | 5,439 | 359,675 | 357,975 | 1,700 |

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 | Actual Achievement 2017/18 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement for 2018/2019 | Comment on deviations |
| Supported all established institutions of Traditional Leadership by 2019 | 12 | 12 | 12 | 0 | None |

Reasons for all deviations

- ❖ None

Performance Indicators:

| Programme: Traditional Affairs | | | | | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|---|--|
| Sub-programme: Traditional Affairs | | | | | | | | |
| Performance Indicator | Actual Achievement 2015/2016 | Actual Achievement 2016/2017 | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from planned target to Actual Achievement 2018/2019 | Comment on deviations | |
| 7.1. Number of sittings by the Provincial House of Traditional Leaders | 2 | 2 | 2 | 2 | 3 | 1 | Special sitting | |
| 7.2. Number of sittings by the Local Houses of Traditional Leaders | 10 | 10 | 10 | 10 | 3 | 7 | Meetings not taking place due to quorum | |
| 7.3. Number of reports on Traditional Leadership Disputes referred to the House | N/A | N/A | N/A | 3 | 3 | 0 | None | |
| 7.4. Number of reports Initiation Schools | N/A | N/A | 4 | 3 | 3 | 0 | None | |
| 7.5. Number of reports on financial reconciliation for Traditional Councils | N/A | N/A | N/A | 4 | 3 | 1 | None | |
| 7.6. Number of Traditional council supported to perform their functions | N/A | N/A | N/A | 185 | 185 | 0 | None | |
| 7.7. Percentage of succession claims/ disputes processed | N/A | N/A | N/A | 100% | 100% | 0 | None | |

Reasons for all deviations

- ❖ Vhembe, Capricorn and Sekhukhune Local Houses where not able to sit as required due to funding challenges by the district municipalities and participants forming a quorum

Strategy to overcome areas of under performance

- ❖ The Accounting Officer facilitating alternative funding models for the Locals House to be functional.

Changes to planned targets

- ❖ None

Linking performance with budgets

- ❖ The department managed to Supported all established institutions on Traditional Leadership as mandated
- ❖ Programme spent 96.2 % of the final appropriation, which is an improvement from 2017/18 financial year. The unspent appropriation is allocated for construction of Traditional Council Offices. Rollover application is being considered.

Sub-programme expenditure

| Sub- Programme Name | 2017/2018 | | | 2018/2019 | | |
|--|---------------------------|--------------------------|--------------------------------|---------------------------|--------------------------|--------------------------------|
| | 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 |
| Traditional Institutional Admin | 449,027 | 420,515 | 28,212 | 515,513 | 501,547 | 13,966 |
| Administration of House of Traditional Leaders | 10, 345 | 9,156 | 1, 189 | 7,064 | 7,063 | 1 |
| TOTAL | 459,372 | 429,671 | 29,401 | 522,577 | 508,610 | 13,967 |

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 2018 to 31 March 2019.

CONDITIONAL GRANT 1 : HUMAN SETTLEMENTS DEVELOPMENT GRANT

| | |
|--|--|
| Department who transferred the grant | National Department Human Settlements |
| Purpose of the grant | Human Settlements Development |
| Expected outputs of the grant | <ul style="list-style-type: none"> Accelerated delivery of housing opportunities Efficient utilisation of land for Human Settlement development Improved property market |
| Actual outputs achieved | <ul style="list-style-type: none"> 10 533 units delivered across all housing programmes 2 533 serviced sites |
| Amount per amended DORA (R'000) | 1,287,681 |
| Amount received (R'000) | 1,287,681 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 1,224,411 |
| Reasons for the funds unspent by the entity | <ul style="list-style-type: none"> Delays in procuring of service providers Poor performance by some contractors whereby contractors failed produce units in a large scale None submission of development areas by Municipalities |
| Reasons for deviations on performance | <ul style="list-style-type: none"> Delays in procuring of service providers Poor performance by some contractors whereby contractors failed produce units in a large scale None submission of development areas by Municipalities Labour unrests |

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| | |
|--|---|
| Measures taken to improve performance | <ul style="list-style-type: none"> • Contractors to enter into sessions with material suppliers to enhance capacity • Regular monitoring of contractors • Contract management meetings • Improvement of procurement process |
| Monitoring mechanism by the receiving department | Review contractor performance and termination of non performing contractors |

CONDITIONAL GRANT 2: TITLE DEEDS RESTORATION GRANT

| | |
|--|--|
| Department who transferred the grant | National Department Human Settlements |
| Purpose of the grant | To provide funding for eradication of the pre-2014 title deeds registration backlog and professional fees associated with |
| Expected outputs of the grant | <ul style="list-style-type: none"> • Beneficiaries confirmed as title deeds holders • Title deeds registered in favour of beneficiaries of government subsidised housing • Townships proclaimed and registers |
| Actual outputs achieved | <ul style="list-style-type: none"> • 97 unit transferred through Enhanced Extended Discount Benefit Schemes • 3 527 units Registered and Endorsed |
| Amount per amended DORA | 22 506 |
| Amount received (R'000) | 22 506 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 11,704 |
| Reasons for the funds unspent by the entity | Late appointment of Service providers |
| Reasons for deviations on performance | Unproclaimed townships delayed registrations of title deeds |
| Measures taken to improve performance | Inter-ministerial task team appointed to unblock the proclamation process for the affected townships |
| Monitoring mechanism by the receiving department | Monthly and quarterly reports |

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CONDITIONAL GRANT 3 : EXPANDED PUBLIC WORKS PROGRAMME

| | |
|--|--|
| Department who transferred the grant | National Department of Public Works |
| Purpose of the grant | To incentivise the department to expand work creation effort through the use unemployed community member on housing projects |
| Expected outputs of the grant | 100 work opportunities |
| Actual outputs achieved | None |
| Amount per amended DORA (R'000) | 2 000 |
| Amount received (R'000) | 2 000 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 0 |
| Reasons for the funds unspent by the entity | Delay in appointment of EPWP workers due to change in implementation approach |
| Reasons for deviations on performance | Delay in appointment of EPWP workers |
| Measures taken to improve performance | Appointment of beneficiaries in departmental constructions projects |
| 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 | 2017/2018 | | | 2018/2019 | | |
|--------------------------------|---------------------------|--------------------------|--------------------------------|---------------------------|--------------------------|--------------------------------|
| | 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 |
| Infrastructure transfer | | | | | | |
| - Current | | | | 24,506 | 11,704 | 12,802 |
| - Capital | 1,253,778 | 1,253,778 | - | 1,287,681 | 1,224,411 | 63,270 |
| Total | 1,253,778 | 1,253,778 | - | 1,312,187 | 1,236,116 | 76,072 |

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

Risk management policy and strategy

The department has a risk management policy and risk management strategy in place. The risk management policy and strategy were adopted by the Risk Management Committee and approved by the Accounting Officer.

Risk assessments

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 objectives of the department to ensure that identified risks are relevant. Management develops risk mitigating measures to deal with the risks through risk assessment.

Risk Management Committee

The department has a Risk Management Committee which is appointed by the Accounting Officer. The Risk Management Committee meets at least four times a year to perform duties stated in the Risk Management Committee Charter and considers progress made with regard to mitigation of significant risks to achievement of departmental objectives and the overall system of risk management.

Audit Committee

The Audit Committee considers progress on implementation of significant risks on a quarterly basis and advises the department on risk management and independently monitors the effectiveness of the system of risk management. The Risk Management progress report is sent to the Audit Committee on quarterly basis and the Audit Committee in turn provide their assessment report that includes recommendations to the department on quarterly basis. The Audit committee also performs Risk Management functions as stated in the Audit Committee Charter.

Assessment of progress in the management of risks

The department monitors prioritised risks that falls outside the risk appetite on a regular basis and the risk monitoring report is send to the Risk Management Committee and Audit Committee for monitoring. The department sees progress in IT risks as they have low risk ratings and are within the risk appetite.

3. FRAUD AND CORRUPTION

In the year under review 17 awareness workshops were conducted in the Department and Municipalities assisted in the implementation of Anti-Fraud and corruption measure.

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.

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 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.

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- (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

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.

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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 2018/19, Annual report 2017/18 and other matters that arose. The dates of meetings are as follows:-

- 26 April 2018
- 20 September 2018
- 23 October 2018
- 20 February 2019

8. SCOPA RESOLUTIONS

In 2014/15 there were five resolutions of which four are resolved. For 2015/16 there were no resolution as well as 2017/18 financial years. The table below details the 2016/17 resolutions and responses provided by the department.

Resolutions for the ending March 2017

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---|--|---|-------------------|
| 1. | Implementation of House resolution for 2014/15 financial year | The Committee recommends that the Executing Authority must interact with the Leader of Government Business to secure a slot to appraise the house on the implementation of the 2014-2015 House resolutions as a matter of urgency and submit a report to SCOPA and the Portfolio Committee on Cooperative Governance, Human Settlements and Traditional Affairs by 30 June 2018. | Through the Office of the leader of government business, we have communicated with the programming committee about the tabling of progress report on the implementation of SCOPA resolutions and we were advised that we will be informed as soon as the programming committee has finalised the matter and programmed departments accordingly. It was agreed that the progress report cannot be tabled as an Executive Statement and should therefore be appropriately programmed. The report on progress made on | No |

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| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|--|--|--|-------------------|
| | | | <p>the implementation of the House resolutions was however consolidated and submitted to Treasury before the 30 June 2018 for review and Treasury responded back to the Department indicating that the four (4) out of five (5) resolutions are found to be in order and are resolved. Annexure A</p> <p>The one resolution that is about the officers who were dismissed in 2014 is still in progress before the courts.</p> <p>Further the department is still awaiting the resolutions for 2015/16 financial year and for financial year 2016/17 the report is ready for presentation.</p> | |
| 2. | Expenditure management, material misstatements in the preparation of the annual financial statements (AFS), contingent liabilities, and non-compliance with applicable legislations.as a result, Department of Health failed to achieve unqualified audit opinion without matters from the Auditor General South | <p>The committee recommends that the Executing Authority must develop a comprehensive plan and appoint personnel with requisite skills to deal with Expenditure management, material under spending of the budget, Material misstatements in the preparation of the Annual Financial Statement (AFS) on measure taken to address anomalies.</p> <p>The executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect from 30 September 2018.</p> | <p>Expenditure management, material misstatements in the preparation of the annual financial statements (AFS)</p> <p>The comprehensive plan was developed to address all the audit findings and the CFO of the Department was seconded to the Department of Education came back to the Department. The Expenditure management was enhanced, material underspending of the budget, Material misstatements in the preparation of the Financial Statements (AFS) did not re-occur during financial year 2017/18 financial year.</p> <p>The audit outcome of the financial year 2017/18 financial year bears reference.</p> <p>Failure to achieve unqualified audit opinion without matters from the Auditor General South</p> | Yes |

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| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|----------------------------------|--|---|-------------------|
| | Africa (AGSA). | | <p>Africa (AGSA)</p> <p>The comprehensive plan was developed to address all the audit findings and the CFO of the Department was seconded to the Department of Education also came back to the Department. The Department's audit outcome has improved from being qualified to unqualified for the financial year 2017/18 financial.</p> <p>Material underspending</p> <p>The material underspending that was caused mainly by Human Settlements Development Grant. The comprehensive plan to prevent recurrence was developed and during financial year 2017/18 audit, there was no finding on underspending.</p> <p>The audit outcome of the financial year 2017/18 financial year bears reference.</p> | |
| 3. | Regression in the audit outcomes | <p>The Committee recommends that the Executing Authority must develop a comprehensive plan and appoint personnel with requisite skills to deal with Expenditure management, material under spending of the budget, Material misstatements in the preparation of the Annual Financial Statement (AFS).</p> <p>The executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect from 30 September 2018.</p> | <p>The comprehensive plan was developed to address all the audit findings and the CFO of the Department was seconded to the Department of Education also came back to the Department. The Department's audit outcome has improved from being qualified to unqualified for the financial year 2017/18 financial.</p> <p>Material underspending</p> <p>The material underspending that was caused mainly by Human Settlements Development Grant. The comprehensive plan to prevent recurrence was developed and during financial year 2017/18 audit, there was no finding on underspending.</p> | Yes |

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| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------------------------------------|---|---|-------------------|
| | | | The audit outcome of the financial year 2017/18 financial year bears reference. | |
| 4. | Accruals and payables not recognized | <p>The Committee recommends that the Executing Authority must take action against the Accounting Officer and the Chief Financial Officer for failing to deal with accruals and payables timeously.</p> <p>The executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect from 30 September 2018.</p> | <p>The Accounting Officer engaged the CFO on the matter of accruals and payables and the CFO has confirmed that the responsible official has been warned on the conduct and proper internal controls were put in place to prevent recurrence. Evidence is available since the finding was not repeated during the 2017/18 financial year audit. Letter of final written warning that was issued to Director: Departmental Expenditure and Housing Finance.</p> <p>The comprehensive plan is in place to ensure that the resolution is fully implemented.</p> | No |
| 5. | Material under spending of the budget | <p>The Committee recommends that the Executing Authority must take action against the Accounting Officer for underspending of the budget.</p> <p>The executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect from 30 September 2018.</p> | <p>The investigation into the material underspending revealed that the cause of this anomaly was due to the following reasons:</p> <ul style="list-style-type: none"> • There were land claims for the identified land to be acquired • Scattered villages that affected delivery of rectification of housing stock. Insufficient number of housing stock in the market for FLISP to approve beneficiaries for individual housing finance linked programme • Delay in relocation of hostel dwellers due to readiness of the areas for which they are allocated for relocation and therefore construction of Marapong CRU did not commence as planned. • Municipalities delaying the | No |

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| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|------------------------------------|---|--|-------------------|
| | | | <p>issuing of clearance certificates for the individual properties for EEDBS</p> <ul style="list-style-type: none"> • None availability of bulk services for upgrading informal settlements <p>No action was therefore against the Accounting Officer for the material underspending.</p> <p>The department comprehensive plan was put in place to prevent recurrence of this anomaly and the improvement was realised in 2017/18 financial year.</p> | |
| | Fruitless and wasteful expenditure | <p>The executing Authority must take action against the Accounting Officer for failing to take effective steps to prevent fruitless and wasteful expenditure amounting to R 108 687 000 as disclosed in note 25 to the annual financial statements in contravention of section 38 (1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1?</p> <p>The Committee further recommends that the Executive Authority must appoint Provincial Treasury to appoint a forensic investigation into all circumstances surrounding the purchase of land in Tubatse as a matter of urgency.</p> <p>The Executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect from 30 September</p> | <p>There was investigation that was commissioned in relation to the purchase of Tubatse land. The forensic investigation was twofold, one was conducted by the Accountant General (National Treasury) and the other by the Directorate for Priority Crimes Investigations (DPCI/HAWKS). The outcomes of the National Treasury's investigation has been submitted for tabling at EXCO while investigation by DPCI is still ongoing.</p> | No |

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| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|--------------------------------|--|---|-------------------|
| | | 2018. | | |
| | Irregular expenditure | <p>The committee recommends that the Accounting Officer must take effective steps to prevent irregular expenditure as required by section 38 (1)(c)(ii) of the PFMA and Treasury regulation 9.1.1. Furthermore, the Executing Authority must conduct investigations into all allegations of financial misconduct committed by officials and take action which is commensurate with the offence committed against responsible officials.</p> <p>Executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect from 30 September 2018.</p> | <p>The department developed the Audit Action plan to address the findings. This includes implementing recommendations of AG to address highlighted internal control deficiencies.</p> <p>With a view to implement the auditor general recommendations regarding the deficiencies in the internal control, the Accounting Officer has restructured the Supply Chain Management personnel through placing competent staff in SCM function.</p> <p>The restructuring included appointment of permanent Chief Director for SCM, redeployment of Acting Director: Demand and Acquisition, redeployment of Deputy Directors in both Acquisition and Demand Management Strategic Business Units. All the above were done by the Accounting officer with a view to address the anomalies identified during the 2017/18 FY</p> | No |
| | Achievement of planned targets | <p>The Committee recommends that the Executive Authority must take appropriate action against the Accounting Officer for this anomaly.</p> <p>The Executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect form 30 September</p> | <p>The Department has established a database of contractors in 2016/17 as an intervention to address poor performance. Performance of individual contractors is monitored weekly and documented in Weekly Performance Reports compiled by the technical teams. The Database enables the Department to reduce the number of allocated units to a contractor where persistence poor performance has been established. In worst-case</p> | No |

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| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---|---|--|-------------------|
| | | 2018. | <p>scenarios, the Department was able to terminate 12 contracts for adverse poor performance. Furthermore, additional dedicated technical monitoring capability has been acquired in the form of a programme Management Units, as provided for in the Human Settlements Development Grant.</p> <p>During the financial year 2017/18, the Department significantly improved the achievement of non-financial targets. Against a target of 9956 houses, the Department achieved 9100 fully-completed houses by 31 March 2018 with beneficiaries, thereby missing the annual target by 856 units that although built by then, they were in progress. The Department achieved 3293 sites out of 5151, with the balance still under progress.</p> | |
| | Annual financial statements, performance and annual reports | <p>The Committee recommends that the Executing Authority must take appropriate action commensurate with the misconduct committed against both statements that were not prepared in accordance with prescribed financial reporting framework as required by section 40 (1) (b) of the PFMA.</p> <p>The Executive Authority must brief the House on progress made every six months on the implementation of this resolution until the resolution is fully implemented with effect from 30 September 2018.</p> | <p>The action was taken against the responsible official as a final written warning Director: Departmental Expenditure and Housing Finance, Ms. AV Libago on the 25 August 2018.</p> <p>The comprehensive plan was also put in place hence there was an improvement, the finding did not reoccur in 2017/18 financial year audit.</p> | Yes |
| | Investigation reports | The Committee resolved that all departments which are | There was investigation that was commissioned in relation to the | No |

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| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|--|--|-------------------|
| | | conduction investigations must table the report in the House by 30 June 2018 and all recommendations by 30 September 2018. | purchase of Tubatse land. The forensic investigation was twofold, one was conducted by the Accountant General (National Treasury) and the other by the Directorate for Priority Crimes Investigations (DPCI/HAWKS). The outcomes of the National Treasury's investigation has been submitted for tabling at EXCO while investigation by DPCI is still ongoing. | |

3. PRIOR MODIFICATIONS TO AUDIT REPORTS

| Nature of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|--|--|--|
| 1. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. | 2016/17 | The compilation of financial statements is delegated to the Chief Director: Financial Management Services in line with paragraph 22 of the financial delegation with the condition that the CFO must ensure accuracy before approval by the Accounting Officer and submission to the Auditor General and Treasury. All SMS members within the Financial Management Branch are required to sign a pledge to the effect that information submitted for supporting financial statements is accurate and complete. |
| 2. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R824 641 000, as disclosed in note 24 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 principal. | 2016/17 | <p>In efforts to resolve the matter, our officials subsequently had a joint meeting on the 11th June 2018 with provincial AG, Department of Human Settlements (DHS) and Office of the Chief Procurement Officer (OCPO). This meeting had been suggested by the National AG as they felt that the OCPO as a policy maker, and not themselves, were better placed to handle the matter.</p> <p>At the aforementioned meeting, the OCPO representative seemed to understand the uniqueness of the low cost housing procurement and advised that we could request an exemption in terms of section 3 (c)</p> |

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| Nature of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|--|--|--|
| | | <p>of the PFMA</p> <p>Section 3(c) of the PPPFA allows the department to request an exemption from any or all the provision of the PPPFA if it is in the public interest. The department is in the process of obtaining exemption from the Minister to ensure that irregular expenditure is not accumulated due to non-existence of the policy as contemplated in the PPPFA</p> |
| 3. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1. | 2017/18 | <p>Practice Note 8 of 2007/08 issued by the National Treasury states that if it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting officer / authority or his / her delegate. According to our records, approvals have been sought for all transactions below R500 000 referred to in the Auditor General's report in line with the Practice note 8 of 2007/08. The AG further allows the accounting officer to provide documentary evidence to the contrary where there is a disagreement with the audit finding communicated</p> |
| 4. The preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the PPPFA and treasury regulations 16A6.3 (b). | 2016/17 | <p>Section 6 of the PPPFA regulations published in 2017 requires the preference points system to be applied for the acquisition of goods and services in respect of tender with the Rand value equal to or above R30 000. Therefore, the application of preference points for the acquisition of goods and services with the Rand value below R30 000 is not mandatory</p> |
| 5. Some quotations were awarded to bidders based on pre-qualification criteria that were not stipulated or were differed from those stipulated in the original invitation for bidding quotations, in contravention of the 2017 preferential procurement regulation 4(1) and 4(2) | 2017/18 | <p>The department has delegated officials in Supply Chain Management to process documentation for bids in line with the procurement prescripts. Regular training for the officials in SCM to capacitate them on developments on procurement issues. Restructuring has also been done to get more capable officials to SCM. The department has further sought the services of an independent investigator to determine whether the omission was as a result of fraud or error.</p> |
| 6. Some of the bid documentation | 2017/18 | Training is arranged for the officials in SCM to |

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| Nature of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|--|--|--|
| for procurement of commodities designated for local content and production, did not meet the stipulated minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8 (2). | | capacitate the on procurement issues including evaluation based on a stipulated minimum threshold for local production and content. The department has further sought the services of an independent investigator to determine whether the omission was as a result of fraud or error |
| 7. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 preferential procurement regulation. | 2017/18 | |
| 8. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5). | 2017/18 | |

4. 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 providers 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

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5. INTERNAL AUDIT AND AUDIT COMMITTEES

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.

Summary of Provincial Internal Audit work performed

Risk Based Audit

| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---|---|---|
| <ul style="list-style-type: none"> Annual Financial Statements (AFS) Review | <ul style="list-style-type: none"> Fleet Management Performance Management Development System (PMDS) General Records Management Traditional Affairs: Revenue and Payments | <ul style="list-style-type: none"> Supply Chain Management Interim Financial Statements Human Resource Management: Recruitment & Terminations Expenditure Management: Housing Finance Procurement of Housing Contractors Upgrading Informal Settlements | <ul style="list-style-type: none"> Effectiveness of Risk Management Process Housing Units Project Management Transfer of Housing Ownership Rental Units Building Project Management |

Performance Audit

| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|--|--|---|
| <ul style="list-style-type: none"> Annual Report Review | <ul style="list-style-type: none"> Consulting Engagement on Annual Performance Plan | <ul style="list-style-type: none"> | <ul style="list-style-type: none"> Assurance Engagement on Performance Information |

Fraud Audit

| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|-----------|-----------|--|-----------|
| None | None | <ul style="list-style-type: none"> Ethics | None |

Information Systems Audit

| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|-----------|-----------|-----------|
| <ul style="list-style-type: none"> Cyber Security | None | None | None |



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PROVINCIAL TREASURY

6. 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 2019.

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 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.

Evaluation of Financial Statements

Audit Committee reviewed the annual financial statements prepared by the department at the audit committee meeting held on 22 May 2019, and recommended them for audit.

Evaluation of Annul Report

At the same audit committee meeting, Audit Committee evaluated draft annual report (including performance report) and recommended the report for audit after further refinement by management.

