

Vote 3

Cooperative Governance and Traditional Affairs

Adjusted budget summary

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	63 212 720	63 453 885	-	241 165
of which:				
Current payments	2 690 712	2 689 790	(922)	-
Transfers and subsidies	60 513 311	60 755 398	-	242 087
Payments for capital assets	8 697	8 697	-	-
Executive authority	Minister of Cooperative Governance and Traditional Affairs			
Accounting officers	Directors-General of Cooperative Governance and Traditional Affairs			
Website addresses	www.cogta.gov.za; www.dta.gov.za			

Aim

Improve cooperative governance across the three spheres of government in partnership with institutions of traditional leadership, thereby ensuring that provinces and municipalities carry out their service delivery and development functions effectively.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2014/15 as published in the 2014 ENE	Achieved in the first six months of 2014/15 (April to September)	Changed estimate for 2014/15
Total number of municipalities with established municipal public accounts committees	Governance and Intergovernmental Relations	Outcome 9: A responsive, accountable, effective and efficient local government system	278	272	-
Total number of municipalities supported to implement a revised national framework on funding for ward committees	Governance and Intergovernmental Relations		278	196	-
Total number of fully functional disaster management centres across the three spheres of government	National Disaster Management Centre		62	52	-
Number of smaller municipalities supported to implement revised Integrated Development Planning Framework	Provincial and Municipal Government Systems		136	93	-
Total number of provinces supported in community development programme	Provincial and Municipal Government Systems		9	0	-
Total number of provinces assessed in institutional capacity per year	Provincial and Municipal Government Systems		9	3	-
Value of municipalities' spending on municipal infrastructure grant per year	Infrastructure and Economic Development		R14.7bn	R4.5bn	-
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development		187 000	163 727	-
Total number of municipalities (40 targeted municipalities) supported in implementing local economic development programmes per year	Infrastructure and Economic Development		30	15	-
Total number of towns and cities implementing the Clean Cities and Towns programme	Infrastructure and Economic Development		8	4	-

Mid-year progress

The indicator for the total number of provinces supported in the community development programme has been removed from the reviewed annual performance plan, due to amendments that were proposed by management to discontinue the project.

The department has only been able to assess 3 provinces in institutional capacity, due to the need to realign the national and provincial government indicators with those of local government. The assessments will be accelerated in the third and fourth quarter of 2014/15.

The lower than expected spending on the municipal infrastructure grant is mainly due to the alignment of payments of grants with municipal financial years. The grant is paid in three quarterly tranches starting from July.

Adjusted Estimates of National Expenditure 2014

Programme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Administration	252 080	-	-	460	-	-	-	460	252 540
Policy, Research and Knowledge Management	21 079	-	-	40	-	-	-	40	21 119
Governance and Intergovernmental Relations	44 618 802	-	-	-	-	-	-	-	44 618 802
National Disaster Management Centre	650 808	-	156 951	-	-	-	-	156 951	807 759
Provincial and Municipal Government Systems	289 508	-	-	(1 500)	-	-	-	(1 500)	288 008
Infrastructure and Economic Development	17 268 579	80 214	-	1 000	-	-	-	81 214	17 349 793
Traditional Affairs	111 864	-	4 000	-	-	-	-	4 000	115 864
Total	63 212 720	80 214	160 951	-	-	-	-	241 165	63 453 885
Economic classification									
Current payments	2 690 712	-	-	(922)	-	-	-	(922)	2 689 790
Compensation of employees	256 568	-	-	(10 000)	-	-	-	(10 000)	246 568
Goods and services	2 434 144	-	-	9 078	-	-	-	9 078	2 443 222
Transfers and subsidies	60 513 311	80 214	160 951	922	-	-	-	242 087	60 755 398
Provinces and municipalities	60 024 486	80 214	156 951	-	-	-	-	237 165	60 261 651
Departmental agencies and accounts	477 160	-	4 000	662	-	-	-	4 662	481 822
Foreign governments and international organisations	-	-	-	260	-	-	-	260	260
Non-profit institutions	11 665	-	-	-	-	-	-	-	11 665
Payments for capital assets	8 697	-	-	-	-	-	-	-	8 697
Machinery and equipment	7 697	-	-	-	-	-	-	-	7 697
Software and other intangible assets	1 000	-	-	-	-	-	-	-	1 000
Total	63 212 720	80 214	160 951	-	-	-	-	241 165	63 453 885

Programme 1: Administration

Subprogramme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Ministry Management	30 968	-	-	-	-	-	-	-	30 968
Chief Operating Officer	20 116	-	-	-	-	-	-	-	20 116
Corporate Services	20 878	-	-	(1 040)	-	-	-	(1 040)	19 838
Financial Services	80 790	-	-	1 500	-	-	-	1 500	82 290
Communication and Liaison	29 027	-	-	-	-	-	-	-	29 027
Legislation Review and Drafting	14 155	-	-	-	-	-	-	-	14 155
Internal Audit and Risk Management	11 483	-	-	-	-	-	-	-	11 483
Office Accommodation	10 630	-	-	-	-	-	-	-	10 630
Office Accommodation	34 033	-	-	-	-	-	-	-	34 033
Total	252 080	-	-	460	-	-	-	460	252 540

Programme 1: Administration (continued)

Economic classification	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
R thousand									
Current payments	245 900	–	–	(202)	–	–	–	(202)	245 698
Compensation of employees	114 965	–	–	–	–	–	–	–	114 965
Goods and services	130 935	–	–	(202)	–	–	–	(202)	130 733
Transfers and subsidies	100	–	–	662	–	–	–	662	762
Provinces and municipalities	100	–	–	–	–	–	–	–	100
Departmental agencies and accounts	–	–	–	662	–	–	–	662	662
Payments for capital assets	6 080	–	–	–	–	–	–	–	6 080
Machinery and equipment	5 080	–	–	–	–	–	–	–	5 080
Software and other intangible assets	1 000	–	–	–	–	–	–	–	1 000
Total	252 080	–	–	460	–	–	–	460	252 540

Programme 2: Policy, Research and Knowledge Management

Subprogramme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
R thousand									
Management: Research and Policy	4 250	–	–	–	–	–	–	–	4 250
Policy and Research Methods	6 846	–	–	300	–	–	–	300	7 146
Knowledge and Information Management	9 983	–	–	(260)	–	–	–	(260)	9 723
Total	21 079	–	–	40	–	–	–	40	21 119
Economic classification									
Current payments	21 079	–	–	40	–	–	–	40	21 119
Compensation of employees	9 694	–	–	1 500	–	–	–	1 500	11 194
Goods and services	11 385	–	–	(1 460)	–	–	–	(1 460)	9 925
Total	21 079	–	–	40	–	–	–	40	21 119

Programme 4: National Disaster Management Centre

Subprogramme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
R thousand									
Management: Head of Disaster	6 027	–	–	(1 565)	–	–	–	(1 565)	4 462
Legislation, Policy and Compliance Management	6 186	–	–	(55)	–	–	–	(55)	6 131
Planning Coordination and Support	13 906	–	–	(100)	–	–	–	(100)	13 806
Intelligence and Information Systems Management	26 435	–	–	(400)	–	–	–	(400)	26 035
Disaster Relief Transfers	560 952	–	–	–	–	–	–	–	560 952
Integrated Disaster Management Monitoring and Evaluation Systems	–	–	–	2 120	–	–	–	2 120	2 120
Municipal Disaster Recovery Grant	37 302	–	156 951	–	–	–	–	156 951	194 253
Total	650 808	–	156 951	