Auditor General's Report

The Audit Committee evaluated management responses to the report or findings of the Auditor-General (Action plan to address prior year findings) on quarterly basis and gave inputs and advice on how best to address the findings raised by the AGSA. Consequently, the department received an unqualified audit opinion which is the same as last year's unqualified audit opinion.

Finally the Audit Committee concurs and accepts the conclusions of the Auditor-General on

the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General. The Committee has also reviewed the performance information as included in the Auditor General report together with the management letter, and is of the opinion that the Accounting Officer should develop a strategy to address all findings contained therein.



SAB Ngobeni

Chairperson of the Audit Committee

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

Date 31 July 2019

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 2018/19 financial embarked on a recruitment process of filling all prioritised and funded vacant posts in an effort of reducing vacancy rate. A total of 29 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 and intended to:

- a) Ensure alignment with the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and the Departmental Strategic Plan and Annual Performance Plan;
- 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 offices 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 8 wellness sessions were organised and 614 employees were reached on Health and Wellness issues across the department. Health Talks were organised, where employees 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 in the 2018/19 financial year 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

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);
- ❖ A total of 1431 officials were trained in line with the Departmental Workplace Skills plan. 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 learnerships 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 HUMAN RESOURCES OVERSIGHT STATISTICS

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 2018 and 31 March 2019

| 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 | 357 772 | 201 340 | 0.00 | 0.00 | 56 | 433 |
| HUMAN SETTLEMENT | 1 370 703 | 106 880 | 0.00 | 0.00 | 8 | 664 |
| CO-OPERATIVE GOVERNANCE | 357 975 | 266 135 | 0.00 | 0.00 | 74 | 444 |
| TRADITION INSTITUTION DEVELOPMENT | 508 610 | 436 226 | 0.00 | 0.00 | 86 | 171 |
| Total as on Financial Systems (BAS) | 2 595 060 | 1 010 581 | 0.00 | 0.00 | 39 | 267 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|---|-------------------------------|---------------------------|------------------|---|
| 01 Lower skilled (Levels 1-2) | 45 436 | 4.4 | 276 | 164 623 |
| 02 Skilled (Levels 3-5) | 77 001 | 7.4 | 332 | 231 931 |
| 03 Highly skilled production (Levels 6-8) | 392 524 | 37.7 | 1 060 | 370 306 |
| 04 Highly skilled supervision (Levels 9-12) | 238 315 | 22.9 | 313 | 761 390 |
| 05 Senior management (Levels >= 13) | 60 780 | 5.8 | 49 | 1 240 408 |
| 11 Contract (Levels 3-5) | 289 | 0.0 | 1 | 289 000 |
| 12 Contract (Levels 6-8) | 653 | 0.1 | 1 | 653 000 |

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| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|----------------------------|-------------------------------|---------------------------|------------------|---|
| 13 Contract (Levels 9-12) | 10 562 | 1.0 | 13 | 812 462 |
| 14 Contract (Levels >= 13) | 3 665 | 0.4 | 4 | 916 250 |
| 18 Contract Other | 9 632 | 0.9 | 109 | 88 367 |
| 20 Abnormal Appointment | 178 608 | 17.1 | 1 630 | 109 575 |
| TOTAL | 1 017 463 | 97.7 | 3 788 | 268 602 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 and 31 March 2019

| 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 | 168 395 | 80.3 | 2 774 | 1.3 | 5 527 | 2.6 | 8 674 | 4.1 |
| PR2:CGHT:HUMAN SETTLEMENT | 90 619 | 77.9 | 482 | 0.4 | 2 830 | 2.4 | 3 519 | 3.0 |
| PR3:CGHT:CORPORATIVE GOVERNANCE | 599 488 | 84.3 | 337 | 0.0 | 21 916 | 3.1 | 29 858 | 4.2 |
| STATUTORY | 4 043 | 87.0 | 13 | 0.3 | 56 | 1.2 | 119 | 2.6 |
| TOTAL | 862 545 | 83 | 3 606 | 0.3 | 30 328 | 2.9 | 42 170 | 4.0 |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

| 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 |
| 01 Lower skilled (Levels 1-2) | 32 035 | 70.5 | 14 | 0.0 | 4 358 | 9.6 | 5 022 | 11.0 |
| 02 Skilled (Levels 3-5) | 57 317 | 74.4 | 87 | 0.1 | 5 137 | 6.7 | 7 268 | 9.4 |

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| 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 |
| 03 Highly skilled production (Levels 6-8) | 319 123 | 80.7 | 2 446 | 0.6 | 13 504 | 3.4 | 22 608 | 5.7 |
| 04 Highly skilled supervision (Levels 9-12) | 199 062 | 78.0 | 933 | 0.4 | 5 564 | 2.2 | 6 526 | 2.6 |
| 05 Senior management (Levels >= 13) | 52 660 | 82.6 | 0 | 0.0 | 1 701 | 2.7 | 717 | 1.1 |
| 11 Contract (Levels 3-5) | 243 | 84.1 | 46 | 15.9 | 0 | 0.0 | 0 | 0.0 |
| 12 Contract (Levels 6-8) | 575 | 87.8 | 3 | 0.5 | 8 | 1.2 | 17 | 2.6 |
| 13 Contract (Levels 9-12) | 9 990 | 84.6 | 0 | 0.0 | 56 | 0.5 | 0 | 0.0 |
| 14 Contract (Levels >= 13) | 3 390 | 89.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 18 Contract Other | 9 554 | 98.3 | 78 | 0.8 | 0 | 0.0 | 0 | 0.0 |
| 20 Abnormal Appointment | 178 596 | 100.0 | 0 | 0.0 | 0 | 0.0 | 12 | 0.0 |
| TOTAL | 862 545 | 83 | 3 606 | 0.3 | 30 328 | 2.9 | 42 170 | 4.0 |

3.2. 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.

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Table 3.2.1 Employment and vacancies by programme as on 31 March 2019

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--------------|---|------------------------|--------------|---|
| Programme 1 | 402 | 362 | 9.95 | 29 |
| Programme 2 | 175 | 161 | 8 | 1 |
| Programme 3 | 643 | 594 | 7.62 | 0 |
| Programme 4 | 833 | 748 | 10.20 | 0 |
| Total | 2053 | 1865 | 9.15 | 30 |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2019

| 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) | 334 | 292 | 12.57 | 14 |
| Skilled(3-5) | 346 | 318 | 8.09 | 4 |
| Highly skilled production (6-8) | 933 | 883 | 5.35 | 11 |
| Highly skilled supervision (9-12) | 376 | 323 | 14.09 | 1 |
| Senior management (13-16) | 64 | 49 | 23.43 | 0 |
| Total | 2053 | 1865 | 9.15 | 30 |

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2019

| Critical Occupations | Number of Posts | Number of Posts Filled | Vacancy Rate (Includes Posts) | Rate Frozen | Number of Posts Filled Additional to the Establishment |
|---|-----------------|------------------------|-------------------------------|-------------|--|
| ADMINISTRATIVE RELATED, Permanent | 1093 | 1018 | 6.9 | | 10 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent | 13 | 9 | 30.8 | | 0 |
| AUXILIARY AND RELATED WORKERS, Permanent | 20 | 16 | 20.0 | | 0 |
| CARTOGRAPHERS AND SURVEYORS, Permanent | 1 | 1 | 0.0 | | 0 |
| CIVIL ENGINEERING TECHNICIANS, Permanent | 2 | 2 | 0.0 | | 0 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS | 86 | 76 | 11.6 | | 0 |

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| Critical Occupations | Number of Posts | Number of Posts Filled | Vacancy (Includes Posts) | Rate Frozen | Number of Posts Filled Additional to the Establishment |
|---|-----------------|------------------------|--------------------------|-------------|--|
| ETC., Permanent | | | | | |
| CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS), Permanent | 1 | 1 | 0.0 | | 0 |
| COMMUNICATION AND INFORMATION RELATED, Permanent | 14 | 13 | 7.1 | | 0 |
| COMMUNITY DEVELOPMENT WORKERS, Permanent | 9 | 0 | 100.0 | | 0 |
| ENGINEERING SCIENCES RELATED, Permanent | 3 | 3 | 0.0 | | 0 |
| ENGINEERS AND RELATED PROFESSIONALS, Permanent | 103 | 93 | 9.7 | | 1 |
| FINANCE AND ECONOMICS RELATED, Permanent | 4 | 3 | 25.0 | | 0 |
| FINANCIAL AND RELATED PROFESSIONALS, Permanent | 48 | 45 | 6.3 | | 0 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent | 176 | 168 | 4.5 | | 0 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent | 1 | 1 | 0.0 | | 0 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent | 12 | 10 | 16.7 | | 0 |
| HUMAN RESOURCES CLERKS, Permanent | 12 | 12 | 0.0 | | 0 |
| HUMAN RESOURCES RELATED, Permanent | 44 | 40 | 9.1 | | 0 |
| LEGAL RELATED, Permanent | 8 | 7 | 12.5 | | 0 |
| LIBRARY MAIL AND RELATED CLERKS, Permanent | 1 | 0 | 100.0 | | 0 |
| LOGISTICAL SUPPORT PERSONNEL, Permanent | 257 | 227 | 11.7 | | 14 |

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| Critical Occupations | Number of Posts | Number of Posts Filled | Vacancy (Includes Posts) | Rate Frozen | Number of Posts Filled Additional to the Establishment |
|---|-----------------|------------------------|--------------------------|-------------|--|
| MESSENGERS PORTERS AND DELIVERERS, Permanent | 6 | 6 | | 0.0 | 0 |
| MOTOR VEHICLE DRIVERS, Permanent | 2 | 2 | | 0.0 | 0 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent | 24 | 22 | | 8.3 | 0 |
| OTHER OCCUPATIONS, Permanent | 201 | 197 | | 2.0 | 5 |
| QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE, Permanent | 1 | 1 | | 0.0 | 0 |
| RISK MANAGEMENT AND SECURITY SERVICES, Permanent | 9 | 8 | | 11.1 | 0 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent | 39 | 33 | | 15.4 | 0 |
| SECURITY GUARDS, Permanent | 151 | 132 | | 12.6 | 0 |
| SENIOR MANAGERS, Permanent | 24 | 12 | | 50.0 | 0 |
| TOTAL | 2 365 | 2 158 | | 8.8 | 30 |

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

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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 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 15 | 4 | 1 | 25 | 3 | 75 |
| Salary Level 14 | 17 | 14 | 82 | 3 | 18 |
| Salary Level 13 | 41 | 31 | 76 | 10 | 24 |
| Total | 63 | 47 | 75 | 16 | 25 |

Table 3.3.2 SMS post information as on 30 September 2018

| 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 | 2 | 50 | 2 | 50 |
| Salary Level 14 | 17 | 14 | 82.4 | 3 | 17.6 |
| Salary Level 13 | 42 | 33 | 78.6 | 9 | 21 |
| Total | 64 | 50 | 78.1 | 14 | 21.9 |

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Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

| 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 | 01 | 0 | 0 |
| Salary Level 14 | 0 | 0 | 0 |
| Salary Level 13 | 02 | 0 | 0 |
| Total | 03 | 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 2018 and 31 March 19

| |
|---|
| Reasons for vacancies not advertised within six months |
| N/A |

| |
|---|
| Reasons for vacancies not filled within twelve months |
| Posts had to be evaluated by Office of the Premier and approved by Treasury prior to being advertised and filled. The process took some time. |
| The moratorium to put appointments of SMS on hold for a while |

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 2018 and 31 March 2019

| |
|---|
| Reasons for vacancies not advertised within six months |
| No disciplinary steps taken |

| |
|---|
| Reasons for vacancies not filled within six months |
| N/A |

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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 2018 and 31 March 2019

| 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) | 334 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 346 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 933 | 1 | 0.1 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 376 | 2 | 0.5 | 0 | 0 | 0 | 0 |
| Senior Management Service Band A | 41 | 4 | 9.8 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 17 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 4 | 1 | 1 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 2 | 0 | 1 | 0 | 0 | 0 | 0 |
| Total | 2053 | 8 | 0.4 | 0 | 0 | 0 | 0 |

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Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 and 31 March 2019

| Gender | African | Asian | Coloured | White | Total |
|--------------|----------|----------|----------|----------|----------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | |
|-----------------------------|---|
| Employees with a disability | 0 |
|-----------------------------|---|

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 2018 and 31 March 2019

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

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 2018 and 31 March 2019

| Gender | African | Asian | Coloured | White | Total |
|---------------|----------|----------|----------|----------|----------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | | | | | |
|------------------------------------|----------|----------|----------|----------|----------|
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
|------------------------------------|----------|----------|----------|----------|----------|

| | |
|--|---|
| Total number of Employees whose salaries exceeded the grades determine by job evaluation | 0 |
|--|---|

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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 2018 and 31 March 2019

| Salary band | Number of employees at beginning of period-1 April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Lower Skilled (Levels 1-2) Permanent | 293 | 3 | 20 | 6.8 |
| Skilled (Levels 3-5) Permanent | 345 | 2 | 16 | 4.6 |
| Highly Skilled Production (Levels 6-8) Permanent | 1 080 | 17 | 32 | 3.0 |
| Highly Skilled Supervision (Levels 9-12) Permanent | 322 | 4 | 21 | 6.5 |
| Senior Management Service Band A Permanent | 35 | 0 | 3 | 8.6 |
| Senior Management Service Band B Permanent | 14 | 0 | 1 | 7.1 |
| Senior Management Service Band C Permanent | 5 | 0 | 1 | 20.0 |
| Senior Management Service Band D Permanent | 1 | 0 | 0 | 0.0 |
| Other Permanent | 4 | 130 | 25 | 625.0 |
| Contract (Levels 3-5) Permanent | 1 | 0 | 0 | 0.0 |
| Contract (Levels 6-8) Permanent | 3 | 0 | 2 | 66.7 |
| Contract (Levels 9-12) Permanent | 22 | 5 | 14 | 63.6 |
| Contract Band D Permanent | 1 | 00 | 0.00 | 0.0 |
| TOTAL | 2 126 | 166 | 137 | 6.4 |

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Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

| Critical occupation | Number of employees at beginning of period-April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| ADMINISTRATIVE RELATED Permanent | 877 | 133 | 56 | 6.4 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent | 9 | 1 | 2 | 22.2 |
| AUXILIARY AND RELATED WORKERS Permanent | 19 | 0 | 3 | 15.8 |
| CARTOGRAPHERS AND SURVEYORS Permanent | 1 | 0 | 0 | 0.0 |
| CIVIL ENGINEERING TECHNICIANS Permanent | 6 | 0 | 4 | 66.7 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent | 84 | 1 | 9 | 10.7 |
| CLIENT INFORM CLERKS(SWITCHBOARD RECEPTION CLERKS) Permanent | 2 | 0 | 0 | 0.0 |
| COMMUNICATION AND INFORMATION RELATED Permanent | 14 | 0 | 1 | 7.1 |
| ENGINEERING SCIENCES RELATED Permanent | 4 | 0 | 1 | 25.0 |
| ENGINEERS AND RELATED PROFESSIONALS Permanent | 99 | 7 | 12 | 12.1 |
| FINANCE AND ECONOMICS RELATED Permanent | 2 | 0 | 0 | 0.0 |
| FINANCIAL AND RELATED PROFESSIONALS Permanent | 43 | 0 | 1 | 2.3 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent | 173 | 0 | 2 | 1.2 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent | 1 | 0 | 0 | 0.0 |
| HUMAN RESOURCES & ORGANISATION DEVELOPMENT & RELATED PROFESSIONALS Permanent | 10 | 0 | 0 | 0.0 |
| HUMAN RESOURCES CLERKS Permanent | 14 | 0 | 0 | 0.0 |
| HUMAN RESOURCES RELATED | 39 | 0 | 1 | 2.6 |

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| Critical occupation | Number of employees at beginning of period-April 2018 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| Permanent | | | | |
| LEGAL RELATED Permanent | 8 | 0 | 1 | 12.5 |
| LIBRARY MAIL AND RELATED CLERKS Permanent | 3 | 0 | 0 | 0.0 |
| LOGISTICAL SUPPORT PERSONNEL Permanent | 241 | 2 | 16 | 6.6 |
| MESSENGERS PORTERS AND DELIVERERS Permanent | 6 | 0 | 0 | 0.0 |
| MOTOR VEHICLE DRIVERS Permanent | 2 | 0 | 0 | 0.0 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent | 71 | 1 | 0 | 0.0 |
| OTHER OCCUPATIONS Permanent | 195 | 15 | 12 | 6.2 |
| QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE Permanent | 1 | 0 | 0 | 0.0 |
| RISK MANAGEMENT AND SECURITY SERVICES Permanent | 8 | 0 | 0 | 0.0 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent | 41 | 0 | 1 | 2.4 |
| SECURITY GUARDS Permanent | 140 | 1 | 9 | 6.4 |
| SENIOR MANAGERS Permanent | 13 | 5 | 6 | 46.2 |
| TOTAL | 2 126 | 166 | 137 | 6.4 |

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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 2018 and 31 March 2019

| Termination Type | Number | % of Total Resignations |
|---|------------|-------------------------|
| Death, Permanent | 20 | 15 |
| Resignation, Permanent | 31 | 23 |
| Expiry of contract, Permanent | 35 | 26 |
| Discharged due to ill health, Permanent | 1 | 1 |
| 09 Retirement, Permanent | 50 | 35 |
| TOTAL | 137 | 100 |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

| Occupation | Employees 1 April 2018 | 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 | 877 | 5 | 0.6 | 203 | 23.1 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS | 9 | 1 | 11.1 | 0 | 0.0 |
| AUXILIARY AND RELATED WORKERS | 19 | 0 | 0.0 | 1 | 5.3 |
| CARTOGRAPHERS AND SURVEYORS | 1 | 0 | 0.0 | 0 | 0.0 |
| CIVIL ENGINEERING TECHNICIANS | 6 | 0 | 0.0 | 0 | 0.0 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 84 | 0 | 0.0 | 49 | 58.3 |
| CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) | 2 | 0 | 0.0 | 0 | 0.0 |
| COMMUNICATION AND INFORMATION RELATED | 14 | 0 | 0.0 | 9 | 64.3 |

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| Occupation | Employees 1 April 2018 | 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 | 4 | 0 | 0.0 | 0 | 0.0 |
| ENGINEERS AND RELATED PROFESSIONALS | 99 | 0 | 0.0 | 0 | 0.0 |
| FINANCE AND ECONOMICS RELATED | 2 | 1 | 50.0 | 0 | 0.0 |
| FINANCIAL AND RELATED PROFESSIONALS | 43 | 1 | 2.3 | 12 | 27.9 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS | 173 | 0 | 0.0 | 96 | 55.5 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER | 1 | 0 | 0.0 | 0 | 0.0 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF | 10 | 0 | 0.0 | 2 | 20.0 |
| HUMAN RESOURCES CLERKS | 14 | 0 | 0.0 | 1 | 7.1 |
| HUMAN RESOURCES RELATED | 39 | 2 | 5.1 | 4 | 10.3 |
| LEGAL RELATED | 8 | 0 | 0.0 | 0 | 0.0 |
| LIBRARY MAIL AND RELATED CLERKS | 3 | 0 | 0.0 | 0 | 0.0 |
| LOGISTICAL SUPPORT PERSONNEL | 241 | 0 | 0.0 | 117 | 48.5 |
| MESSENGERS PORTERS AND DELIVERERS | 6 | 0 | 0.0 | 2 | 33.3 |
| MOTOR VEHICLE DRIVERS | 2 | 0 | 0.0 | 0 | 0.0 |
| OTHER ADMINISTRAT & RELATED CLERKS | 71 | 0 | 0.0 | 8 | 11.3 |

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| Occupation | Employees 1 April 2018 | 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 |
|---|------------------------------|--|--|--|---|
| AND ORGANISERS | | | | | |
| OTHER OCCUPATIONS | 195 | 0 | 0.0 | 5 | 2.6 |
| QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE | 1 | 0 | 0.0 | 1 | 100.0 |
| RISK MANAGEMENT AND SECURITY SERVICES | 8 | 0 | 0.0 | 1 | 12.5 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 41 | 0 | 0.0 | 23 | 56.1 |
| SECURITY GUARDS | 140 | 0 | 0.0 | 17 | 12.1 |
| SENIOR MANAGERS | 13 | 0 | 0.0 | 2 | 15.4 |
| TOTAL | 2 126 | 10 | 0.5 | 553 | 26.0 |

Table 3.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019

| Salary Band | Employees 1 April 2018 | 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 |
|---|------------------------------|--|---|--|---|
| 01 Lower Skilled (Levels 1-2), Permanent | 293 | 0 | 0.0 | 149 | 50.9 |
| 02 Skilled (Levels 3-5), Permanent | 345 | 0 | 0.0 | 134 | 38.8 |
| 03 Highly Skilled Production (Levels 6-8), Permanent | 1 080 | 0 | 0.0 | 194 | 18.0 |
| 04 Highly Skilled Supervision (Levels 9-12), Permanent | 322 | 9 | 2.8 | 50 | 15.5 |
| 05 Senior Management (Levels >= 13), Permanent | 55 | 1 | 1.8 | 26 | 47.3 |

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| Salary Band | Employees 1 April 2018 | 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 |
|---|------------------------------|--|---|--|---|
| 09 Other, Permanent | 4 | 0 | 0.0 | 0 | 0.0 |
| 11 Contract (Levels 3-5), Permanent | 1 | 0 | 0.0 | 0 | 0.0 |
| 12 Contract (Levels 6-8), Permanent | 3 | 0 | 0.0 | 0 | 0.0 |
| 13 Contract (Levels 9-12), Permanent | 22 | 0 | 0.0 | 0 | 0.0 |
| 14 Contract (Levels >= 13), Permanent | 1 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 2 126 | 10 | 0.5 | 553 | 2600 |

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 2019

| Occupational Categories | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|------------------|-------------------|-----------------|--------------------------|----------------|--------------------|---------------------|-------------------|----------------------------|------------------|--------------|
| PROFESSIONALS | 106 | 0 | 0 | 106 | 3 | 116 | 0 | 0 | 116 | 2 | 227 |
| TECHNICIANS AND ASSOCIATE PROFESSIONALS | 547 | 1 | 0 | 548 | 2 | 709 | 1 | 0 | 710 | 3 | 1 263 |
| LABOURERS AND RELATED WORKERS | 163 | 0 | 0 | 163 | 0 | 113 | 0 | 0 | 113 | 0 | 276 |
| PLANT AND MACHINE OPERATORS AND ASSEMBLERS | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| SERVICE SHOP AND MARKET SALES WORKERS | 104 | 1 | 0 | 105 | 0 | 35 | 0 | 0 | 35 | 0 | 140 |
| CLERKS | 56 | 0 | 0 | 56 | 0 | 179 | 1 | 0 | 180 | 0 | 236 |
| SENIOR OFFICIALS AND MANAGERS | 8 | 0 | 0 | 8 | 0 | 5 | 0 | 0 | 5 | 1 | 14 |
| TOTAL | 986 | 2 | 0 | 988 | 5 | 1 157 | 2 | 0 | 1 159 | 6 | 2 158 |

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| Occupational Categories | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|-----------------------------|---------------|----------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-------|
| Employees with disabilities | 10 | 0 | 0 | 10 | 0 | 12 | 0 | 0 | 12 | 1 | 23 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

| Occupational band | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management, Permanent | 3 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 4 |
| Senior Management, Permanent | 27 | 0 | 0 | 1 | 16 | 0 | 0 | 1 | 45 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 167 | 1 | 0 | 1 | 142 | 0 | 0 | 2 | 313 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 476 | 0 | 0 | 0 | 580 | 2 | 0 | 2 | 1 060 |
| Semi-skilled and discretionary decision making, Permanent | 155 | 0 | 0 | 0 | 177 | 0 | 0 | 0 | 332 |
| Unskilled and defined decision making, Permanent | 106 | 0 | 0 | 0 | 170 | 0 | 0 | 0 | 276 |
| Not Available, Permanent | 45 | 1 | 0 | 0 | 63 | 0 | 0 | 0 | 109 |
| Contract (Top Management), Permanent | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 3 |
| Contract (Senior Management), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

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| Occupational band | Male | | | | Female | | | | Total |
|--|------------|----------|----------|----------|--------------|----------|----------|----------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Contract (Professionally Qualified), Permanent | 5 | 0 | 0 | 3 | 4 | 0 | 0 | 1 | 13 |
| Contract (Skilled Technical), Permanent | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Contract (Semi-Skilled), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 986 | 2 | 0 | 5 | 1 157 | 2 | 0 | 6 | 2 158 |

Table 3.6.3 Recruitment for the period 1 April 2018 to 31 March 2019

| Occupational band | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Professionally qualified and experienced specialists and mid-management, Permanent | 3 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 12 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 17 |
| Semi-skilled and discretionary decision making, Permanent | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Unskilled and defined decision making, Permanent | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |
| Not Available, Permanent | 55 | 1 | 0 | 0 | 74 | 0 | 0 | 0 | 130 |
| Contract (Top Management), Permanent | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 3 |

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| Occupational band | Male | | | | Female | | | | Total |
|--|-----------|----------|----------|----------|-----------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Contract (Senior Management), Permanent | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Contract (Professionally qualified), Permanent | 2 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 5 |
| TOTAL | 76 | 1 | 0 | 0 | 89 | 0 | 0 | 0 | 166 |
| Employees with disabilities | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |

Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019

| 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 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Professionally qualified and experienced specialists and mid-management | 6 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 10 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled and discretionary decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled and defined | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| | | | | | | | | | |
|------------------------------------|---|---|---|---|---|---|---|---|----|
| decision making | | | | | | | | | |
| Total | 7 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 11 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |

Table 3.6.5 Terminations for the period 1 April 2018 to 31 March 2019

| Occupation | Employment at beginning of period | Appointments | Terminations | Turnover Rate |
|---|-----------------------------------|--------------|--------------|---------------|
| Administrative related permanent | 877 | 133 | 56 | 6.4 |
| Architects town and traffic planners permanent | 9 | 1 | 2 | 22.2 |
| Auxiliary and related workers permanent | 19 | 0 | 3 | 15.8 |
| Cartographers and surveyors permanent | 1 | 0 | 0 | 0.0 |
| Civil engineering technicians permanent | 6 | 0 | 4 | 66.7 |
| Cleaners in offices workshops hospitals etc. Permanent | 84 | 1 | 9 | 10.7 |
| Client inform clerks (switchboard recept inform clerks) permanent | 2 | 0 | 0 | 0.0 |
| Communication and information related permanent | 14 | 0 | 1 | 7.1 |
| Engineering sciences related permanent | 4 | 0 | 1 | 25.0 |
| Engineers and related professionals permanent | 99 | 7 | 12 | 12.1 |
| Finance and economics related permanent | 2.00 | 0 | 0 | 0.0 |
| Financial and related professionals permanent | 43.00 | 0 | 1 | 2.3 |

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| Occupation | Employment at Beginning of Period | Appointments | Terminations | Turnover Rate |
|--|-----------------------------------|--------------|--------------|---------------|
| Financial clerks and credit controllers permanent | 173 | 0 | 2 | 1.2 |
| Head of department/chief executive officer permanent | 1 | 0 | 0 | 0.0 |
| Human resources & organisational development & relate prof permanent | 10 | 0 | 0 | 0.0 |
| Human resources clerks permanent | 14 | 0 | 0 | 0.0 |
| Human resources related permanent | 39 | 0 | 1 | 2.6 |
| Legal related permanent | 8 | 0 | 1 | 12.5 |
| Library mail and related clerks permanent | 3 | 0 | 0 | 0.0 |
| Logistical support personnel permanent | 241 | 2 | 16 | 6.6 |
| Messengers porters and deliverers permanent | 6 | 0 | 0 | 0.0 |
| Motor vehicle drivers permanent | 2 | 0 | 0 | 0.0 |
| Other administrat & related clerks and organisers permanent | 71 | 1 | 0 | 0.0 |
| Other occupations permanent | 195 | 15 | 12 | 6.2 |
| Quantity surveyors & rela prof not class elsewhere permanent | 1 | 0 | 0 | 0.0 |
| Risk management and security services permanent | 8 | 0 | 0 | 0.0 |
| Secretaries & other keyboard operating clerks permanent | 41 | 0 | 1 | 2.4 |
| Security guards permanent | 140 | 1 | 9 | 6.4 |
| Senior managers permanent | 13 | 5 | 6 | 46.2 |

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| Occupation | Employment Beginning Period | at of | Appointments | Terminations | Turnover Rate |
|--------------|-----------------------------------|----------|--------------|--------------|---------------|
| TOTAL | 2 126 | | 166 | 137 | 6.4 |

Table 3.6.6 Disciplinary action for the period 1 April 2018 to 31 March 2019

| Disciplinary action | Male | | | | Female | | | | Total |
|------------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Fraud case | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Negligent cases | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| False accusation case | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| RWOPS | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

Table 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019

| Occupational category | Male | | | | Female | | | | Total |
|--|------------|----------|----------|----------|------------|----------|----------|----------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 119 | 1 | 0 | 0 | 108 | 0 | 0 | 3 | 231 |
| Professionals | 20 | 0 | 0 | 0 | 22 | 0 | 0 | 0 | 42 |
| Technicians and associate professionals | 214 | 0 | 0 | 0 | 248 | 0 | 0 | 0 | 462 |
| Clerks | 184 | 0 | 0 | 0 | 291 | 2 | 0 | 0 | 477 |
| Service and sales workers | 25 | 0 | 0 | 0 | 31 | 0 | 0 | 0 | 56 |
| 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 | 1 | 0 | 0 | 0 | 2 |
| Elementary occupations | 64 | 0 | 0 | 0 | 97 | 0 | 0 | 0 | 161 |
| Total | 627 | 1 | 0 | 0 | 798 | 2 | 0 | 3 | 1431 |

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| | | | | | | | | | |
|------------------------------------|----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| Employees with disabilities | 8 | 0 | 0 | 0 | 14 | 0 | 0 | 1 | 23 |
|------------------------------------|----------|----------|----------|----------|-----------|----------|----------|----------|-----------|

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 May 2018

| 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 | 4 | 2 | 2 | 100 |
| Salary Level 14 | 11 | 11 | 11 | 100 |
| Salary Level 13 | 34 | 34 | 34 | 100 |
| Total | 49 | 48 | 48 | 100 |

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

| |
|----------------|
| Reasons |
| N/A |

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

| |
|----------------|
| Reasons |
| N/A |

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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 2018 to 31 March 2019

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------------------|-------------------------|---------------------|-------------------------|---------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African, Female | 801 | 1 145 | 70 | 8 033 | 10 029 |
| African, Male | 646 | 976 | 66 | 6 556 | 10 148 |
| Asian, Female | 0 | 0 | 0 | 0 | 0 |
| Asian, Male | 0 | 0 | 0 | 0 | 0 |
| Coloured, Female | 2 | 2 | 100 | 19 | 9 343 |
| Coloured, Male | 1 | 2 | 50 | 23 | 23 015 |
| Total Blacks, Female | 803 | 1 147 | 70 | 8 052 | 10 027 |
| Total Blacks, Male | 647 | 978 | 66 | 6 579 | 10 168 |
| White, Female | 3 | 5 | 60 | 71 | 23 751 |
| White, Male | 1 | 5 | 20 | 17 | 17 215 |
| Employees with a disability | 17 | 23 | 74 | 206 | 12 128 |
| TOTAL | 1 471 | 2 158 | 68 | 14 925 | 10 146 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

| 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 | |
| 01 Lower Skilled (Levels 1-2) | 176 | 276 | 63.8 | 593 | 3 368 | 4 |
| 02 Skilled (Levels 3-5) | 222 | 332 | 66.9 | 1 130 | 5 092 | 8 |
| 03 Highly Skilled Production (Levels | 809 | 1 060 | 76.3 | 7 905 | 9 771 | 53 |

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| 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 | |
| 6-8) | | | | | | |
| 04 Highly Skilled Supervision (Levels 9-12) | 261 | 313 | 83.4 | 5 248 | 20 108 | 35 |
| 09 Other | 0 | 109 | 0.0 | 0 | 0 | 0 |
| 11 Contract (Levels 3-5) | 0 | 1 | 0.0 | 0 | 0 | 0 |
| 12 Contract (Levels 6-8) | 0 | 1 | 0.0 | 0 | 0 | 0 |
| 13 Contract (Levels 9-12) | 2 | 13 | 15.4 | 24 | 11 894 | 0 |
| TOTAL | 1 470 | 2 105 | 69.8 | 14 900 | 10 136 | 100 |

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

| 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 | 113 | 168 | 67.3 | 773 | 6 839 |
| HUMAN RESOURCES CLERKS | 12 | 12 | 100.0 | 146 | 12 170 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF | 9 | 10 | 90.0 | 231 | 25 664 |
| MESSENGERS PORTERS AND DELIVERERS | 6 | 6 | 100.0 | 31 | 5 218 |
| RISK MANAGEMENT AND SECURITY SERVICES | 7 | 8 | 87.5 | 154 | 21 934 |
| LOGISTICAL SUPPORT PERSONNEL | 138 | 227 | 60.8 | 483 | 3 500 |

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| Critical occupation | Beneficiary Profile | | | Cost | |
|---|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| FINANCE AND ECONOMICS RELATED | 3 | 3 | 100.0 | 54 | 18 111 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS | 14 | 22.00 | 63.6 | 137 | 9 802 |
| AUXILIARY AND RELATED WORKERS | 19 | 16 | 118.8 | 144 | 7 558 |
| OTHER OCCUPATIONS | 11 | 197 | 5.6 | 145 | 13 213 |
| LEGAL RELATED | 6 | 7 | 85.7 | 125 | 20 809 |
| FINANCIAL AND RELATED PROFESSIONALS | 38 | 45 | 84.4 | 591 | 15 562 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS | 8 | 9 | 88.9 | 129 | 16 073 |
| ADMINISTRATIVE RELATED | 810 | 1 018 | 79.6 | 9 050 | 11 172 |
| COMMUNICATION AND INFORMATION RELATED | 13 | 13 | 100.0 | 213 | 16 370 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 32 | 33 | 97.0 | 289 | 9 024 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 69 | 76 | 90.8 | 247 | 3 582 |
| HUMAN RESOURCES RELATED | 39 | 40 | 97.5 | 788 | 20 206 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER | 0 | 1 | 0.0 | 0 | 0 |
| CIVIL ENGINEERING TECHNICIANS | 1 | 2 | 50.0 | 25 | 25 186 |
| SENIOR MANAGERS | 1 | 12 | 8.3 | 25 | 25 186 |
| CLIENT INFORM CLERKS(SWITCHB | 0 | 1 | 0.0 | 0 | 0 |

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| Critical occupation | Beneficiary Profile | | | Cost | |
|--|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| RECEIPT INFORM CLERKS) | | | | | |
| ENGINEERS AND RELATED PROFESSIONALS | 36 | 93 | 38.7 | 714 | 19 837 |
| CARTOGRAPHERS AND SURVEYORS | 1 | 1 | 100.0 | 21 | 21 065 |
| ENGINEERING SCIENCES RELATED | 1 | 3 | 33.3 | 12 | 11 894 |
| MOTOR VEHICLE DRIVERS | 2 | 2 | 100.0 | 17 | 8 649 |
| SECURITY GUARDS | 82 | 132 | 62.1 | 381 | 4 644 |
| QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE | 0 | 1 | 0.0 | 0 | 0 |
| TOTAL | 1 471 | 2 158 | 68.2 | 14 925 | 10 146 |

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019

| 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 | 0 | 32 | 0.0 | 0.0 | 0.0 | 0.0 |
| Band B | 1 | 14 | 7.1 | 24.9 | 24 928 | 0.1 |
| Band C | 0 | 5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Band D | 0 | 2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 1 | 53 | 1.9 | 24.9 | 24 928 | 0.0 |

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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 2018 and 31 March 2019

| Salary band | 01 April 2018 | | 31 March 2019 | | Change | |
|--|---------------|------------|---------------|------------|----------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower skilled | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Lev. 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Lev. 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (level 9-12) | 4 | 100 | 4 | 100 | 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 2018 and 31 March 2019

| Major occupation | 01 April 2018 | | 31 March 2019 | | Change | |
|----------------------------|---------------|------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Professionals and managers | 4 | 100 | 4 | 100 | 0 | 0 |

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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 2018 to 31 December 2018

| 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) |
|--|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Contract (Levels 6-8) | 6 | 66.7 | 2 | 0.2 | 3 | 7 |
| Contract (Levels 9-12) | 50 | 78.0 | 7 | 0.8 | 7 | 121 |
| Contract Other | 114 | 35.1 | 50 | 6.0 | 2 | 40 |
| Highly skilled production (Levels 6-8) | 2 734 | 80.2 | 324 | 38.6 | 8 | 3 975 |
| Highly skilled supervision (Levels 9-12) | 1 773 | 78.3 | 242 | 28.8 | 7 | 4 651 |
| Lower skilled (Levels 1-2) | 555 | 97.3 | 74 | 8.8 | 8 | 279 |
| Senior management (Levels 13-16) | 242 | 86.4 | 36 | 4.3 | 7 | 961 |
| Skilled (Levels 3-5) | 689 | 93.8 | 105 | 12.5 | 7 | 517 |
| TOTAL | 6 163 | 82.1 | 840 | 100.0 | 7 | 10 551 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

| 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) |
|--|------------|-----------------------------------|--|---|---------------------------|------------------------|
| Highly skilled production (Levels 6-8) | 671 | 100.0 | 20 | 45.5 | 34 | 963 |
| Highly skilled supervision (Levels 9-12) | 222 | 100.0 | 14 | 31.8 | 16 | 629 |

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| 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) | 276 | 100.0 | 5 | 11.4 | 55 | 135 |
| Senior management (Levels 13-16) | 24 | 100.0 | 3 | 6.8 | 8 | 93 |
| Skilled (Levels 3-5) | 176 | 100.0 | 2 | 4.5 | 88 | 126 |
| TOTAL | 1 369 | 100.0 | 44 | 100.0 | 31 | 1 947 |

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 2018 to 31 December 2018

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Contract (Levels 13-16) | 26 | 1 | 26 |
| Contract (Levels 3-5) | 15 | 1 | 15 |
| Contract (Levels 6-8) | 64 | 4 | 16 |
| Contract (Levels 9-12) | 270 | 20 | 14 |
| Contract Other | 820 | 188 | 4 |
| Highly skilled production (Levels 6-8) | 19 231 | 836 | 23 |
| Highly skilled supervision (Levels 9-12) | 8 327 | 329 | 25 |
| Lower skilled (Levels 1-2) | 5 575 | 264 | 21 |
| Senior management (Levels 13-16) | 1 386 | 55 | 25 |
| Skilled (Levels 3-5) | 6 925 | 324 | 21 |
| TOTAL | 42 639 | 2 022 | 21 |

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Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2018

| 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 2019 |
|--|----------------------------------|--|---|---|
| Contract (Levels 13-16) | 0 | 0 | 0 | 0 |
| Contract (Levels 3-5) | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8) | 0 | 0 | 0 | 0 |
| Contract (Levels 9-12) | 0 | 0 | 0 | 0 |
| Contract Other | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 1340 | 14 | 10 | 84 |
| Highly skilled supervision (Levels 9-12) | 3 | 2 | 2 | 85 |
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 34 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 56 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 72 |
| TOTAL | 137 | 16 | 9 | 81 |

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

Table 3.10.5 Leave pay-outs for the period 1 April 2018 and 31 March 2019

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|--|----------------------|---------------------|------------------------------|
| ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS) | 344 | 10 | 34 400 |
| ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK) | 2 267 | 75 | 30 227 |
| CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK) | 5 404 | 35 | 154 400 |
| TOTAL | 8 015 | 120 | 66 792 |

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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 | Continuous Education and Awareness |

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 | | Mr Matlala ML Chief Director SHRM |
| 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 | | 1 Deputy Director 1 Assistant Director 2 Social Work Practitioners Budget is integrated with Special Programmes and other employee Wellness programmes including Occupational Health and Safety. |
| 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, Care and Support, Health Screenings, Education and Awareness |
| 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 policies are non-discriminatory in nature. |
| 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. | | | 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. |

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| | | | |
|--|---|--|--|
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | X | | 08 HCT sessions were organized and a total of 453(93 Males and 360 Females) undertook HCT. |
| 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 and Quarterly reporting. |

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3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2018 and 31 March 2019

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

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 and 31 March 2019

| Outcomes of disciplinary hearings | Number | % of total |
|--|---------------|-------------------|
| Correctional counselling | 0 | 0 |
| Verbal warning | 0 | 0 |
| Written warning | 02 | 33 |
| Final written warning | 01 | 17 |
| Suspended without pay | 01 | 17 |
| Fine | 0 | 0 |
| Demotion | 0 | 0 |
| Dismissal | 0 | 0 |
| Not guilty | 0 | 0 |
| Case withdrawn | 02 | 33 |
| Total | 06 | 100 |

| | |
|--|-----------|
| Total number of Disciplinary hearings finalised | 02 |
|--|-----------|

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

| Type of misconduct | Number | % of total |
|--|---------------|-------------------|
| Negligence | 2 | 40 |
| Remunerative work Outside Public Service | 1 | 20 |
| Fraud | 1 | 20 |
| False Accusation | 1 | 20 |
| Total | 5 | 100 |

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Table 3.12.4 Grievances logged for the period 1 April 2018 and 31 March 2019

| Grievances | Number | % of Total |
|--|-----------|------------|
| Number of grievances resolved | 47 | 98 |
| Number of grievances not resolved | 01 | 2 |
| Total number of grievances lodged | 48 | 100 |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2018 and 31 March 2019

| Disputes | Number | % of Total |
|--|----------|------------|
| Number of disputes upheld | 2 | 50 |
| Number of disputes dismissed | 0 | 0 |
| Total number of disputes lodged | 4 | 50 |

Table 3.12.6 Strike actions for the period 1 April 2018 and 31 March 2019

| | |
|---|----------------|
| Total number of persons working days lost | 05 |
| Total costs working days lost | 3 days 5 hours |
| Amount recovered as a result of no work no pay (R'000) | 4901 |

Table 3.12.7 Precautionary suspensions for the period 1 April 2018 and 31 March 2019

| | |
|---|------|
| Number of people suspended | 01 |
| Number of people who's suspension exceeded 30 days | 0 |
| Average number of days suspended | 30 |
| Cost of suspension (R'000) | R'00 |

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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 2018 and 31 March 2019

| Occupational category | Gender | Number of employees as at 1 April 2018 | 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 | 115 | 2 | 75 | 9 | 86 |
| | Male | 126 | 1 | 64 | 13 | 77 |
| Professionals | Female | 27 | 0 | 24 | 2 | 26 |
| | Male | 26 | 0 | 26 | 2 | 28 |
| Technicians and associate professionals | Female | 325 | 0 | 44 | 0 | 44 |
| | Male | 251 | 0 | 76 | 2 | 78 |
| Clerks | Female | 419 | 14 | 175 | 106 | 295 |
| | Male | 250 | 7 | 105 | 58 | 170 |
| Service and sales workers | Female | 38 | 0 | 0 | 0 | 0 |
| | Male | 97 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 0 | 0 | 1 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 1 | 0 | 1 | 0 | 1 |
| | Male | 1 | 0 | 1 | 0 | 1 |
| Elementary occupations | Female | 186 | 0 | 33 | 64 | 97 |
| | Male | 100 | 0 | 25 | 22 | 47 |
| Sub Total | Female | 1111 | 16 | 352 | 181 | 549 |
| | Male | 851 | 8 | 297 | 119 | 402 |
| Total | | 1962 | 24 | 649 | 300 | 951 |

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Table 3.13.2 Training provided for the period 1 April 2018 and 31 March 2019

| Occupational category | Gender | Number of employees as at 1 April 2018 | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|--------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 115 | 2 | 100 | 9 | 111 |
| | Male | 126 | 1 | 106 | 13 | 120 |
| Professionals | Female | 27 | 0 | 20 | 2 | 22 |
| | Male | 26 | 0 | 18 | 2 | 20 |
| Technicians and associate professionals | Female | 325 | 0 | 214 | 0 | 214 |
| | Male | 251 | 0 | 246 | 2 | 248 |
| Clerks | Female | 419 | 14 | 178 | 101 | 293 |
| | Male | 250 | 7 | 124 | 53 | 184 |
| Service and sales workers | Female | 38 | 0 | 26 | 5 | 31 |
| | Male | 97 | 0 | 20 | 5 | 25 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | | 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 | 1 | 0 | 1 | 0 | 1 |
| | Male | 1 | 0 | 1 | 0 | 1 |
| Elementary occupations | Female | 186 | 0 | 33 | 64 | 97 |
| | Male | 100 | 0 | 42 | 22 | 64 |
| Sub Total | Female | 1 111 | 16 | 572 | 181 | 769 |
| | Male | 851 | 8 | 557 | 97 | 662 |
| Total | | 1 962 | 24 | 1 129 | 278 | 1 431 |

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 2018 and 31 March 2019

| 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% |

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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:

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2018 and 31 March 2019

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|---|--|-----------------------------|------------------------|
| Project Management Unit: Project management Capacity in ISHS Branch | 1 | 1 April – November 2018 | R2 3823 749 |
| Project Management Unit: Project management Capacity in ISHS Branch | | 1 August – 31 November 2018 | R9 700 378 |

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|--|------------------------------------|-------------------------------------|--|
| Appointment of Professional Team (PRT) to provide construction project management services to human settlements programme and projects in the five District Municipalities in Limpopo Province for period of 15 months | 100 | 100 | 01 |

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Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 and 31 March 2019

| 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 2018 and 31 March 2019

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---------------|------------------------------------|-------------------------------------|--|
| None | - | - | - |

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2018 and 31 March 2019

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

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 120 to 205, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes 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 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) 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, 2018 (Act No. 13 of 2018) (DoRA).
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 the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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 12.7 to the financial statements, the department made an impairment provision of R21 912 000 in respect of doubtful receivables.

Significant uncertainties

8. With reference to note 18.1 of 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.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 222 to 231 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 the accounting officer for the financial statements

11. 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.
12. 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 there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

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

13. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

15. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address 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 also did 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.
17. 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 programmes presented in the annual performance report of the department for the year ended 31 March 2019:

| Programmes | Pages in the annual performance report |
|--|---|
| Programme 2 – Integrated sustainable human settlements | 34 – 44 |
| Programme 3 – Co-operative governance | 45 - 50 |

18. 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.

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

Programme 2 - Integrated sustainable human settlements

Various indicators

20. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the indicators listed below. This was due to a lack of formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicators by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievements as reported in the annual performance report.

| Performance indicator | Annual target |
|---|-------------------------|
| 1. Number of households connected to basic services as part of the informal settlements upgrading programme | 3 316 Households |
| 2. Number of new sites connected to basic water and sanitation services as part of the integrated residential development programme | 1 313 Households |
| 3. Number of informal settlements formalised through township establishment | Formalize 6 settlements |
| 4. Number of beneficiaries exposed to consumer education | 2 500 |

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| | |
|--|--|
| 5. Number of jobs created | 5 000 |
| 6. Number of municipalities accredited on human settlements provision. | Prepare 5 municipalities (Mokgalakwena, Thabazimbi, Tzaneen, Bela Bela and Fetakgomo/Tubatse for level 1 accreditation |

Various indicators

21. I was unable to obtain sufficient appropriate audit evidence to validate the existence of systems and processes that enable reliable reporting of actual service delivery against the indicator. This was due to a lack of or formal standard operating procedures. I was unable to validate the existence of systems and processes by alternative means:

| Performance indicator | Annual target |
|--|--|
| 1. Multi-year housing development plan/APP developed by October. | Review multi-year human settlements development plan |
| 2. Number of enhanced peoples housing process units completed. | 170 |

Various indicators

22. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

| Performance indicator | Reported achievement | Audited value |
|---|----------------------|---------------|
| 1. Number of Finance-linked individual subsidy programme (FLISP) units completed. | 6 | 10 |
| 2. Number of Military Veterans Units to be completed. | 6 | 22 |

Programme 3 – Co-operative governance

23. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matter

24. I draw attention to the matter below.

Achievement of planned targets

25. Refer to the annual performance report on pages 35 to 45; 46 to 51 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings raised on the reliability of the reported performance information in paragraphs 18 to 21 of this report.

Report on the audit of compliance with legislation

Introduction and scope

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

27. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance and annual report

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA.

Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected.

Expenditure management

29. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R844 887 000, as disclosed in note 24 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 principal.

Procurement and contract management

30. Some of the bid documentation for procurement of commodities designated for local content and production, did not meet the stipulated minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8 (2).

Other information

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual 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 programmes 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, compliance and related internal controls was not adequately exercised by the accounting officer.

Auditor-General

Polokwane

02 August 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure - Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department of Co-operative Governance, Human Settlements and Traditional Affairs' CoGHSTA) ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease continuing as a going concern
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

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ANNUAL FINANCIAL STATEMENTS

AUDITED ANNUAL FINANCIAL STATEMENTS FOR LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

**For the year ended
31 March 2019**

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

**DRAFT ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

VOTE NO. 11 • ANNUAL REPORT • 2018/2019 FINANCIAL YEAR

| Appropriation per programme | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2018/19 | | | | | Variance | Expenditure as % of final appropriation | 2017/18 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | | | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme | | | | | | | | | |
| 1. Administration | 358,049 | (76) | - | 357,973 | 357,772 | 201 | 99.9% | 337 414 | 335 577 |
| 2. Human Settlements | 1,446,803 | - | - | 1,446,803 | 1,370,703 | 76,100 | 94.7% | 1 390 289 | 1 388 589 |
| 3. Cooperative Governance | 359,675 | - | - | 359,675 | 357,975 | 1,700 | 99.5% | 278 786 | 273 347 |
| 4. Traditional Institutional Development | 522,577 | - | - | 522,577 | 508,610 | 13,967 | 97.3% | 459 372 | 429 671 |
| Subtotal | 2,687,104 | (76) | - | 2,687,028 | 2,595,060 | 91,968 | 96.6% | 2 465 861 | 2 427 184 |
| Statutory Appropriation | 1,902 | 76 | - | 1,978 | 1,978 | - | 100.0% | 1 978 | 1 673 |
| Members' remuneration | 1,902 | 76 | - | 1,978 | 1,978 | - | 100.0% | 1 978 | 1 673 |
| TOTAL | 2,689,006 | - | - | 2,689,006 | 2,597,038 | 91,968 | 96.6% | 2 467 839 | 2 428 857 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | 2018/19 | | 2017/18 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Final Appropriation | Actual Expenditure | Final Appropriation | Actual Expenditure |
| TOTAL (brought forward) | 2,689,006 | | 2 467 839 | |
| Reconciliation with statement of financial performance | | | | |
| ADD | | | - | |
| Departmental receipts | 2,441 | | 2 467 839 | |
| Actual amounts per statement of financial performance (total revenue) | 2,691,447 | | | |
| Actual amounts per statement of financial performance (total expenditure) | | 2,597,038 | | 2 428 857 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Appropriation per economic classification | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 2018/19 | | | | | | 2017/18 | | |
| | 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 | 1,210,305 | (17 310) | - | 1,192,995 | 1,192,782 | 213 | 100.0% | 1,135,309 | 1,130,458 |
| Compensation of Employees | 1,030,201 | (17 369) | - | 1,012,562 | 1,012,559 | 3 | 100.0% | 966,787 | 964,802 |
| Salaries and wages | 917,550 | (17 110) | - | 900,440 | 900,440 | - | 100.0% | 858,143 | 856,181 |
| Social contributions | 112,651 | (529) | - | 112,122 | 112,119 | 3 | 100.0% | 108,644 | 108,621 |
| Goods and services | 180,104 | (670) | - | 179,434 | 179,224 | 210 | 99.9% | 168,103 | 165,237 |
| Administrative fees | 1,207 | - | - | 1,207 | 1,207 | - | 100.0% | 1,965 | 1,964 |
| Advertising | 1,292 | (10) | - | 1,282 | 1,282 | - | 100.0% | 2,968 | 2,835 |
| Minor assets | 1,249 | (533) | - | 716 | 706 | 10 | 98.6% | 235 | 219 |
| Audit costs: External | 6,021 | - | - | 6,021 | 6,021 | - | 100.0% | 5,019 | 5,017 |
| Bursaries: Employees | 969 | - | - | 969 | 969 | - | 100.0% | 929 | 871 |
| Catering: Departmental | 1,418 | (73) | - | 1,345 | 1,341 | 4 | 99.7% | 1,328 | 1,317 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | |
|----------------------------------|------------------|------------|------------------|------------------|---------------|--------------|------------------|------------------|
| Operating leases | 49,705 | (4) | 49,701 | 49,701 | - | 100.0% | 45,189 | 45,183 |
| Property payments | 20,652 | - | 20,652 | 20,648 | 4 | 100.0% | 18,127 | 18,096 |
| Travel and subsistence | 38,201 | (49) | 38,152 | 38,042 | 110 | 99.7% | 36,583 | 35,040 |
| Training and Development | 1,261 | (1) | 1,260 | 1,260 | - | 100.0% | 1,351 | 1,316 |
| Operating payments | 1,324 | (7) | 1,317 | 1,317 | - | 100.0% | 1,109 | 1,078 |
| Venues and facilities | 3,983 | - | 3,983 | 3,952 | 31 | 99.2% | 3,382 | 3,284 |
| Interest and rent on land | - | 999 | 999 | 999 | - | 100 | 419 | 419 |
| Rent on land | - | 999 | 999 | 999 | - | 100 | 419 | 419 |
| Transfers and subsidies | 1,342,470 | 111 | 1,342,581 | 1,265,510 | 77,071 | 94.3% | 1,284,888 | 1,276,699 |
| Provinces and Municipalities | 4,144 | (462) | 3,682 | 3,680 | 2 | 99.9% | 3,422 | 3,198 |
| Provinces | - | - | - | - | - | - | 3,237 | 3,189 |
| Provincial agencies and funds | - | - | - | - | - | - | 3,237 | 3,189 |
| Municipalities | 4,144 | (462) | 3,682 | 3,680 | 2 | 99.9% | 185 | 9 |

| | | | | | | | | |
|--------------------------------------|-----------|---------|---|-----------|-----------|--------|--------|-----------|
| Municipal bank | 107 | (97) | - | 10 | 10 | - | 185 | 9 |
| Accounts | | | | | | | 100.0% | |
| Municipal | 4,037 | (365) | - | 3,672 | 3,670 | 2 | - | - |
| agencies and funds | | | | | | | 99.9% | |
| Departmental agencies and Accounts | 146 | - | - | 146 | 146 | - | 100.0% | 43 |
| Departmental | 146 | - | - | 146 | 146 | - | 100.0% | 43 |
| agencies (non-business entities) | | | | | | | | |
| Non-profit institutions | 18,673 | (176) | - | 18,497 | 18,493 | 4 | 100.0% | 12,616 |
| Households | 1,319,507 | 749 | - | 1,320,256 | 1,243,191 | 77,065 | 94.2% | 1,260,842 |
| Social benefits | 7,320 | 749 | - | 8,069 | 8,068 | 1 | 100.0% | 4,088 |
| Other transfers to Households | 1,312,187 | - | - | 1,312,187 | 1,235,123 | 77,064 | 94.1% | 1,256,754 |
| Payments for capital assets | 66,231 | (3 729) | - | 62,502 | 48,427 | 14,075 | 77.5% | 11,692 |
| Buildings and other fixed Structures | 50,000 | - | - | 50,000 | 36,457 | 13,543 | 72.9% | 5,837 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|--------------------------------------|------------------|----------------|---|------------------|------------------|---------------|--------------|------------------|------------------|
| Buildings | - | - | - | - | - | - | - | 25,000 | 5,837 |
| Other fixed structures | 50,000 | - | - | 50,000 | 36,457 | 13,543 | 72.9% | - | - |
| Machinery and equipment | 16,224 | (4 153) | - | 12,071 | 11,541 | 530 | 95.6% | 12,634 | 5,855 |
| Transport equipment | 4,409 | (3) | - | 4,406 | 4,406 | - | 100.0% | 2,312 | 2,308 |
| Other machinery and Equipment | 11,815 | (4 150) | - | 7,665 | 7,135 | 530 | 93.1% | 10,322 | 3,547 |
| Software and other intangible assets | 7 | 424 | - | 431 | 429 | 2 | 99.5% | - | - |
| Payment for financial assets | 70,000 | 20 928 | - | 90,928 | 90,319 | 609 | 99.3% | 10,008 | 10,008 |
| | 2,689,006 | - | - | 2,689,006 | 2,597,038 | 91,968 | 96.6% | 2,467,839 | 2,428,857 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Statutory Appropriation per economic classification | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2018/19 | | | | | 2017/18 | | | | |
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 1 902 | 76 | - | 1 978 | 1 978 | - | 100% | 1 978 | 1 673 |
| Compensation of employees | 1 902 | 76 | - | 1 978 | 1 978 | - | 100% | 1 978 | 1 673 |
| Salaries and wages | 1 645 | 66 | - | 1 711 | 1 711 | - | 100% | 1 717 | 1 412 |
| Social contributions | 257 | 10 | - | 267 | 267 | - | 100% | 261 | 261 |
| | 1 902 | 76 | - | 1 978 | 1 978 | - | 100% | 1 978 | 1 673 |

Programme 1: Administration

| 2018/19 | | | | | | | 2017/18 | |
|-----------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 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 |
| 358,049 | (76) | - | 357,973 | 357,772 | 201 | 99.9% | 337,414 | 335,577 |
| Sub programme | | | | | | | | |
| 1 Corporate Services | | | | | | | | |

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

VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

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| | 358,049 | (76) | - | 357,973 | 357,772 | 201 | 99.9% | 337,414 | 335,577 |
|------------------------------------|----------------|----------------|---|----------------|----------------|------------|---------------|----------------|----------------|
| Economic classification | | | | | | | | | |
| Current payments | 343,299 | (2 090) | - | 341,209 | 341,103 | 106 | 100.0% | 328,625 | 327,899 |
| Compensation of employees | 203,154 | (1 814) | - | 201,340 | 201,340 | - | 100.0% | 196,984 | 196,838 |
| Salaries and wages | 177,315 | (1 814) | - | 175,511 | 175,511 | - | 100.0% | 171,803 | 171,657 |
| Social contributions | 25,839 | (10) | - | 25,829 | 25,829 | - | 100.0% | 25,181 | 25,181 |
| Goods and services | 140,145 | (276) | - | 139,869 | 139,7763 | 106 | 99.9% | 131,222 | 130,642 |
| Administrative fees | - | - | - | - | - | - | - | 1 | - |
| Advertising | 970 | (1) | - | 969 | 969 | - | 100.0% | 1,809 | 1,770 |
| Minor assets | 417 | (21) | - | 389 | 383 | 6 | 98.5% | 85 | 72 |
| Audit costs: External | 6,021 | - | - | 6,021 | 6,021 | - | 100.0% | 5,019 | 5,017 |
| Bursaries: Employees | 969 | - | - | 969 | 969 | - | 100.0% | 929 | 871 |
| Catering: Departmental activities | 502 | (4) | - | 498 | 497 | 1 | 99.8% | 542 | 540 |
| Communication (G&S) | 14,662 | - | - | 14,662 | 14,6647 | 15 | 99.9% | 14,293 | 14,261 |
| Computer services | 9,369 | (30) | - | 9,339 | 9,339 | - | 100.0% | 15,722 | 15,656 |
| Consultants: Business and advisory | 7,362 | (9) | - | 7,353 | 7,353 | - | 100.0% | 157 | 156 |
| Services | | | | | | | | | |

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

VOTE 11

**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

| | | | | | | | | | |
|---|--------|------|---|--------|--------|----|--------|--------|--------|
| Legal services | 2,550 | (1) | - | 2,549 | 2,549 | - | 100.0% | 4,181 | 4,177 |
| Contractors | 3,286 | (72) | - | 3,214 | 3,214 | - | 100.0% | 4,091 | 4,058 |
| Entertainment | 332 | (4) | - | 328 | 328 | - | 100.0% | 228 | 203 |
| Fleet services (including government motor transport) | 6,100 | (2) | - | 6,098 | 6,098 | - | 100.0% | 5,227 | 5,226 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | 15 | - |
| Consumable supplies | 886 | (28) | - | 858 | 858 | - | 100.0% | 419 | 412 |
| Consumable: Stationery, printing and office supplies | 3,870 | (58) | - | 3,812 | 3,776 | 36 | 99.1% | 3,222 | 3,160 |
| Operating leases | 49,381 | (4) | - | 49,377 | 49,377 | - | 100.0% | 44,993 | 44,987 |
| Property payments | 20,642 | - | - | 20,642 | 20,638 | 4 | 100.0% | 18,118 | 18,087 |
| Travel and subsistence | 9,089 | (37) | - | 9,052 | 9,009 | 43 | 99.5% | 8,885 | 8,769 |
| Training and development | 1,261 | (1) | - | 1,260 | 1,260 | - | 100.0% | 1,351 | 1,316 |
| Operating payments | 967 | (1) | - | 966 | 966 | - | 100.0% | 554 | 524 |
| Venues and facilities | 1,509 | (3) | - | 1,506 | 1,505 | 1 | 99.9% | 1,381 | 1,380 |
| Interest and rent on land | - | 7 | - | 7 | 7 | - | 100.0% | 419 | 419 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|---|--------------|--------------|---|--------------|--------------|-----------|---------------|--------------|--------------|
| Rent on land | - | 7 | - | 7 | 7 | - | 100.0% | 419 | 419 |
| Transfers and subsidies | 6,712 | (370) | - | 6,342 | 6,340 | 2 | 100.0% | 4,388 | 4,319 |
| Provinces and municipalities | 4,037 | (365) | - | 3,672 | 3,670 | 2 | 99.9% | 3,237 | 3,189 |
| Provinces | - | - | - | - | - | - | - | 3,237 | 3,189 |
| Provincial agencies and funds | - | - | - | - | - | - | - | 3,237 | 3,189 |
| Municipalities | 4,037 | (365) | - | 3,672 | 3,670 | 2 | 99.9% | - | - |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | 4,037 | (365) | - | 3,672 | 3,670 | 2 | 99.9% | - | - |
| Departmental agencies and accounts | 146 | - | - | 146 | 146 | - | 100.0% | 43 | 43 |
| Departmental agencies (non-business entities) | 146 | - | - | 146 | 146 | - | 100.0% | 43 | 43 |
| Households | 2,529 | (5) | - | 2,524 | 2,524 | - | 100.0% | 1,108 | 1,087 |
| Social benefits | 2,529 | (5) | - | 2,524 | 2,524 | - | 100.0% | 1,108 | 1,087 |
| Payments for capital assets | 8,038 | (280) | - | 7,758 | 7,665 | 93 | 98.8% | 4,401 | 3,359 |
| Machinery and equipment | 8,031 | (704) | - | 7,327 | 7,236 | 91 | 98.8% | 4,401 | 3,359 |
| Transport equipment | 4,409 | (3) | - | 4,406 | 4,406 | - | 100.0% | 2,312 | 2,308 |
| Other machinery and equipment | 3,622 | (701) | - | 2,921 | 2,830 | 91 | 96.9% | 2,089 | 1,051 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|--------------------------------------|----------------|--------------|---|----------------|----------------|------------|---------------|----------------|----------------|
| Software and other intangible assets | 7 | 424 | - | 431 | 429 | 2 | 99.5% | - | - |
| Payment for financial assets | - | 2 664 | - | 2,664 | 2,664 | - | 100.0% | - | - |
| | 358,049 | (76) | - | 357,973 | 357,772 | 201 | 99.9% | 337,414 | 335,577 |

Subprogramme 1.1: Corporate Services

| | 2018/19 | | | | | | | 2017/18 | |
|--------------------------------|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Economic classification | | | | | | | | | |
| Current payments | 343,299 | (2 090) | - | 341,209 | 341,103 | 106 | 100.0% | 328,625 | 327,899 |
| Compensation of employees | 203,154 | (1 814) | - | 201,340 | 201,340 | - | 100.0% | 196,984 | 196,838 |
| Salaries and wages | 177,315 | (1 804) | - | 175,511 | 175,511 | - | 100.0% | 171,803 | 171,657 |
| Social contributions | 25,839 | (10) | - | 25,829 | 25,829 | - | 100.0% | 25,181 | 25,181 |
| Goods and services | 140,145 | (276) | - | 139,869 | 139,763 | 106 | 99.9% | 131,222 | 130,642 |
| Administrative fees | - | - | - | - | - | - | - | 1 | - |
| Advertising | 970 | (1) | - | 969 | 969 | - | 100.0% | 1,809 | 1,770 |
| Minor assets | 417 | (28) | - | 389 | 383 | 6 | 98.5% | 85 | 72 |

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

VOTE 11

**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

| | 6,021 | - | - | 6,021 | 6,021 | - | 100.0% | 5,019 | 5,017 |
|---|--------|------|---|--------|--------|----|--------|--------|--------|
| Audit costs: External | 6,021 | - | - | 6,021 | 6,021 | - | 100.0% | 5,019 | 5,017 |
| Bursaries: Employees | 969 | - | - | 969 | 969 | - | 100.0% | 929 | 871 |
| Catering: Departmental activities | 502 | (4) | - | 498 | 497 | 1 | 99.8% | 542 | 540 |
| Communication (G&S) | 14,662 | - | - | 14,662 | 14,647 | 15 | 99.9% | 14,293 | 14,261 |
| Computer services | 9,369 | (30) | - | 9,339 | 9,339 | - | 100.0% | 15,722 | 15,656 |
| Consultants: Business and advisory Services | 7,362 | (9) | - | 7,353 | 7,353 | - | 100.0% | 157 | 156 |
| Legal services | 2,550 | (1) | - | 2,549 | 2,549 | - | 100.0% | 4,181 | 4,177 |
| Contractors | 3,286 | (72) | - | 3,214 | 3,214 | - | 100.0% | 4,091 | 4,058 |
| Entertainment | 332 | (4) | - | 328 | 328 | - | 100.0% | 228 | 203 |
| Fleet services (including government motor transport) | 6,100 | (2) | - | 6,098 | 6,098 | - | 100.0% | 5,227 | 5,226 |
| Inventory: Clothing material and Accessories | - | - | - | - | - | - | - | 15 | - |
| Consumable supplies | 886 | (28) | - | 858 | 858 | - | 100.0% | 419 | 412 |
| Consumable: Stationery, printing and office supplies | 3,870 | (58) | - | 3,812 | 3,776 | 36 | 99.1% | 3,222 | 3,160 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|------------------------------------|--------------|--------------|---|--------------|--------------|----------|---------------|--------------|--------------|
| Operating leases | 49,381 | (4) | - | 49,377 | 49,377 | - | 100.0% | 44,993 | 44,987 |
| Property payments | 20,642 | - | - | 20,642 | 20,638 | 4 | 100.0% | 18,118 | 18,087 |
| Travel and subsistence | 9,089 | (37) | - | 9,052 | 9,009 | 43 | 99.5% | 8,885 | 8,769 |
| Training and development | 1,261 | (1) | - | 1,260 | 1,260 | - | 100.0% | 1,351 | 1,316 |
| Operating payments | 967 | (1) | - | 966 | 966 | - | 100.0% | 554 | 524 |
| Venues and facilities | 1,509 | (3) | - | 1,506 | 1,505 | 1 | 99.9% | 1,381 | 1,380 |
| Interest and rent on land | - | 7 | - | 7 | 7 | - | 100.0% | 419 | 419 |
| Rent on land | - | 7 | - | 7 | 7 | - | 100.0% | 419 | 419 |
| Transfers and subsidies | 6,712 | (370) | - | 6,342 | 6,340 | 2 | 100.0% | 4,388 | 4,319 |
| Provinces and municipalities | 4,037 | (365) | - | 3,672 | 3,670 | 2 | 99.9% | 3,237 | 3,189 |
| Provinces | - | - | - | - | - | - | - | 3,237 | 3,189 |
| Provincial agencies and | - | - | - | - | - | - | - | 3,237 | 3,189 |
| Funds | | | | | | | | | |
| Municipalities | 4,037 | (365) | - | 3,672 | 3,670 | 2 | 99.9% | - | - |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - |
| Municipal agencies and | 4,037 | (365) | - | 3,672 | 3,670 | 2 | 99.9% | - | - |
| Funds | | | | | | | | | |
| Departmental agencies and accounts | 146 | - | - | 146 | 146 | - | 100.0% | 43 | 43 |

for the year ended 31 March 2019

| | | | | | | | | | |
|---|----------------|--------------|---|----------------|----------------|------------|---------------|----------------|----------------|
| Departmental agencies (non-business entities) | 146 | - | - | 146 | 146 | - | 100.0% | 43 | 43 |
| Households | 2,529 | (5) | - | 2,524 | 2,524 | - | 100.0% | 1,108 | 1,087 |
| Social benefits | 2,529 | (5) | - | 2,524 | 2,524 | - | 100.0% | 1,108 | 1,087 |
| Payments for capital assets | 8,038 | (280) | - | 7,758 | 7,665 | 93 | 98.8% | 4,401 | 3,359 |
| Machinery and equipment | 8,031 | (704) | - | 7,327 | 7,236 | 91 | 98.8% | 4,401 | 3,359 |
| Transport equipment | 4,409 | (3) | - | 4,406 | 4,406 | - | 100.0% | 2,312 | 2,308 |
| Other machinery and equipment | 3,622 | (701) | - | 2,921 | 2,830 | 91 | 96.9% | 2,089 | 1,051 |
| Software and other intangible assets | 7 | 424 | - | 431 | 429 | 2 | 99.5% | - | - |
| Payment for financial assets | - | 2 664 | - | 2,664 | 2,664 | - | 100.0% | - | - |
| | 358,049 | (76) | - | 357,973 | 357,772 | 201 | 99.9% | 337,414 | 335,577 |

Programme 2: Human Settlements

[illegible]

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

VOTE 11

**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

| | | | | | | | | | | |
|-----------------------------------|---|------------------|----------------|----------|------------------|------------------|---------------|---------------|------------------|------------------|
| 1 | Housing Needs, Research and Planning | 69,551 | (12,730) | - | 56,821 | 56,749 | 72 | 99.9% | 65,509 | 65,078 |
| 2 | Housing Development, Implementation, Planning and Targets | 1,309,667 | 12,730 | - | 1,322,397 | 1,256,193 | 66,204 | 95.0% | 1,275,782 | 1,275,033 |
| 3 | Housing Asset Management and Property Management | 67,585 | - | - | 67,585 | 56,769 | 10,816 | 84.0% | 48,998 | 48,478 |
| | | 1,446,803 | - | - | 1,446,803 | 1,369,711 | 77,092 | 94.7% | 1,390,289 | 1,388,589 |
| Economic classification | | | | | | | | | | |
| Current payments | | 132,663 | (8 770) | - | 123,893 | 123,880 | 13 | 100.0% | 121,030 | 120,954 |
| Compensation of employees | | 115,616 | (8 736) | - | 106,880 | 106,880 | - | 100.0% | 106,900 | 106,868 |
| Salaries and wages | | 102,286 | (8 321) | - | 93,965 | 93,965 | - | 100.0% | 94,002 | 93,979 |
| Social contributions | | 13,330 | (415) | - | 12,915 | 12,915 | - | 100.0% | 12,898 | 12,889 |
| Goods and services | | 17,047 | (34) | - | 17,013 | 17,000 | 13 | 99.9% | 14,130 | 14,086 |
| Administrative fees | | 1,197 | - | - | 1,197 | 1,197 | - | 100.0% | 1,948 | 1,948 |
| Advertising | | 176 | (9) | - | 167 | 167 | - | 100.0% | 300 | 299 |
| Minor assets | | 67 | (17) | - | 50 | 46 | 4 | 92.0% | 1 | - |
| Catering: Departmental activities | | 175 | - | - | 175 | 175 | - | 100.0% | 246 | 246 |
| Communication (G&S) | | - | (1) | - | (1) | - | (1) | - | - | - |

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

VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | 1,829 | - | 1,829 | 1,829 | - | 100.0% | 1,152 | 1,152 |
|--|------------------|-----------|------------------|------------------|---------------|--------------|------------------|------------------|
| Consultants: Business and advisory Services | | | | | | | | |
| Legal services | 354 | (34) | 320 | 319 | 1 | 99.7% | - | - |
| Consumable supplies | 210 | 26 | 236 | 236 | - | 100.0% | - | - |
| Consumable: Stationery, printing and office supplies | - | 3 | 3 | 3 | - | 100.0% | - | - |
| Operating leases | 324 | - | 324 | 324 | - | 100.0% | 196 | 196 |
| Property payments | 10 | - | 10 | 10 | - | 100.0% | 9 | 9 |
| Travel and subsistence | 11,855 | (2) | 11,853 | 11,844 | 9 | 99.9% | 9,570 | 9,543 |
| Operating payments | 63 | - | 63 | 63 | - | 100.0% | 103 | 102 |
| Venues and facilities | 787 | - | 787 | 787 | - | 100.0% | 605 | 591 |
| Transfers and subsidies | 1,313,294 | 64 | 1,313,358 | 1,236,293 | 77,065 | 94.1% | 1,258,049 | 1,257,094 |
| Provinces and municipalities | 107 | (97) | 10 | 10 | - | 100.0% | 185 | 9 |
| Municipalities | 107 | (97) | 10 | 10 | - | 100.0% | 185 | 9 |
| Municipal bank accounts | 107 | (97) | 10 | 10 | - | 100.0% | 185 | 9 |
| Households | 1,313,187 | 161 | 1,313,348 | 1,236,283 | 77,065 | 94.1% | 1,257,864 | 1,257,085 |
| Social benefits | 1,000 | 161 | 1,161 | 1,160 | 1 | 99.9% | 413 | 331 |
| Other transfers to households | 1,312,187 | - | 1,312,187 | 1,235,123 | 77,064 | 94.1% | 1,257,451 | 1,256,754 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|-------------------------------------|------------------|--------------|----------|------------------|------------------|---------------|---------------|------------------|------------------|
| Payments for capital assets | 846 | (113) | - | 733 | 712 | 21 | 97.1% | 1,202 | 533 |
| Machinery and equipment | 846 | (113) | - | 733 | 712 | 21 | 97.1% | 1,202 | 533 |
| Other machinery and equipment | 846 | (113) | - | 733 | 712 | 21 | 97.1% | 1,202 | 533 |
| Payment for financial assets | - | 8 819 | - | 8 819 | 8,826 | (7) | 100.1% | 10,008 | 10,008 |
| | 1,446,803 | - | - | 1,446,803 | 1,369,711 | 77,092 | 94.7% | 1,390,289 | 1,388,589 |

Subprogramme: 2.1: Housing Needs, Research and Planning

| | 2018/19 | | | | 2017/18 | | | | |
|---------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 23,204 | (1 676) | - | 21,528 | 21,523 | 5 | 100.0% | 19,795 | 19,767 |
| Compensation of employees | 18,509 | (1 642) | - | 16,867 | 16,867 | - | 100.0% | 17,127 | 17,127 |
| Salaries and wages | 16,166 | (1 525) | - | 14,641 | 14,641 | - | 100.0% | 14,923 | 14,923 |
| Social contributions | 2,343 | (117) | - | 2,226 | 2,226 | - | 100.0% | 2,204 | 2,204 |
| Goods and services | 4,695 | (34) | - | 4,661 | 4,656 | 5 | 99.9% | 2,668 | 2,640 |
| Advertising | 169 | (9) | - | 169 | 169 | - | 100.0% | 300 | 299 |
| Minor assets | 67 | (17) | - | 50 | 46 | 4 | 92.0% | - | - |

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

VOTE 11

**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

| | | | | | | | | |
|-------------------------------------|---------------|-----------------|---------------|---------------|-----------|---------------|---------------|---------------|
| Catering: Departmental activities | 120 | - | 120 | 120 | - | 100.0% | 240 | 240 |
| Legal services | 354 | (34) | 320 | 319 | 1 | 99.7% | - | - |
| Consumable supplies | 210 | 26 | 236 | 236 | - | 100.0% | - | - |
| Travel and subsistence | 3,115 | - | 3,115 | 3,115 | - | 100.0% | 1,587 | 1,574 |
| Operating payments | 8 | - | 8 | 8 | - | 100.0% | 3 | 2 |
| Venues and facilities | 652 | - | 652 | 652 | - | 100.0% | 538 | 525 |
| Transfers and subsidies | 45,730 | (12,730) | 33,000 | 32,933 | 67 | 99.8% | 44,906 | 44,824 |
| Households | 45,730 | (12,730) | 33,000 | 32,933 | 67 | 99.8% | 44,906 | 44,824 |
| Social benefits | 333 | - | 333 | 333 | - | 100.0% | 128 | 60 |
| Other transfers to households | 45,397 | (12,730) | 32,667 | 32,600 | 67 | 99.8% | 44,778 | 44,764 |
| Payments for capital assets | 617 | - | 617 | 617 | - | 100.0% | 800 | 479 |
| Machinery and equipment | 617 | - | 617 | 617 | - | 100.0% | 800 | 479 |
| Other machinery and equipment | 617 | - | 617 | 617 | - | 100.0% | 800 | 479 |
| Payment for financial assets | - | 1 676 | 1,676 | 1,676 | - | 100.0% | 8 | 8 |
| Total | 69,551 | (12,730) | 56,821 | 56,749 | 72 | 99.9% | 65,509 | 65,078 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

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Subprogramme: 2.2: Housing Development, Implementation, Planning and Targets

| | 2018/19 | | | | | | 2017/18 | | |
|---------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 65,320 | (3 026) | - | 62,294 | 62,285 | 9 | 100.0% | 60,880 | 60,853 |
| Compensation of Employees | 57,838 | (3 026) | - | 54,812 | 54,812 | - | 100.0% | 53,676 | 53,650 |
| Salaries and wages | 52,013 | (2 758) | - | 49,255 | 49,255 | - | 100.0% | 48,097 | 48,078 |
| Social contributions | 5,825 | (268) | - | 5,557 | 5,557 | - | 100.0% | 5,579 | 5,572 |
| Goods and services | 7,482 | - | - | 7,482 | 7,473 | 9 | 99.9% | 7,204 | 7,203 |
| Operating leases | 324 | - | - | 324 | 324 | - | 100.0% | 196 | 196 |
| Property payments | 10 | - | - | 10 | 10 | - | 100.0% | 9 | 9 |
| Travel and subsistence | 7,142 | - | - | 7,142 | 7,133 | 9 | 99.9% | 6,970 | 6,969 |
| Operating payments | 6 | - | - | 6 | 6 | - | 100.0% | 29 | 29 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Transfers and subsidies | 1,244,331 | 12,730 | - | 1,257,061 | 1,190,866 | 66,195 | 94.7% | 1,204,820 | 1,204,126 |
|-------------------------------------|------------------|---------------|----------|------------------|-------------------|---------------|---------------|------------------|------------------|
| Households | 1,244,331 | 12,730 | - | 1,257,061 | 1,190,866 | 66,195 | 94.7% | 1,204,820 | 1,204,126 |
| Social benefits | 47 | | - | 47 | 47 | - | 100.0% | 125 | 114 |
| Other transfers to Households | 1,244,284 | 12,730 | - | 1,257,014 | 1,190,819 | 66,195 | 94.7% | 1,204,695 | 1,204,012 |
| Payments for capital assets | 16 | - | - | 16 | 16 | - | 100.0% | 82 | 54 |
| Machinery and equipment | 16 | - | - | 16 | 16 | - | 100.0% | 82 | 54 |
| Other machinery and Equipment | 16 | | - | 16 | 16 | - | 100.0% | 82 | 54 |
| Payment for financial assets | - | - | - | 3,026 | 3,026 | - | 100.0% | 10,000 | 10,000 |
| Total | 1,309,667 | 12,730 | - | 1,322,397 | 1,256,1193 | 66,204 | 95.0% | 1,275,782 | 1,275,033 |

Subprogramme: 2.3: Housing Asset Management and Property Management

| | 2018/19 | | | | | | 2017/18 | | |
|--|------------------------|-------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | | | | | | | | | |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Economic classification | R'000 | Funds | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
|--|--------|---------|--------|--------|-------|--------|--------|--------|-------|
| Current payments | 44,139 | (4 068) | 40,071 | 40,072 | (1) | 100.0% | 40,355 | 40,334 | |
| Compensation of employees | 39,269 | (4 068) | 35,201 | 35,201 | - | 100.0% | 36,097 | 36,091 | |
| Salaries and wages | 34,107 | (4 038) | 30,069 | 30,069 | - | 100.0% | 30,982 | 30,978 | |
| Social contributions | 5,162 | (30) | 5,132 | 5,132 | - | 100.0% | 5,115 | 5,113 | |
| Goods and services | 4,870 | - | 4,870 | 4,871 | (1) | 100.0% | 4,258 | 4,243 | |
| Administrative fees | 1,197 | - | 1,197 | 1,197 | - | 100.0% | 1,948 | 1,948 | |
| Advertising | 7 | - | 7 | 7 | - | 100.0% | - | - | |
| Minor assets | - | - | - | - | - | - | 1 | - | |
| Catering: Departmental | 55 | - | 55 | 55 | - | 100.0% | 6 | 6 | |
| Activities | - | (1) | (1) | - | (1) | - | - | - | |
| Communication (G&S) | 1,829 | - | 1,829 | 1,829 | - | 100.0% | 1,152 | 1,152 | |
| Consultants: Business and | - | 3 | 3 | 3 | - | 100.0% | - | - | |
| Advisory services | - | - | - | - | - | - | - | - | |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | |
| Travel and subsistence | 1,598 | (2) | 1,596 | 1,596 | - | 100.0% | 1,013 | 1,000 | |

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

VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | |
|-------------------------------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating payments | 49 | - | 49 | 49 | - | 100.0% | 71 | 71 |
| Venues and facilities | 135 | - | 135 | 135 | - | 100.0% | 67 | 66 |
| Transfers and subsidies | 23,233 | 64 | 23,297 | 12,494 | 10,803 | 53.6% | 8,323 | 8,144 |
| Provinces and municipalities | 107 | (97) | 10 | 10 | - | 100.0% | 185 | 9 |
| Municipalities | 107 | (97) | 10 | 10 | - | 100.0% | 185 | 9 |
| Municipal bank accounts | 107 | (97) | 10 | 10 | - | 100.0% | 185 | 9 |
| Households | 23,126 | 161 | 23,287 | 12,484 | 10,803 | 53.6% | 8,138 | 8,135 |
| Social benefits | 620 | 161 | 781 | 780 | 1 | 99.9% | 160 | 157 |
| Other transfers to households | 22,506 | - | 22,506 | 11,704 | 10,802 | 52.0% | 7,978 | 7,978 |
| Payments for capital assets | 213 | (113) | 100 | 79 | 21 | 79.0% | 320 | - |
| Machinery and equipment | 213 | (113) | 100 | 79 | 21 | 79.0% | 320 | - |
| Other machinery and equipment | 213 | (113) | 100 | 79 | 21 | 79.0% | 320 | - |
| Payment for financial assets | - | 4 117 | 4,117 | 4,124 | (7) | 100.2% | - | - |
| Total | 67,585 | - | 67,585 | 56,769 | 10,816 | 84.0% | 48,998 | 48,478 |

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Programme 3: Co-operative Governance

| | 2018/19 | | | | | | | 2017/18 | |
|--------------------------------|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 Local Governance | 294,653 | - | - | 294,653 | 293,951 | 702 | 99.8% | 215,509 | 210,793 |
| 2 Development Planning | 65,022 | - | - | 65,022 | 65,016 | 6 | 100.0% | 63,277 | 62,554 |
| | 359,675 | - | - | 359,675 | 358,967 | 708 | 99.5% | 278,786 | 273,347 |
| Economic classification | | | | | | | | | |
| Current payments | 285,405 | (3 285) | - | 282,120 | 282,029 | 91 | 100.0% | 271,253 | 270,034 |
| Compensation of employees | 270,138 | (4 002) | - | 266,136 | 266,135 | 1 | 100.0% | 256,357 | 255,967 |
| Salaries and wages | 232,624 | (3 890) | - | 228,734 | 228,734 | - | 100.0% | 220,384 | 219,999 |
| Social contributions | 37,514 | (112) | - | 37,402 | 37,401 | 1 | 100.0% | 35,973 | 35,968 |
| Goods and services | 15,267 | (275) | - | 14,992 | 14,902 | 90 | 99.4% | 14,896 | 14,067 |
| Administrative fees | 10 | - | - | 10 | 10 | - | 100.0% | 16 | 16 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | 517 | (488) | - | 29 | 29 | - | 100.0% | 4 | 4 |
|--|--------------|------------|---|--------------|--------------|----|---------------|--------------|--------------|
| Minor assets | | | | | | | | | |
| Catering: Departmental activities | 418 | (68) | - | 350 | 347 | 3 | 99.1% | 514 | 504 |
| Consultants: Business and advisory services | 350 | (250) | - | 100 | 100 | - | 100.0% | 101 | 100 |
| Legal services | 979 | (15) | - | 964 | 964 | - | 100.0% | - | - |
| Entertainment | - | - | - | - | - | - | - | 25 | 25 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | 8 | 8 |
| Consumable supplies | - | 483 | - | 483 | 483 | - | 100.0% | 198 | 198 |
| Travel and subsistence | 12,038 | 68 | - | 12,106 | 12,049 | 57 | 99.5% | 12,604 | 11,786 |
| Operating payments | 270 | (6) | - | 264 | 264 | - | 100.0% | 381 | 381 |
| Venues and facilities | 685 | 1 | - | 686 | 656 | 30 | 95.6% | 1,045 | 1,045 |
| Interest and rent on land | - | 992 | - | 992 | 992 | - | 100.0% | - | - |
| Rent on land | - | 992 | - | 992 | 992 | - | 100.0% | - | - |
| Transfers and subsidies | 1,959 | 641 | - | 2,600 | 2,600 | - | 100.0% | 1,823 | 1,822 |
| Households | 1,959 | 641 | - | 2,600 | 2,600 | - | 100.0% | 1,823 | 1,822 |
| Social benefits | 1,959 | 641 | - | 2,600 | 2,600 | - | 100.0% | 1,823 | 1,822 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|-------------------------------------|----------------|--------------|----------|----------------|----------------|------------|--------------|----------------|----------------|
| Payments for capital assets | 2,311 | (485) | - | 1,826 | 1,825 | 1 | 99.9% | 5,710 | 1,491 |
| Machinery and equipment | 2,311 | (485) | - | 1,826 | 1,825 | 1 | 99.9% | 5,710 | 1,491 |
| Other machinery and equipment | 2,311 | (485) | - | 1,826 | 1,825 | 1 | 99.9% | 5,710 | 1,491 |
| Payment for financial assets | 70,000 | 3 129 | - | 73,129 | 72,513 | 616 | 99.2% | - | - |
| | 359,675 | - | - | 359,675 | 358,967 | 708 | 99.8% | 278,786 | 273,347 |

Subprogramme: 3.1: Local Governance

| | 2018/19 | | | | | | 2017/18 | | |
|---------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 221,215 | (13) | - | 221,202 | 221,117 | 85 | 100.0% | 209,407 | 208,460 |
| Compensation of employees | 211,756 | (1 076) | - | 210,680 | 210,680 | - | 100.0% | 199,362 | 199,128 |
| Salaries and wages | 180,975 | (1 072) | - | 179,903 | 179,903 | - | 100.0% | 170,064 | 169,833 |
| Social contributions | 30,781 | (4) | - | 30,777 | 30,777 | - | 100.0% | 29,298 | 29,295 |
| Goods and services | 9,459 | 71 | - | 9,530 | 9,445 | 85 | 99.1% | 10,045 | 9,332 |

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

VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|--|--------------|------------|---|--------------|--------------|----|---------------|------------|------------|
| Minor assets | 498 | (469) | - | 29 | 29 | - | 100.0% | 4 | 4 |
| Catering: Departmental activities | 395 | (60) | - | 335 | 332 | 3 | 99.1% | 510 | 500 |
| Consultants: Business and advisory services | - | - | - | - | - | - | - | 101 | 100 |
| Legal services | 679 | - | - | 679 | 679 | - | 100.0% | - | - |
| Entertainment | - | - | - | - | - | - | - | 25 | 25 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | 8 | 8 |
| Consumable supplies | - | 469 | - | 469 | 469 | - | 100.0% | 198 | 198 |
| Travel and subsistence | 7,167 | 131 | - | 7,298 | 7,246 | 52 | 99.3% | 8,056 | 7,354 |
| Operating payments | 171 | (1) | - | 170 | 170 | - | 100.0% | 253 | 253 |
| Venues and facilities | 549 | 1 | - | 550 | 520 | 30 | 94.5% | 890 | 890 |
| Interest and rent on land | - | 992 | - | 992 | 992 | - | 100.0% | - | - |
| Rent on land | - | 992 | - | 992 | 992 | - | 100.0% | - | - |
| Transfers and subsidies | 1,309 | 225 | - | 1,534 | 1,534 | - | 100.0% | 932 | 931 |
| Households | 1,309 | 225 | - | 1,534 | 1,534 | - | 100.0% | 932 | 931 |
| Social benefits | 1,309 | 225 | - | 1,534 | 1,534 | - | 100.0% | 932 | 931 |

**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

| | | | | | | | | | |
|-------------------------------|---------|-------|---|---------|---------|-----|-------|---------|---------|
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 2,129 | (440) | - | 1,689 | 1,688 | 1 | 99.9% | 5,170 | 1,402 |
| Machinery and equipment | 2,129 | (440) | - | 1,689 | 1,688 | 1 | 99.9% | 5,170 | 1,402 |
| Other machinery and equipment | 2,129 | (440) | - | 1,689 | 1,688 | 1 | 99.9% | 5,170 | 1,402 |
| Payment for financial assets | 70,000 | 228 | - | 70,228 | 69,612 | 616 | 99.1% | - | - |
| Total | 294,653 | - | - | 294,653 | 293,951 | 702 | 99.8% | 215,509 | 210,793 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Subprogramme: 3.2: Development Planning

| | 2018/19 | | | | | | | 2017/18 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 64,190 | (3 272) | - | 60,918 | 60,912 | 6 | 100.0% | 61,846 | 61,574 |
| Compensation of employees | 58,382 | (2 926) | - | 55,456 | 55,455 | 1 | 100.0% | 56,995 | 56,839 |
| Salaries and wages | 51,649 | (2 818) | - | 48,831 | 48,831 | - | 100.0% | 50,320 | 50,166 |
| Social contributions | 6,733 | (108) | - | 6,625 | 6,624 | 1 | 100.0% | 6,675 | 6,673 |
| Goods and services | 5,808 | (346) | - | 5,462 | 5,457 | 5 | 99.9% | 4,851 | 4,735 |
| Administrative fees | 10 | | - | 10 | 10 | - | 100.0% | 16 | 16 |
| Minor assets | 19 | (19) | - | - | - | - | - | - | - |
| Catering: Departmental activities | 23 | (8) | - | 15 | 15 | - | 100.0% | 4 | 4 |
| Consultants: Business and advisory services | 350 | (250) | - | 100 | 100 | - | 100.0% | - | - |
| Legal services | 300 | (15) | - | 285 | 285 | - | 100.0% | - | - |
| Consumable supplies | - | 14 | - | 14 | 14 | - | 100.0% | - | - |
| Travel and subsistence | 4,871 | (63) | - | 4,808 | 4,803 | 5 | 99.9% | 4,548 | 4,432 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | | |
|-------------------------------------|---------------|--------------|----------|---------------|---------------|----------|---------------|---------------|---------------|---------------|
| Operating payments | 99 | (5) | - | 94 | 94 | - | 100.0% | 128 | 128 | 128 |
| Venues and facilities | 136 | - | - | 136 | 136 | - | 100.0% | 155 | 155 | 155 |
| Transfers and subsidies | 650 | 416 | - | 1,066 | 1,066 | - | 100.0% | 891 | 891 | 891 |
| Households | 650 | 416 | - | 1,066 | 1,066 | - | 100.0% | 891 | 891 | 891 |
| Social benefits | 650 | 416 | - | 1,066 | 1,066 | - | 100.0% | 891 | 891 | 891 |
| Payments for capital assets | 182 | (45) | - | 137 | 137 | - | 100.0% | 89 | 540 | 89 |
| Machinery and equipment | 182 | (45) | - | 137 | 137 | - | 100.0% | 540 | 540 | 89 |
| Other machinery and equipment | 182 | (45) | - | 137 | 137 | - | 100.0% | 540 | 540 | 89 |
| Payment for financial assets | - | 2 901 | - | 2,901 | 2,901 | - | 100.0% | - | - | - |
| Total | 65,022 | - | - | 65,022 | 65,016 | 6 | 100.0% | 63,277 | 62,554 | 62,554 |

Programme 4: Traditional Institutional Development

| | 2018/19 | | | | | | | 2017/18 | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 |
| | | | | | | | | | |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| Sub programme | | | | | | | | | | | |
|-----------------------------------|---|---------|---------|---|---------|---------|--------|--------|---------|---------|--|
| 1 | Traditional Institutional Admin | 515,513 | - | - | 515,513 | 501,547 | 13,966 | 97.3% | 449,027 | 420,515 | |
| 2 | Administration of Houses of Traditional Leaders | 7,064 | - | - | 7,064 | 7,063 | 1 | 100.0% | 10,345 | 9,156 | |
| | | 522,577 | - | - | 522,577 | 508,610 | 13,967 | 97.3% | 459,372 | 429,671 | |
| | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | |
| Current payments | | 447,036 | (3 241) | - | 443,795 | 443,792 | 3 | 100.0% | 412,423 | 409,898 | |
| Compensation of employees | | 439,391 | (3 163) | - | 436,228 | 436,226 | 2 | 100.0% | 404,568 | 403,456 | |
| Salaries and wages | | 403,680 | (3 161) | - | 400,519 | 400,519 | - | 100.0% | 370,237 | 369,134 | |
| Social contributions | | 35,711 | (2) | - | 35,709 | 35,707 | 2 | 100.0% | 34,331 | 34,322 | |
| Goods and services | | 7,645 | (78) | - | 7,567 | 7,566 | 1 | 100.0% | 7,855 | 6,442 | |
| Advertising | | 146 | - | - | 146 | 146 | - | 100.0% | 859 | 766 | |
| Minor assets | | 248 | - | - | 248 | 248 | - | 100.0% | 145 | 143 | |
| Catering: Departmental activities | | 323 | (1) | - | 322 | 322 | - | 100.0% | 26 | 27 | |
| Communication (G&S) | | 9 | (1) | - | 8 | 8 | - | 100.0% | - | - | |

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

VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|--|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Consultants: Business and advisory services | 43 | - | - | 43 | 43 | - | 100.0% | 463 | 195 |
| Legal services | 376 | - | 376 | 376 | - | - | 100.0% | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | 236 | - |
| Consumable supplies | 255 | - | 255 | 255 | - | - | 100.0% | 87 | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | 93 | 30 |
| Travel and subsistence | 5,219 | (78) | 5,141 | 5,140 | 1 | - | 100.0% | 5,524 | 4,942 |
| Operating payments | 24 | - | 24 | 24 | - | - | 100.0% | 71 | 71 |
| Venues and facilities | 1,002 | 2 | 1,004 | 1,004 | - | - | 100.0% | 351 | 268 |
| Transfers and subsidies | 20,505 | (224) | 20,281 | 20,277 | 4 | 4 | 100.0% | 20,628 | 13,464 |
| Non-profit institutions | 18,673 | (176) | 18,497 | 18,493 | - | - | 100.0% | 19,743 | 12,616 |
| Households | 1,832 | (48) | 1,784 | 1,784 | - | - | 100.0% | 885 | 848 |
| Social benefits | 1,832 | (48) | 1,784 | 1,784 | - | - | 100.0% | 885 | 848 |
| Payments for capital assets | 55,036 | (2 851) | 52,185 | 38,225 | 13,960 | 13,543 | 73.2% | 26,321 | 6,309 |
| Buildings and other fixed Structures | 50,000 | - | 50,000 | 36,457 | - | - | 72.9% | 25,000 | 5,837 |
| Buildings | - | - | - | - | - | - | - | 25,000 | 5,837 |

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

VOTE 11

**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

| | | | | | | | | | |
|-------------------------------------|----------------|--------------|---|----------------|----------------|---------------|---------------|----------------|----------------|
| Other fixed structures | 50,000 | - | - | 50,000 | 36,457 | 13,543 | 72.9% | - | - |
| Machinery and equipment | 5,036 | (2 851) | - | 2,185 | 1,768 | 417 | 80.9% | 1,321 | 472 |
| Other machinery and equipment | 5,036 | (2 851) | - | 2,185 | 1,768 | 417 | 80.9% | 1,321 | 472 |
| Payment for financial assets | - | 6 316 | - | 6,316 | 6,316 | - | 100.0% | - | - |
| | 522,577 | - | - | 522,577 | 508,610 | 13,967 | 97.3% | 459,372 | 429,671 |

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

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Subprogramme: 4.1: Traditional Institutional Admin

| | 2018/19 | | | | | | | 2017/18 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 440,028 | (3 074) | - | 436,954 | 436,952 | 2 | 100.0% | 402,078 | 400,742 |
| Compensation of employees | 434,800 | (3 074) | - | 431,726 | 431,725 | 1 | 100.0% | 396,528 | 396,301 |
| Salaries and wages | 399,492 | (3 072) | - | 396,420 | 396,420 | - | 100.0% | 362,646 | 362,427 |
| Social contributions | 35,308 | (2) | - | 35,306 | 35,305 | 1 | 100.0% | 33,882 | 33,874 |
| Goods and services | 5,228 | - | - | 5,228 | 5,227 | 1 | 100.0% | 5,550 | 4,441 |
| Advertising | - | - | - | - | - | - | - | 793 | 711 |
| Minor assets | 248 | - | - | 248 | 248 | - | 100.0% | 145 | 143 |
| Catering: Departmental | 188 | - | - | 188 | 188 | - | 100.0% | 26 | 27 |
| Activities | | | | | | | | | |
| Communication (G&S) | 9 | (1) | - | 8 | 8 | - | 100.0% | - | - |
| Consultants: Business and advisory services | 43 | - | - | 43 | 43 | - | 100.0% | 463 | 195 |

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

VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | |
|--|---------------|----------------|----------|---------------|---------------|---------------|---------------|---------------|
| Legal services | 376 | - | - | 376 | - | 100.0% | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | 236 | - |
| Consumable supplies | 255 | - | - | 255 | - | 100.0% | 87 | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | 70 | 9 |
| Travel and subsistence | 3,102 | - | - | 3,102 | 1 | 100.0% | 3,454 | 3,143 |
| Operating payments | 24 | - | - | 24 | - | 100.0% | 71 | 71 |
| Venues and facilities | 983 | 1 | - | 984 | - | 100.0% | 205 | 142 |
| Transfers and subsidies | 20,449 | (224) | - | 20,225 | 4 | 100.0% | 20,628 | 13,464 |
| Non-profit institutions | 18,673 | (176) | - | 18,497 | 4 | 100.0% | 19,743 | 12,616 |
| Households | 1,776 | (48) | - | 1,728 | - | 100.0% | 885 | 848 |
| Social benefits | 1,776 | (48) | - | 1,728 | - | 100.0% | 885 | 848 |
| Payments for capital assets | 55,036 | (2 851) | - | 52,185 | 13,960 | 73.2% | 26,321 | 6,309 |
| Buildings and other fixed structures | 50,000 | - | - | 50,000 | 13,543 | 72.9% | 25,000 | 5,837 |

| | | | | | | | | |
|-------------------------------------|----------------|----------|----------|----------------|----------------|---------------|----------------|----------------|
| Buildings | - | - | - | - | - | - | 25,000 | 5,837 |
| Other fixed structures | 50,000 | - | - | 50,000 | 36,457 | 13,543 | - | - |
| Machinery and equipment | 5,036 | (2 851) | - | 2,185 | 1,768 | 417 | 1,321 | 472 |
| Other machinery and equipment | 5,036 | (2 851) | - | 2,185 | 1,768 | 417 | 1,321 | 472 |
| Payment for financial assets | - | 6 149 | - | 6,149 | 6,149 | - | - | - |
| Total | 515,513 | - | - | 515,513 | 501,547 | 13,966 | 449,027 | 420,515 |

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VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Subprogramme: 4.2: Administration of Houses of Traditional Leaders

| | 2018/19 | | | | | | | 2017/18 | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 7,008 | (167) | - | 6,841 | 6,840 | 1 | 100.0% | 10,345 | 9,156 |
| Compensation of employees | 4,591 | (89) | - | 4,502 | 4,501 | 1 | 100.0% | 8,040 | 7,155 |
| Salaries and wages | 4,188 | (89) | - | 4,099 | 4,099 | - | 100.0% | 7,591 | 6,707 |
| Social contributions | 403 | | | 403 | 402 | 1 | 99.8% | 449 | 448 |
| Goods and services | 2,417 | (78) | - | 2,339 | 2,339 | - | 100.0% | 2,305 | 2,001 |
| Advertising | 146 | - | - | 146 | 146 | - | 100.0% | 66 | 55 |
| Catering: Departmental | 135 | (1) | - | 134 | 134 | - | 100.0% | - | - |
| Activities | | | | | | | | | |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | 23 | 21 |
| Travel and subsistence | 2,117 | (78) | - | 2,039 | 2,039 | - | 100.0% | 2,070 | 1,799 |
| Venues and facilities | 19 | 1 | - | 20 | 20 | - | 100.0% | 146 | 126 |

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APPROPRIATION STATEMENT
for the year ended 31 March 2019

| | | | | | | | | | |
|-------------------------------------|--------------|------------|----------|--------------|--------------|----------|---------------|---------------|--------------|
| Transfers and subsidies | 56 | - | - | 56 | 56 | - | 100.0% | - | - |
| Households | 56 | - | - | 56 | 56 | - | 100.0% | - | - |
| Social benefits | 56 | - | - | 56 | 56 | - | 100.0% | - | - |
| Payment for financial assets | - | 167 | - | 167 | 167 | - | 100.0% | - | - |
| Total | 7,064 | - | - | 7,064 | 7,063 | 1 | 100.0% | 10,345 | 9,156 |

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019**

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 | 359 951 | 359 750 | 201 | 0% |
| No material variance | | | | | |
| | HUMAN SETTLEMENTS | 1 446 803 | 1 369 711 | 77 092 | 5% |
| Department spent 95% of its total budget on Human Settlements programme. The under spending is due to amongst others, non-performance by some contractors related to Human Settlement Grant, delays in the acquisition of well-located land, delays in procurement for service providers in respect of Tittle Deeds Restoration Grant as well as EPWP programme | | | | | |
| | COOPERATIVE GOVERNANCE | 359 675 | 358 967 | 708 | 0% |
| No material variance | | | | | |
| | TRADITIONAL INSTITUTIONAL DEVELOPMENT | 522 577 | 508 610 | 13 967 | 3% |
| No material variance | | | | | |

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019**

| 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 | 1 012 003 | 1 012 559 | 3 | 0% |
| Goods and services | 179 441 | 179 231 | 210 | 0% |
| Interest and rent on land | 999 | 999 | - | - |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 3 682 | 3680 | 2 | 0% |
| Departmental agencies and accounts | 146 | 146 | - | 0% |
| Non-profit institutions | 18 497 | 18 493 | 4 | 0% |
| Households | 1 320 256 | 1 243 191 | 77 065 | 6% |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | | | | |
| Buildings and other fixed structures | 50 000 | 36 457 | 13 543 | 27% |
| Machinery and equipment | 12 071 | 11 541 | 530 | 4% |
| Software and other intangible assets | 431 | 429 | 2 | 0% |
| Payments for financial assets | 90 929 | 90 319 | 609 | 1% |

Non-performance by some contractors relating to Human Settlement Grant, EPWP grant and delays in procurement of service providers for Tittle Deeds Restoration Grant. Delay in procurement of furniture for Traditional Councils and construction of Traditional Offices.

4.3 Per conditional grant

| | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|-------------------------------------|------------------------|-----------------------|----------|--|
| | R'000 | R'000 | R'000 | |
| Human settlements Development Grant | 1 287 681 | 1 223 419 | 64 262 | 5% |
| EPWP | 2 000 | - | 2 000 | 100% |
| Title Deeds restoration Grant | 22 506 | 11 704 | 10 802 | 48% |

Non Performance by some contractors relating to Human Settlement Development Grant as well as delays in the procurement of service providers for Tittle Deeds Restoration grants. Non implementation of EPWP plans also contributed to the underspending.

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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 2 687 028 | 2 465 861 |
| Statutory appropriation | 2 | 1 978 | 1 978 |
| Departmental revenue | 3 | 2 441 | - |
| TOTAL REVENUE | | 2 691 447 | 2 467 839 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 1 012 560 | 964 802 |
| Goods and services | 5 | 179 223 | 165 237 |
| Interest and rent on land | 6 | 999 | 419 |
| Total current expenditure | | 1 192 782 | 1 130 458 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 8 | 1 265 510 | 1 276 699 |
| Total transfers and subsidies | | 1 265 510 | 1 276 699 |
| Expenditure for capital assets | | | |
| Tangible assets | 9 | 47 998 | 11 692 |
| Intangible assets | | 429 | - |
| Total expenditure for capital assets | | 48 427 | 11 692 |
| Payments for financial assets | 7 | 90 319 | 10 008 |
| TOTAL EXPENDITURE | | 2 597 038 | 2 428 857 |
| SURPLUS FOR THE YEAR | | 94 409 | 38 982 |
| Reconciliation of Net Surplus for the year | | | |
| Voted funds | | 91 968 | 38 982 |
| Annual appropriation | | 14 904 | 38 299 |
| Conditional grants | | 77 064 | 683 |
| Departmental revenue and NRF Receipts | 14 | 2 441 | - |
| SURPLUS FOR THE YEAR | | 94 409 | 38 982 |

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL
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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 96 137 | 92 946 |
| Cash and cash equivalents | 10 | 67 785 | 43 839 |
| Prepayments and advances | 11 | 5 000 | 5 000 |
| Receivables | 12 | 23 352 | 44 107 |
| Non-current assets | | 193 | 328 |
| Receivables | 12 | 193 | 328 |
| TOTAL ASSETS | | 96 330 | 93 274 |
| LIABILITIES | | | |
| Current liabilities | | 95 946 | 90 881 |
| Voted funds to be surrendered to the Revenue Fund | 13 | 91 968 | 38 982 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 14 | 3 510 | 746 |
| Payables | 15 | 468 | 51 153 |
| TOTAL LIABILITIES | | 95 946 | 90 881 |
| NET ASSETS | | 384 | 2 393 |
| Represented by: | | | |
| Recoverable revenue | | 384 | 2 393 |
| TOTAL | | 384 | 2 393 |

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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2019**

| NET ASSETS | 2018/19 R'000 | 2017/18 R'000 |
|---|--------------------------|--------------------------|
| Recoverable revenue | | |
| Opening balance | 2 393 | 1 405 |
| Transfers: | (2 009) | 988 |
| Irrecoverable amounts written off | (2 055) | - |
| Debts recovered (included in departmental receipts) | (1 213) | (238) |
| Debts raised | 1 259 | 1 226 |
| Closing balance | <u>384</u> | <u>2 393</u> |
| TOTAL | <u><u>384</u></u> | <u><u>2 393</u></u> |

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**CASH FLOW STATEMENT
for the year ended 31 March 2019**

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|-----------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 2 696 605 | 2 471 713 |
| Annual appropriated funds received | 1.1 | 2 687 028 | 2 465 861 |
| Statutory appropriated funds received | 2 | 1 978 | 1 978 |
| Departmental revenue received | 3 | 5 515 | 3 537 |
| Interest received | 3.3 | 2 084 | 337 |
| Net decrease in working capital | | (29 795) | 58 405 |
| Surrendered to Revenue Fund | | (44 432) | (139 398) |
| Current payments | | (1 191 783) | (1 130 039) |
| Interest paid | 6 | (999) | (419) |
| Payments for financial assets | | (90 319) | (10 008) |
| Transfers and subsidies paid | | (1 265 510) | (1 276 699) |
| Net cash flow available from operating activities | 16 | 73 767 | (26 445) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 9 | (48 427) | (11 692) |
| Proceeds from sale of capital assets | 3.4 | 615 | 550 |
| Net cash flows from investing activities | | (47 812) | (11 142) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in net assets | | (2 009) | 988 |
| Net cash flows from financing activities | | (2 009) | 988 |
| Net decrease in cash and cash equivalents | | 23 946 | (36 599) |
| Cash and cash equivalents at beginning of period | | 43 839 | 80 438 |
| Cash and cash equivalents at end of period | 10 | 67 785 | 43 839 |

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**ACCOUNTING POLICIES
for the year ended 31 March 2019**

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

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

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

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**ACCOUNTING POLICIES
for the year ended 31 March 2019**

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

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**ACCOUNTING POLICIES
for the year ended 31 March 2019**

| | |
|--------------|--|
| | 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 | <p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p> |
| 8.4.2 | <p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. |
| 9 | 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> |

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**ACCOUNTING POLICIES
for the year ended 31 March 2019**

| | |
|-------------|---|
| | Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments are expensed and under what circumstances.> |
| 12 | Loans and receivables 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. |
| 13 | Investments Investments are recognised in the statement of financial position at cost. |
| 14 | Financial assets |
| 14.1 | Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. 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. |
| 14.2 | Impairment of financial assets 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. |
| 15 | Payables Payables recognised in the statement of financial position are recognised at cost. |
| 16 | Capital Assets |
| 16.1 | Immovable capital assets 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. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements. |
| 16.2 | Movable capital assets 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. 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 |

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**ACCOUNTING POLICIES
for the year ended 31 March 2019**

| | |
|-------------|--|
| | <p>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 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 | Provisions and Contingents |
| 17.1 | <p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p> |

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

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**ACCOUNTING POLICIES
for the year ended 31 March 2019**

| | |
|-----------|---|
| | 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. |
| 21 | <p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> |
| 22 | <p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p> |
| 23 | <p>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>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed the nature of the departure and the reason for departure</p> |
| 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</p> |

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**ACCOUNTING POLICIES
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| | |
|-----------|--|
| | statement of financial performance when written-off. |
| 27 | <p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions 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>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation 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> |

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1. Annual Appropriation

1.1 Annual Appropriation

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

| | Final Appropriation R'000 | Actual Funds Received R'000 | 2018/19 Funds not requested/not received R'000 | Final Appropriation R'000 | 2017/18 Appropriation received R'000 |
|--------------|--|--|---|--|---|
| Programme 1 | 357 973 | 357 973 | - | 337 414 | 337 414 |
| Programme 2 | 1 446 803 | 1 446 803 | - | 1 390 289 | 1 390 289 |
| Programme 3 | 359 675 | 359 675 | - | 278 786 | 278 786 |
| Programme 4 | 522 577 | 522 577 | - | 459 372 | 459 372 |
| Total | 2 687 028 | 2 687 028 | - | 2 465 861 | 2 465 861 |

There were no funds withheld during the 2018/19 financial year.

1.2 Conditional grants **

| | <i>Note</i> | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------|-------------|--------------------------|--------------------------|
| Total grants received | 33 | 1 312 187 | 1,256,461 |

** It should be noted that the Conditional grants are included in the amounts per the Final Appropriation Note 1.1

Conditional grants received consists of Human Settlements Development Grant amounting to R1.3 billion (2017/18: R1.25 billion), Expanded Public Works Programme amounting to R2.0 million (2017/18: R2 million) as well as Title Deeds Registration Grant amounting to R22.5million (2017/18:R0).

2. Statutory Appropriation

| | 2018/19 R'000 | 2017/18 R'000 |
|---|--------------------------|--------------------------|
| Members' of Executive Council | 1 978 | 1 978 |
| Total | 1 978 | 1 978 |
| Actual Statutory Appropriation received | 1 978 | 1 978 |

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3. Departmental revenue

| | Note | 2018/19 | 2017/18 |
|---|------|--------------|--------------|
| | | R'000 | R'000 |
| Sales of goods and services other than capital assets | 3.1 | 1 567 | 1,105 |
| Fines, penalties and forfeits | 3.2 | - | 6 |
| Interest dividends and rent on land | 3.3 | 2 167 | 412 |
| Sales of capital assets | 3.4 | 615 | 550 |
| Transactions in financial assets and liabilities | 3.5 | 3 865 | 2,301 |
| Transfers received | 3.6 | - | 50 |
| Total revenue collected | | 8 214 | 4,424 |
| Less: Own revenue included in appropriation | 14 | 5 773 | (4,424) |
| Departmental revenue collected | | 2 441 | - |

The increase in revenue is as a result of over collection on sales of goods and services, interest received that was accrued in the prior year and recoveries of debts during the year.

3.1 Sales of goods and services other than capital assets

| | Note | 2018/19 | 2017/18 |
|--|------|--------------|--------------|
| | 3 | R'000 | R'000 |
| Sales of goods and services produced by the department | | 1 381 | 1,101 |
| Sales by market establishment | | 247 | 254 |
| Other sales | | 1 121 | 847 |
| Administrative fees | | 13 | - |
| Sales of scrap waste and other used current goods | | 186 | 4 |
| Total | | 1 567 | 1,105 |

3.2 Fines penalties and forfeits

| | Note | 2018/19 | 2017/18 |
|--------------|------|----------|----------|
| | 3 | R'000 | R'000 |
| Fines | | - | 6 |
| Total | | - | 6 |

3.3 Interest dividends and rent on land

| | Note | 2018/19 | 2017/18 |
|--------------|------|--------------|------------|
| | 3 | R'000 | R'000 |
| Interest | | 2 084 | 337 |
| Rent on land | | 83 | 75 |
| Total | | 2 167 | 412 |

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The increase is as a result of interest received in the current which was supposed to have been received in the prior year from the service provider.

3.4 Sale of capital assets

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------|------|------------------|------------------|
| Tangible assets | 3 | 615 | 550 |
| Machinery and equipment | 28.2 | 615 | 550 |
| Total | | 615 | 550 |

The increase is as a result of disposal by auction of transport equipment which yielded a higher value than expected.

3.5 Transactions in financial assets and liabilities

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Receivables | 3 | 3 001 | 366 |
| Other Receipts including Recoverable revenue | | 864 | 1 935 |
| Total | | 3 865 | 2 301 |

The increase is as a result of debts that were irrecoverable and were written off in terms of the debt policy.

3.6 Transfers received

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|------------------------|------|------------------|------------------|
| Other government units | 3 | - | 50 |
| Total | | - | 50 |

No gifts and awards were earned in 2018/19

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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4. Compensation of employees

4.1 Salaries and Wages

| | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------------|--------------------------|--------------------------|
| Basic salary | 587 803 | 573,722 |
| Performance award | 15 098 | 13,884 |
| Service Based | 648 | 1,085 |
| Compensative/circumstantial | 14 155 | 14,122 |
| Periodic payments | 219 | 55 |
| Other non-pensionable allowances | 282 517 | 253,312 |
| Total | 900 440 | 856 180 |

4.2 Social contributions

| | 2018/19 R'000 | 2017/18 R'000 |
|--|--------------------------|--------------------------|
| Employer contributions | | |
| Pension | 69 770 | 68,670 |
| Medical | 42 178 | 39,759 |
| UIF | - | 30 |
| Bargaining council | 171 | 163 |
| Total | 112 119 | 108,622 |
| Total compensation of employees | 1 012 559 | 964 802 |
| Average number of employees | 2 075 | 2 159 |

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5. Goods and services

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| Administrative fees | | 1 207 | 1 964 |
| Advertising | | 1 290 | 2 835 |
| Minor assets | 5.1 | 698 | 220 |
| Bursaries (employees) | | 969 | 871 |
| Catering | | 1 342 | 1 316 |
| Communication | | 14 663 | 14 261 |
| Computer services | 5.2 | 9 339 | 15 656 |
| Consultants: Business and advisory services | | 9 324 | 1 602 |
| Legal services | | 4 209 | 4 177 |
| Contractors | | 3 214 | 4 058 |
| Entertainment | | 328 | 228 |
| Audit cost – external | 5.3 | 6 021 | 5 017 |
| Fleet services | | 6 098 | 5 226 |
| Consumables | 5.4 | 5 609 | 3 808 |
| Operating leases | | 49 701 | 45 183 |
| Property payments | 5.5 | 20 648 | 18 097 |
| Travel and subsistence | 5.6 | 38 044 | 35 040 |
| Venues and facilities | | 3 950 | 3 284 |
| Training and development | | 1 260 | 1 316 |
| Other operating expenditure | 5.7 | 1 317 | 1 078 |
| Total | | 179 231 | 165 237 |

Rising prices of goods and services led to the increase in expenditure.

5.1 Minor assets

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------|------|------------------|------------------|
| Tangible assets | 5 | | |
| Machinery and equipment | | 698 | 220 |
| Total | | 698 | 220 |

5.2 Computer services

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------------------|------|------------------|------------------|
| SITA computer services | 5 | 8 319 | 11 729 |
| External computer service providers | | 1 020 | 3 927 |
| Total | | 9 339 | 15 656 |

Rising prices, licences and fluctuations of the rand/dollar exchange led to the decrease in expenditure

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5.3 Audit cost – External

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------|------|------------------|------------------|
| Regularity audits | 5 | 6 021 | 5 017 |
| Total | | 6 021 | 5 017 |

5.4 Consumables

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| Consumable supplies | 5 | 1 832 | 618 |
| Uniform and clothing | | 493 | 225 |
| Other consumables | | 344 | 393 |
| IT consumables | | 7 | - |
| Household supplies | | 988 | - |
| Stationery printing and office supplies | | 3 777 | 3 190 |
| Total | | 5 609 | 3 808 |

5.5 Property payments

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--------------------|------|------------------|------------------|
| Municipal services | 5 | 3 227 | 2 934 |
| Other | | 17 421 | 15 163 |
| Total | | 20 648 | 18 097 |

5.6 Travel and subsistence

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--------------|------|------------------|------------------|
| Local | 5 | 37 664 | 34 339 |
| Foreign | | 380 | 701 |
| Total | | 38 044 | 35 040 |

5.7 Other operating expenditure

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Professional bodies membership and subscription fees | 5 | 562 | 452 |
| Resettlement costs | | - | 42 |
| Other | | 755 | 584 |
| Total | | 1 317 | 1 078 |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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6. Interest and rent on land

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---------------|------|------------------|------------------|
| Interest paid | | 999 | 419 |
| Total | | 999 | 419 |

7. Payments for financial assets

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------------|------|------------------|------------------|
| Extension of loans for policy | | 68 392 | - |
| Debts written off | 7.1 | 21 927 | 10 008 |
| Total | | 90 319 | 10 008 |

The increase in expenditure is as a result of funding assistance offered to municipalities in financial distress as well as debts written off as irrecoverable in line with the policy.

7.1 Debts written off

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|------------------------------------|------|------------------|------------------|
| Nature of debts written off | 7 | | |
| Staff Debts | | 2 927 | 919 |
| Fruitless and Wasteful | | 19 000 | 9 089 |
| Total | | 21 927 | 10 008 |

The increase result from debts written off in terms of the debt policy

8. Transfers and subsidies

| | | 2018/19 R'000 | 2017/18 R'000 |
|------------------------------------|----------|------------------|------------------|
| Provinces and municipalities | Note 34 | 3 682 | 3 198 |
| Departmental agencies and accounts | Annex 1B | 145 | 43 |
| Non-profit institutions | Annex 1F | 18 493 | 12 616 |
| Households | Annex 1G | 1 243 190 | 1 260 842 |
| Total | | 1 265 510 | 1,276,699 |

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9. Expenditure for capital assets

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------------------|------|------------------|------------------|
| Tangible assets | | 47 998 | 11 692 |
| Buildings and other fixed structures | 40 | 36 457 | 5 837 |
| Machinery and equipment | 39 | 11 541 | 5 855 |
| Intangible assets | | 429 | - |
| Software | 40 | 429 | - |
| Total | | 48 427 | 11 692 |

An increase in Tangible assets is mainly as a results of construction of Traditional Council office projects.

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

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|------------------------------------|----------------------|----------------------------|----------------|
| Tangible assets | 47 998 | - | 47 998 |
| Buildings & other fixed structures | 36 457 | - | 36 457 |
| Machinery and equipment | 11 541 | - | 11 541 |
| Intangible assets | 429 | - | 429 |
| Software | 429 | - | 429 |
| Total | 48 427 | - | 48 427 |

9.2 Analysis of funds utilised to acquire capital assets – 2017/18

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|------------------------------------|----------------------|----------------------------|----------------|
| Tangible assets | 11 692 | - | 11 692 |
| Buildings & other fixed structures | 5 837 | - | 5 837 |
| Machinery and equipment | 5 855 | - | 5 855 |
| Total | 11 692 | - | 11 692 |

10. Cash and cash equivalents

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Consolidated Paymaster General Account | | 67 755 | 43 839 |
| Disbursements | | 30 | - |
| Total | | 67 785 | 43 839 |

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All cash and cash balances is available for use.

There were no undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

11. Prepayments and advances

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------|------|------------------|------------------|
| Prepayments (Not expensed) | 11.1 | 5 000 | 5 000 |
| Total | | 5 000 | 5 000 |

11.1 Prepayments (Not expensed)

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------|------|------------------|------------------|
| Transfers and subsidies | 11 | 5 000 | 5 000 |
| Total | | 5 000 | 5 000 |

11.2 Prepayments (Not expensed)

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

11.3 Prepayments (Expensed)

| | Note | Balance as at 1 April 2018 R'000 | Less: Amount received in current year R'000 | Add/less: Other R'000 | Add: Current Year prepayments R'000 | Balance as at 31 March 2019 R'000 |
|-------------------------|------|---|--|-----------------------------|--|---|
| Transfers and subsidies | 11 | 339 365 | (467 667) | 2 956 | 234 967 | 109 651 |
| Total | | 339 365 | (468 711) | 2 956 | 234 967 | 109 651 |

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11.4 Prepayments (Expensed)

| | Note | Balance as at 1 April 2017 | Less: Amount received in current year | Add: Current Year prepayments | Balance as at 31 March 2018 |
|-------------------------|------|-------------------------------|---|----------------------------------|-----------------------------------|
| | | R'000 | R'000 | R'000 | R'000 |
| Transfers and subsidies | 11 | 243 164 | (174 160) | 270 361 | 339 365 |
| Total | | 243 164 | (174 160) | 270 361 | 339 365 |

The increase is a result of payment to Housing Development Agency for the purpose of management and implementation of the community Residential units, Enhanced People's Housing and Disaster programmes.

11.5 Advances Paid (Expensed)

| | Note | Balance as at 1 April 2018 | Less: Amount received in current year | Add: Current Year prepayments | Balance as at 31 March 2019 |
|-------------------------|------|-------------------------------|---|----------------------------------|-----------------------------------|
| | | R'000 | R'000 | R'000 | R'000 |
| Transfers and subsidies | 11 | - | - | 116 517 | 116 517 |
| Total | | - | - | 116 517 | 116 517 |

Funding for the implementation of bulk infrastructure projects in the five mining town municipalities.

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12. Receivables

| | | Current | Non-current | 2018/19 Total | Current | Non-current | 2017/18 Total |
|------------------------------------|----------------------|---------------|-------------|------------------|---------------|-------------|------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | Note 12.1 Annex 4 | 202 | - | 202 | 800 | - | 800 |
| Trade receivables | 12.2 | 38 | - | 38 | 104 | 20 | 124 |
| Recoverable expenditure | 12.3 | 240 | - | 240 | 1 | - | 1 |
| Staff debt | 12.4 | 1 480 | 193 | 1 673 | 2 502 | 308 | 2 810 |
| Fruitless and wasteful expenditure | 12.6 | 21 392 | - | 21 392 | 40 392 | - | 40 392 |
| Other debtors | 12.5 | - | - | - | 308 | - | 308 |
| Total | | 23 352 | 193 | 23 545 | 44 107 | 328 | 44 435 |

The reduction of the receivables came as a result of writing off irrecoverable fruitless and wasteful expenditure of unblocking of projects that occurred in 2007/2008 as well as the irrecoverable debts of traditional leaders who are either deceased or had their chieftainship withdrawn.

12.1 Claims recoverable

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|------------------------|------|------------------|------------------|
| National departments | 12 | 88 | - |
| Provincial departments | | 114 | 363 |
| Local governments | | - | 437 |
| Total | | 202 | 800 |

The reduction is as a result recoveries received from other departments and debts written off

12.2 Trade receivables

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-----------------|------|------------------|------------------|
| Suppliers debts | 12 | 38 | 124 |
| Total | | 38 | 124 |

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12.3 Recoverable expenditure (disallowance accounts)

| | Note 12 | 2018/19 R'000 | 2017/18 R'000 |
|----------------------------|------------|------------------|------------------|
| Sal: GEHS | | 201 | - |
| Salary Tax Debt | | 16 | 1 |
| Disallowance Miscellaneous | | 23 | - |
| Total | | 240 | 1 |

The increase is a result of housing benefits of staff not yet settled by Housing Unit

12.4 Staff debt

| | Note 12 | 2018/19 R'000 | 2017/18 R'000 |
|--------------|------------|------------------|------------------|
| Staff Debt | | 1 673 | 2 810 |
| Total | | 1 673 | 2 810 |

12.5 Other debtors

| | Note 12 | 2018/19 R'000 | 2017/18 R'000 |
|--------------|------------|------------------|------------------|
| Other | | - | 308 |
| Total | | - | 308 |

12.6 Fruitless and wasteful expenditure

| | Note 12 | 2018/19 R'000 | 2017/18 R'000 |
|--|------------|------------------|------------------|
| Opening balance | | 40 392 | 49 480 |
| Less: amount recovered | | - | (3) |
| Less amounts written off | | (19 000) | (9 088) |
| Transfer from note 32 fruitless and wasteful expenditure | | - | 3 |
| Total | | 21 392 | 40 392 |

The material change in balances is a result of irrecoverable amount written off in line with the debt policy

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12.7 Impairment of receivables

| | <i>Note</i> | 2018/19 R'000 | 2017/18 R'000 |
|---------------------------------------|-------------|--------------------------|--------------------------|
| Estimate of impairment of receivables | | | |
| Staff Debts | | 520 | 2 888 |
| Fruitless and wasteful | | 21 392 | 40 392 |
| Total | | 21 912 | 43 280 |

The material change in balances is a result of irrecoverable amount written off in line with the debt policy

13. Voted funds to be surrendered to the Revenue Fund

| | <i>Note</i> | 2018/19 R'000 | 2017/18 R'000 |
|--|-------------|--------------------------|--------------------------|
| Opening balance | | 38 982 | 134 176 |
| As restated | | 38 982 | 134 176 |
| Transfer from statement of financial performance (as restated) | | 91 968 | 38 982 |
| Paid during the year | | (38 982) | (134 176) |
| Closing balance | | 91 968 | 38 982 |

The annual report on face of the statement of financial position where this note emanates has been incorrectly typed as 38 892 instead of 38 982

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

| | <i>Note</i> | 2018/19 R'000 | 2017/18 R'000 |
|--|-------------|--------------------------|--------------------------|
| Opening balance | | 746 | 1 544 |
| As restated | | 746 | 1 544 |
| Transfer from Statement of Financial Performance (as restated) | | 2 441 | - |
| Own revenue included in appropriation | | 5 773 | 4 424 |
| Paid during the year | | (5 450) | (5 222) |
| Closing balance | | 3 510 | 746 |

The increase is as a result of substantial revenue recovered towards the end of the financial year.

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15. Payables – current

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------|-------|------------------|------------------|
| Advances received | 15.1 | 7 | 41 |
| Clearing accounts | 15..2 | 461 | 1 112 |
| Other | | - | 50 000 |
| Total | | 468 | 51 153 |

.Decrease in payable was as a result of once of overpayment by treasury on exchequer grants in the prior year.

15.1 Advances received

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--------------------|------------------|------------------|------------------|
| Other institutions | 15 Annx 8B | 7 | 41 |
| Total | | 7 | 41 |

15.2 Clearing accounts

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Sal Income Tax | 15 | 409 | 974 |
| Sal Pension fund | | 37 | 127 |
| Sal: Acb Recalls | | 15 | - |
| Sal: Government-Employees Housing Scheme | | - | 11 |
| Total | | 461 | 1 112 |

15.3 Other payables

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--------------|------|------------------|------------------|
| Other | 15 | - | 50 000 |
| Total | | - | 50 000 |

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16. Net cash flow available from operating activities

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Net surplus/(deficit) as per Statement of Financial Performance | | 94 409 | 38 982 |
| Add back non cash/cash movements not deemed operating activities | | (20 642) | (65 427) |
| Decrease in receivables – current | | 20 890 | 9 167 |
| Decrease in prepayments and advances | | - | 1 628 |
| Decrease in payables – current | | (50 685) | (47 610) |
| Proceeds from sale of capital assets | | (615) | (550) |
| Expenditure on capital assets | | 48 427 | 11 692 |
| Surrenders to Revenue Fund | | (44 432) | (139 398) |
| Own revenue included in appropriation | | 5 773 | 4 424 |
| Net cash flow generated by operating activities | | 73 767 | (26 445) |

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

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Consolidated Paymaster General account | | 67 755 | 43 839 |
| Disbursements | | 30 | - |
| Total | | 67 785 | 43 839 |

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

| | | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|---------------|----------|------------------|------------------|
| Liable to | Nature | | | |
| Housing loan guarantees | Employees | Annex 3A | 1 024 | 1 024 |
| Claims against the department | | Annex 3B | 329 688 | 307 979 |
| Intergovernmental payables (unconfirmed balances) | | Annex 5 | 34 | 51 |
| Other | | Annex 3B | 2 123 | 2 123 |
| Total | | | 332 869 | 311 177 |

There is no certainty as to whether or when these amounts will become payable. The reduction is a result of cancelled cases.

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18.2 Contingent assets

| | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------------------|------------------|------------------|
| Nature of contingent asset | | |
| Advance account administrator | 2 820 | 2 820 |
| Recovery of overpayment | 305 | 98 |
| Recovery of subsidised transport | 30 | 30 |
| Lost assets | 28 | 31 |
| Total | 3 183 | 2 979 |

19. Commitments

| | 2018/19 R'000 | 2017/18 R'000 |
|---------------------------------|------------------|------------------|
| Current expenditure | | |
| Approved and contracted | 85 272 | 14 748 |
| Approved but not yet contracted | - | - |
| | 85 272 | 14 748 |
| Capital expenditure | | |
| Approved and contracted | 206 | 2 333 |
| | 206 | 2 333 |
| Total Commitments | 85 478 | 17 081 |

Commitments valued at R76.2 million are for longer than a year.

20. Accruals and payables not recognised

| 20.1 Accruals not recognised | 2018/19 R'000 | 2017/18 R'000 |
|--|--------------------------|--------------------------|
| Listed by economic classification | | |
| | 30 Days | 30+ Days |
| Goods and services | 2 638 | - |
| Transfers and subsidies | 5 890 | - |
| Total | 8 528 | - |
| | Total | Total |
| | | |
| | 2018/19 R'000 | 2017/18 R'000 |
| Listed by programme level | | |
| Programme 1 | 2 935 | - |
| Programme 2 | 5 388 | - |
| Programme 3 | 7 | - |
| Programme 4 | 198 | - |
| Total | 8 528 | - |

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20.2 Payables not recognised

| | | | 2018/19 R'000 | 2017/18 R'000 |
|--|----------------|-----------------|------------------|------------------|
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 3 159 | - | 3 159 | 7 201 |
| Transfers and subsidies | 15 274 | - | 15 274 | 14 857 |
| Capital assets | - | - | - | 606 |
| Total | 18 433 | - | 18 433 | 22 664 |
| Listed by programme level | | | | |
| | | | Note | |
| | | | 2018/19 R'000 | 2017/18 R'000 |
| Programme 1 | | | 2 952 | 3 910 |
| Programme 2 | | | 15 047 | 15 774 |
| Programme 3 | | | 15 | 1 877 |
| Programme 4 | | | 419 | 1 103 |
| Total | | | 18 433 | 22 664 |

Included in programme 1 is an amount of R2.8 million being recalculated award on fuel allowance.

21. Employee benefits

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-----------------------------------|------|------------------|------------------|
| Leave entitlement | | 50 532 | 47 239 |
| Service bonus (Thirteenth cheque) | | 22 584 | 22 403 |
| Performance awards | | 12 157 | 11 404 |
| Capped leave commitments | | 36 250 | 40 467 |
| Other | | 19 005 | 15 812 |
| Total | | 140 528 | 137 325 |

- Leave entitlement includes negative values amounting to R380 054.30(2018: R426 420.93)
- Other includes Long service award of R639 thousand (2018: R606) as well as pay progression amount of R16.2 million (2018:R15.2 million) and S & T of R4.9m
- *At this stage the department is not able to reliably measure the long term portion of the long service awards.*

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22. Lease commitments

22.1 Operating leases expenditure

| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|--------------------------------------|------|---|-------------------------------|--------|
| 2018/19 | | | | | |
| Not later than 1 year | - | - | 51 272 | 492 | 51 764 |
| Later than 1 year and not later than 5 years | - | - | - | 363 | 363 |
| Total lease commitments | - | - | 51 272 | 855 | 52 127 |
| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| 2017/18 | | | | | |
| Not later than 1 year | - | - | 26 979 | 336 | 27 315 |
| Later than 1 year and not later than 5 years | - | - | - | 434 | 434 |
| Total lease commitments | - | - | 26 979 | 770 | 27 749 |

The Department is leasing premises for office space from various landlords with varying lease periods. The 10 year lease for the main office building expired on 31 October 2018 and renewal processes are underway.

The department does not have assets that are sub-leased

22.2 Finance leases expenditure**

| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--------------------------------|--------------------------------------|------|---|-------------------------------|-------|
| 2018/19 | | | | | |
| Not later than 1 year | - | - | - | - | - |
| Total lease commitments | - | - | - | - | - |
| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| 2017/18 | | | | | |
| Not later than 1 year | - | - | - | 89 | 89 |
| Total lease commitments | - | - | - | 89 | 89 |

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The department does not have assets that are sub-leased

22.3 Operating lease future revenue**

| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|--------------------------------------|------------|---|-------------------------------|------------|
| 2018/19 | | | | | |
| 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 |
| 2017/18 | | | | | |
| Not later than 1 year | - | 82 | - | - | 82 |
| Later than 1 year and not later than 5 years | - | 553 | - | - | 553 |
| Later than five years | - | 184 | - | - | 184 |
| Total operating lease revenue receivable | - | 819 | - | - | 819 |

The Department is leasing the land to a cellular phone company for the tower erected. The 10 year lease agreement ends on 30 June 2025.

23. Accrued departmental revenue

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|--|------|------------------|------------------|
| Interest, dividends and rent on land | | 21 262 | 13 966 |
| Sale of capital assets | | - | 92 |
| Transactions in financial assets and liabilities | | 2 194 | 2 176 |
| Total | | 23 456 | 16 234 |

23.1 Analysis of accrued departmental revenue

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|-------------------------|------|------------------|------------------|
| Opening balance | | 16 234 | 5 791 |
| Less: amounts received | | (976) | (32) |
| Add: amounts recognised | | 8 198 | 10 475 |
| Closing balance | | 23 456 | 16 234 |

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An increase is mainly as a result of interest earned on funds transferred to the implementing agent and not surrendered at the reporting period.

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

| | Note | 2018/19 R'000 | 2017/18 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 927 481 | 102 840 |
| As restated | | 927 481 | 102 840 |
| Add: Irregular expenditure – relating to current year | | 844 906 | 824 641 |
| Closing balance | | 1 772 387 | 927 481 |

**Analysis of awaiting condonation per age
classification**

| | | |
|--------------|------------------|----------------|
| Current year | 844 906 | 824 641 |
| Prior years | 927 481 | 102 840 |
| Total | 1 772 387 | 927 481 |

24.2 Details of irregular expenditure-added to current year

| Incident | Disciplinary steps taken | 2018/19 R'000 |
|--|--------------------------|------------------|
| Bids Not Evaluated In Accordance With The Preference Points System None | | 770 743 |
| Non-compliance with SCM procurement regulations | | 74 144 |
| Non-compliance with procurement regulations regarding local content | | 19 |
| Total | | 844 906 |

**Details of irregular expenditures under determination or investigation (not included in
the main note)**

| Incident | 2018/19 R'000 |
|---|------------------|
| Overtime work paid contrary to Basic Conditions of employment act | 221 |
| Total | 221 |

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25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

| | <i>Note</i> | 2018/19 R'000 | 2017/18 R'000 |
|---|-------------|--------------------------|--------------------------|
| Opening balance | | 111 441 | 111 253 |
| As restated | | 111 441 | 111 253 |
| Fruitless and wasteful expenditure – relating to prior year | | - | - |
| Fruitless and wasteful expenditure – relating to current year | | 1 000 | 461 |
| Less : Amounts resolved | | - | (270) |
| Less: Amount transferred to receivable | | - | (3) |
| Fruitless and wasteful expenditure awaiting resolution | | 112 441 | 111 441 |

25.2 Analysis of awaiting resolution per economic classification

| | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------------|--------------------------|--------------------------|
| Current | 1 681 | 681 |
| Transfers and Subsidies | 110 760 | 110 760 |
| Total | 112 441 | 111 441 |

25.3 Analysis of current year's fruitless and wasteful expenditure

| Incident | <i>Disciplinary steps taken/criminal proceedings</i> | 2018/19 R'000 |
|-------------------------------------|--|--------------------------|
| Interest on overdue accounts-Telkom | <i>None</i> | 8 |
| Interest on overdue accounts-Tasset | <i>None</i> | 991 |
| Payment of licence on unused car | <i>None</i> | 1 |
| Total | | 1 000 |

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26. Related party transactions

In kind goods and services provided/received

| | 2018/19 R'000 |
|--------------------------|------------------|
| Internal Audit Services | 3 373 |
| Audit Committee Services | 394 |
| Total | 3 767 |

The Department had the following related party relationships during 2018/19

- 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 157.2

27. Key management personnel

| | No. of Individuals | 2018/19 R'000 | 2017/18 R'000 |
|--------------------------------|-----------------------|------------------|------------------|
| Political office bearers | 1 | 1 978 | 1 646 |
| Officials: | | | |
| Level 15 to 16 | 7 | 6 472 | 7 575 |
| Level 14 | 15 | 18 655 | 17 132 |
| Level 13 | 2 | 1 556 | - |
| Family member of key personnel | 1 | 721 | - |
| Total | | 29 382 | 26 353 |

The amount includes a Director in the MEC's Office and Director: Planning & Monitoring who is also a Member of Executive Committee. It also includes the spousal remuneration of personnel in level 14

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28. Movable Tangible Capital Assets

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

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 85 799 | 169 | 11 589 | (4 954) | 92 603 |
| Transport assets | 25 340 | - | 4 406 | (1 822) | 27 924 |
| Computer equipment | 37 767 | 103 | 4 045 | (2 687) | 39 228 |
| Furniture and office equipment | 13 090 | 30 | 2 918 | (193) | 15 845 |
| Other machinery and equipment | 9 602 | 36 | 220 | (252) | 9 606 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 85 799 | 169 | 11 589 | (4 954) | 92 603 |

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 | 638 | 18 190 |

Assets are being investigated for their status in which they are and also to verify their economic use

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28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | 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 | 11 541 | 48 | - | - | 11 589 |
| Transport assets | 4 406 | | | | 4 406 |
| Computer equipment | 4 011 | 34 | - | - | 4 045 |
| Furniture and office equipment | 2 904 | 14 | - | - | 2 918 |
| Other machinery and equipment | 220 | - | - | - | 220 |
| TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS | 11 541 | 48 | - | - | 11 589 |

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
|--|----------------|-------------------|-----------------|----------------------|
| | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | (4 661) | (293) | (4 954) | 615 |
| Transport assets | (1 754) | (68) | (1 822) | 583 |
| Computer equipment | (2 662) | (25) | (2 687) | 32 |
| Furniture and office equipment | (193) | - | (193) | - |
| Other machinery and equipment | (52) | (200) | (252) | - |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | (4 661) | (293) | (4 954) | 615 |

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Assets were disposed of for cash during an auction that occurred during March 2019. 15 tents were transferred to various District Municipalities throughout the Province

28.3 Movement for 2017/18

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-----------------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 84 782 | (250) | 7 510 | (6 243) | 85 799 |
| Transport assets | 25 374 | - | 3 810 | (3 844) | 25 340 |
| Computer equipment | 30 199 | 7 265 | 1 193 | (890) | 37 767 |
| Furniture and office equipment | 23 859 | (11 380) | 1 393 | (782) | 13 090 |
| Other machinery and equipment | 5 350 | 3 865 | 1 114 | (727) | 9 602 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 84 782 | (250) | 7 510 | (6 243) | 85 799 |

28.3.1 Prior period error

| | Note | 2017/18 R'000 |
|-------------------------------|------|------------------|
| Tangible assets | | (250) |
| Computer equipment | | 7 265 |
| Furniture and Equipment | | (11 380) |
| Other machinery and equipment | | 3 865 |
| Total | | (250) |

Reclassification of assets in the asset register to align BAS and SCOA classification of assets

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28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 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 | - | 19 362 | - | 19 375 |
| Value adjustment | - | - | - | 256 | - | 256 |
| Additions | - | - | - | 714 | - | 714 |
| Disposals | - | - | - | (548) | - | (548) |
| TOTAL MINOR ASSETS | - | 13 | - | 19 784 | - | 19 797 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-------------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|---------------|
| Number of minor assets at cost | - | 1 | - | 10 813 | - | 10 814 |
| TOTAL NUMBER OF MINOR ASSETS | - | 1 | - | 10 813 | - | 10 814 |

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 | 1 284 | 2 582 |

Assets are being investigated for their status in which they are and also to verify their economic use

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MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

| | 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 | - | 19 099 | - | 19 112 |
| Prior period error | - | - | - | (40) | - | (40) |
| Additions | - | - | - | 467 | - | 467 |
| Disposals | - | - | - | (164) | - | (164) |
| TOTAL MINOR ASSETS | - | 13 | - | 19 362 | - | 19 375 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-------------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|---------------|
| Number of minor assets at cost | - | 1 | - | 10 808 | - | 10 809 |
| TOTAL NUMBER OF MINOR ASSETS | | 1 | - | 10 808 | - | 10 809 |

28.4.1 Prior period error

Note

**2017/18
R'000**

Nature of prior period error
 Relating to 2018/19 (affecting the opening balance)

Minor assets

(40)

Total

(40)

3 minor assets valued at 4999.99 were incorrectly included under minor assets while when rounded up they are tangible assets.

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28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF 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 |
|---|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Assets written off | - | - | - | 68 | - | 68 |
| TOTAL MOVABLE ASSETS WRITTEN OFF | - | - | - | 68 | - | 68 |

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

| | 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 |
|---|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Assets written off | - | - | - | 135 | - | 135 |
| TOTAL MOVABLE ASSETS WRITTEN OFF | - | - | - | 135 | - | 135 |

28.6 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

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

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MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|--------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| No. of Assets | | | | 76 | | 76 |
| Value of the assets (R'000) | | | | 2 546 | | 2 546 |

Assets were transferred to the Department of Roads & Transport and various District Municipalities

29. Intangible Capital Assets

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

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 2 699 | 30 | 429 | - | 3 158 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 2 699 | 30 | 429 | - | 3 158 |

Intangible Capital Assets under investigation

| | Number | Value R'000 |
|--|--------|----------------|
| Included in the above total of the intangible capital assets per the asset register are assets that are under investigation: | | |
| Software | 13 | 985 |

Assets are being investigated for their status in which they are and also to verify their economic use

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ADDITIONS TO MOVABLE INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

| | 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 |
| Software | 429 | - | - | - | 429 |
| TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS | 429 | - | - | - | 429 |

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
|--|--------------------|-----------------------|-----------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 2 415 | 284 | - | - | 2 699 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 2 415 | 284 | - | - | 2 699 |

29.4.1 Prior period error

Note

**2017/18
R'000**

Software

284

Total

284

Reclassification of assets to align BAS and SCOA as per Treasury request

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30. Immovable Capital Assets

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

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| Other fixed structures | 7 | - | 5 856 | - | 5 863 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 7 | - | 5 856 | - | 5 863 |

Additions came as a result of completion of building and refurbishment of five traditional council offices throughout the Limpopo Province

Immovable 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 | 5 | 5 856 |

Five 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. 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 2019

| | 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 | | | | | |
| Other fixed structures | - | 5 856 | - | - | 5 856 |
| TOTAL ADDITIONS TO | - | 5 856 | - | - | 5 856 |

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**IMMOVABLE TANGIBLE
CAPITAL ASSETS**

Five traditional council offices reached a completion

30.2 Movement 2017/18

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| Other fixed structures | - | 7 | - | - | 7 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | - | 7 | - | - | 7 |

30.2.1 Prior period error

Note

**2017/18
R'000**

Other fixed structures

7

Total

7

Reclassification of assets to align BAS and SCOA as per Treasury request

30.3 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

| | Opening balance 1 April 2018 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2018 |
|---|---------------------------------------|---------------------|--|--|
| Note | R'000 | R'000 | R'000 | R'000 |
| <i>Annexure 7</i> | | | | |
| Buildings and other fixed structures | 5 837 | 36 457 | (5 856) | 36 438 |
| TOTAL | 5 837 | 36 457 | (5 856) | 36 438 |

Include discussion here where deemed relevant

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| | Number of projects | | 2018/19 |
|----------------------------------|---|-------------------------------------|----------------|
| | Planned, Construction not started | Planned, Construction started | Total R'000 |
| Age analysis on ongoing projects | | | |
| 0 to 1 Year | - | | |
| 1 to 3 Years | | 24 | 36 438 |
| Longer than 5 Years | | | |
| Total | - | 24 | 36 438 |

The expenditure was incurred in respect of refurbishment of 29 various Traditional Council offices
Five offices were completed

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

| | Opening balance 1 April 2017 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2018 |
|---|---------------------------------------|---------------------|--|--|
| <i>Note</i> <i>Annexure 7</i> | R'000 | R'000 | R'000 | R'000 |
| Buildings and other fixed structures | - | 5 837 | - | 5 837 |
| TOTAL | - | 5 837 | - | 5 837 |

| | Number of projects | | 2017/18 |
|----------------------------------|---|-------------------------------------|----------------|
| | Planned, Construction not started | Planned, Construction started | Total R'000 |
| Age analysis on ongoing projects | | | |
| 0 to 1 Year | - | 12 | 5 837 |
| Total | - | 12 | 5 837 |

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31. Principal- Agent Arrangement

31.1. Department acting as the principal

| | Fee paid | |
|--------------|------------|------------|
| | 2018/19 | 2017/18 |
| | R'000 | R'000 |
| Risima | 346 | 474 |
| Total | 346 | 474 |

1. A fee of R346 000 (R474 000) was withheld as admin for services rendered

2. Description of the arrangement, , including the transactions undertaken

2.1. 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 2010.

The department acting as the principal, entered into a binding arrangement with HDA to undertake the following transactions:

- Implementing agent for the construction and completion of 5 000 housing units within Limpopo Province for 2017/18 financial year at the cost of R415 million excluding Geotech and project management. The project management fee payable amounts to R18.020 million.
- Implementing agent for the management of Disaster in the province for 2018/2019 financial year at the cost of R37.040 million.
- Management and Implementation of Revitalization of distressed mining communities programme within Limpopo at the cost of R26.400 million
- Implementing agent for the management of enhanced people housing programme in the province at the cost of R9.260 million.

2.2. 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 R7.8 million.

A discussion of the resource or cost implications for the principal if the principal-agent arrangement is terminated.

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.

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A discussion of the resources that are under the custodianship of the agent and whether or not those resources have been recognised or recorded by the agent.

As at 31 March 2019, the resources that are under the custodianship of the agents are as follows:

- ✓ **Housing Development Agency**
Resources amounting to R107 million (2018:R319 million) have been recorded by the Agent.
- ✓ **Risima Housing Finance**
Resources amounting to R23.7million (2018:R21million) have been recorded by the Agent.

32. Prior period errors

| | Note | Amount before error correction | Prior period | Restated amount |
|--------------------------------------|------|--------------------------------------|---------------|--------------------|
| Correction of prior period errors | | R'000 | R'000 | R'000 |
| Assets | | | | |
| Computer assets | | 30 502 | 7 265 | 37 767 |
| Furniture & Equipment | | 24 470 | (11 380) | 13 090 |
| Other furniture & Equipment | | 5 737 | 3 865 | 9 602 |
| Minor assets | | 19 415 | (40) | 19 375 |
| Software | | 2 415 | 284 | 2 699 |
| Other fixed structures | | - | 7 | 7 |
| Accrued revenue | | 3 170 | 13 064 | 16 234 |
| Net effect | | 85 709 | 13 065 | 98 774 |

Re classification of assets to align BAS and SCOA as per Treasury request as well as adjustment of interest receivable from the Housing Development Agency.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

| NAME OF DEPARTMENT | GRANT ALLOCATION | | | | | | SPENT | | | 2017/18 | |
|------------------------------------|--|------------|------------------|-------------------|------------------|-------------------------------|----------------------------|------------------------|--|-------------------------|----------------------------|
| | Division of Revenue Act/ Provincial Grants | Roll Overs | DORA Adjustments | Other Adjustments | Total Available | Amount received by department | Amount spent by department | Under / (Overspending) | % of available funds spent by department | Division of Revenue Act | Amount spent by department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Human Settlement Development Grant | 1 287 681 | - | - | - | 1 287 681 | 1 287 681 | 1 223 419 | 64 262 | 95% | 1 254 461 | 1 253 778 |
| EPWP | 2 000 | - | - | - | 2 000 | 2 000 | - | 2 000 | 0% | 2 000 | 2 000 |
| Title Deeds Registration | 22 506 | - | - | - | 22 506 | 22 506 | 11 704 | 10 802 | 52% | - | - |
| TOTAL | 1 312 187 | | | | 1 312 187 | 1 312 187 | 1 235 123 | 77 064 | | 1 256 461 | 1 255 778 |

The conditional grants were appropriated in terms Division of Revenue Act and deposited into the primary bank of the Province.

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34. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | |
|------------------------|-------------------------|------------|-------------|-----------------|-----------------|----------------|--|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % |
| Delta Investment | 2 821 | - | - | 2 821 | 2 821 | - | |
| Polokwane Municipality | 850 | - | - | 850 | 850 | - | |
| Makhado Municipality | 10 | - | - | 10 | 10 | | |
| Yolo Group | 1 | - | - | 1 | 1 | - | |
| Total | 3 682 | - | - | 3 682 | 3 682 | - | |

The above stated amounts are rates and taxes paid to various municipalities as well as to landlords.

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | TRANSFER | | 2017/18 |
|-----------------------------|------------------------|------------|-------------|-----------------|-----------------|-------------------|
| | Adjusted Appropriation | Roll Overs | Adjustments | Total Available | Actual Transfer | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| SABC | 146 | - | - | 146 | 145 | 43 |
| TOTAL | 146 | - | - | 146 | 145 | 43 |

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| NON-PROFIT INSTITUTIONS | TRANSFER ALLOCATION | | | EXPENDITURE | | 2017/18 |
|------------------------------|----------------------------|------------|-------------|-----------------|-----------------|-------------------|
| | Adjusted Appropriation Act | Roll overs | Adjustments | Total Available | Actual Transfer | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Transfers | 18 497 | - | - | 18 497 | 18 493 | 12 616 |
| Various Traditional Councils | | | | | | |
| Total | 18 497 | - | - | 18 497 | 18 493 | 12 616 |

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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | |
|------------------------------------|----------------------------|------------|-------------|------------------|------------------|----------------------------------|
| | Adjusted Appropriation Act | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred |
| HOUSEHOLDS | R'000 | R'000 | R'000 | R'000 | R'000 | % |
| Transfers | | | | | | |
| H/H EMPL S/BEN:LEAVE GRATUITY | 8 070 | - | - | 8 070 | 8 067 | 100% |
| EPWP | - | - | - | - | - | - |
| | 8 070 | - | - | 8 070 | 8 070 | 5 064 |
| Subsidies | | | | | | |
| Human Settlement Development Grant | 1 287 681 | - | - | 1 287 681 | 1 223 419 | 95% |
| EPWP | 2 000 | - | - | 2 000 | - | 0% |
| Title Deeds Registration | 22 506 | - | - | 22 506 | 11 704 | 52% |
| TOTAL | 1 312 187 | - | - | 1 312 187 | 1 235 123 | 1 255 778 |
| Total | 1 320 257 | - | - | 1 320 257 | 1 243 190 | 1 260 842 |

Spending on subsidies was limited to the budget available

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ANNEXURE 1H
STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED

| NAME OF ORGANISATION | NATURE OF GIFT DONATION OR SPONSORSHIP | 2018/19 | 2017/18 |
|-------------------------------|--|---------|-----------|
| | | R'000 | R'000 |
| Received in cash | | | |
| SITA Award | | - | 50 |
| Received in kind | | | |
| H D A | 1 Mini Ipad | | |
| Vodacom | Tablet | | |
| Business women Association | Vodafone Smart Tab3 | | |
| Microsoft | Accommodation, Transport & Meals | | |
| SAPS | Voucher | - | 9 |
| Lamola Incorporated attorneys | DKNY Perfume | - | 1 |
| NHBRC | Gift Card | - | 1 |
| H D A | Gift Card | - | 10 |
| DPSA | Award voucher | - | 5 |
| | | - | 8 |
| Subtotal | | | |
| Total | | - | 34 |
| | | - | 84 |

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ANNEXURE 1I

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

| GRANT TYPE | APRIL 2018 | MAY 2018 | JUN 2018 | JUL 2018 | AUG 2018 | SEPT 2018 | OCT 2018 | NOV 2018 | DEC 2018 | JAN 2019 | FEB 2019 | MAR 2019 | 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 | 68 512 | 116 787 | 85 174 | 96 457 | 74 435 | 65 242 | 263 147 | 34 660 | 35 001 | 24 280 | 63 172 | 296 552 | 1 223 419 |
| Title Deeds | - | - | 1 579 | 452 | 546 | 703 | 5 028 | 471 | 107 | 291 | 923 | 1 605 | 11 704 |
| TOTAL | 68 512 | 116 787 | 86 753 | 96 909 | 74 981 | 65 945 | 268 175 | 35 131 | 35 108 | 24 571 | 64 095 | 298 157 | 1 235 123 |

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2018 | Guarantees draw downs during the year | Guarantees repayments/ cancelled/ reduced/ released during the year | Revaluations | Closing balance 31 March 2019 | Guaranteed interest for year ended 31 March 2019 | Realised losses not recoverable i.e. claims paid out |
|-----------------------|-------------------------|------------------------------------|------------------------------|---------------------------------------|---|--------------|-------------------------------|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| NP: Development Corp | Housing | 8 034 | 1 024 | - | - | - | 1 024 | - | - |
| | Subtotal | 8 034 | 1 024 | - | - | - | 1 024 | - | - |

ANNEXURE 3B
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

| Nature of Liability | Opening Balance 1 April 2018 R'000 | Liabilities incurred during the year R'000 | Liabilities paid/cancel led/reduce d during the year R'000 | Liabilities recoverable (Provide details hereunder) R'000 | Closing Balance 31 March 2019 R'000 |
|--|--|--|---|--|---|
| Claims against the department | | | | | |
| The Wilcass Group | 70 000 | - | - | - | 70 000 |
| Risimati Wilson Makhari | 70 000 | - | - | - | 70 000 |
| Raesetja Property Developers (PTY) LTD | 4 541 | - | - | - | 4 541 |
| Taset 13(Pty) Ltd | 25 008 | - | - | - | 25 008 |
| Baile Civil Engineers & Contractors | 50 000 | - | - | - | 50 000 |
| Safintra Sa (Pty) Ltd | 245 | - | - | - | 245 |
| Wilcass Group CC | 1 200 | - | - | - | 1 200 |
| Lejekeje Productions | 35 | - | - | - | 35 |
| Tychogyn | 473 | - | - | - | 473 |
| Mulumulamisi consortium | | 982 | | | 982 |
| Nephawe Ndivhuwo | - | 1 500 | - | - | 1 500 |
| Various Traditional Leaders | 86 477 | 19 227 | - | - | 115 919 |
| Subtotal | 307 979 | 21 709 | - | - | 329 688 |
| Other | | | | | |
| Underpayment of salaries | 2 123 | - | - | - | 2 123 |
| Subtotal | 2 123 | - | - | - | 2 123 |
| Total | 310 102 | 21 709 | - | - | 331 811 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

ANNEXURE 4
CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash in transit at year end 2018/19 * | |
|--|-------------------------------|------------|---------------------------------|------------|------------|------------|--|----------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | Receipt date up to six (6) working days after year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| Department | | | | | | | | |
| Limpopo Health | - | - | - | 53 | - | 53 | - | - |
| National Dept of Basic Education | - | - | 88 | - | 88 | - | - | - |
| Gauteng Department of Education | - | - | - | 7 | - | 7 | - | - |
| Gauteng Dept of Social Development | - | 16 | - | - | - | 16 | - | - |
| Limpopo Road and Transport | - | 287 | 79 | - | 79 | 287 | - | - |
| Dept of small business | 35 | - | - | - | 35 | - | - | - |
| Gauteng: National school of governance | - | 4 | - | - | - | 4 | - | - |
| Subtotal | 35 | 307 | 167 | 60 | 202 | 367 | - | - |
| Other Government Entities | | | | | | | | |
| Musina Municipality | - | - | - | 437 | - | 437 | - | - |
| Subtotal | - | - | - | 437 | - | 437 | - | - |
| TOTAL | 35 | 307 | 167 | 497 | 202 | 804 | - | - |

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | | Cash in transit at year end 2018/19 | |
|----------------------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|---|--------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | Payment date up to six (6) working days before year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| DEPARTMENTS | | | | | | | | |
| Current | | | | | | | | |
| Limpopo Provincial Treasury | - | - | - | 51 | - | 51 | - | - |
| South African Police Service | - | - | 34 | - | 34 | - | - | - |
| Subtotal | - | - | 34 | 51 | 34 | 51 | - | - |
| OTHER GOVERNMENT ENTITIES | | | | | | | | |
| Current | | | | | | | | |
| Government printing works | - | - | 333 | - | 333 | - | - | - |
| Subtotal | - | - | 333 | - | 333 | - | - | - |
| TOTAL | - | - | 367 | 51 | 367 | 51 | | |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 6
INVENTORIES

| Inventory | Note | Quantity | 2018/19 R'000 | Quantity | 2017/18 R'000 |
|-------------------------------|------|--------------|------------------|--------------|------------------|
| Opening balance | | 5 837 | 188 959 | 4 745 | 173 057 |
| Add: Additions/Purchases-cash | | 6 032 | 1 236 115 | 11 005 | 1 253 778 |
| (Less): Issues | | (7 654) | (687 703) | (9 913) | (833 575) |
| Add/(Less): Adjustments | | - | (545 685) | - | (404 301) |
| Closing balance | | 4 215 | 191 686 | 5 837 | 188 959 |

The amount of R192m (2018: R189 million) is composed of houses which are not yet completed and are at the following stages:-

Inventory is composed of Construction work In progress incurred as title passes to the identified beneficiary after the completion of construction.

National Treasury has not yet determined the effective date of this note.

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ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

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 |
|---------------------------|-----------------------------|-----------------------------------|--|---|-----------------------------|
| Non-residential buildings | 5 837 | - | 36 457 | (5 856) | 36 438 |
| TOTAL | 5 837 | | 36 457 | (5 856) | 36 438 |

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

| | 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 |
|---------------------------|-----------------------------|-----------------------------------|--|---|-----------------------------|
| Non-residential buildings | - | - | 5 837 | - | 5 837 |
| TOTAL | - | | 5 837 | - | 5 837 |

Include discussion where deemed relevant

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 14)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|-------------------------------|-------------------------------|------------|---------------------------------|------------|----------------|------------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| OTHER INSTITUTIONS | | | | | | |
| 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 | - |

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ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED (note 15)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|-------------------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| PROVINCIAL DEPARTMENTS | | | | | | |
| Limpopo Provincial Treasury | - | 50 000 | - | - | - | 50 000 |
| Subtotal | - | 50 000 | - | - | - | 50 000 |
| OTHER ENTITIES | | | | | | |
| MTN | - | - | 7 | 6 | 7 | 6 |
| Mamondo | - | - | - | 35 | - | 35 |
| Subtotal | - | - | - | 41 | - | 41 |
| Total | - | 50 000 | 7 | 41 | 7 | 50 041 |

Notes:

An aerial photograph of a residential neighborhood, showing several houses with red-tiled roofs and white walls. A large, semi-transparent geometric overlay, consisting of a green triangle and a yellow trapezoid, is positioned on the left side of the image. The overlay partially obscures the houses. The image is presented in a landscape orientation.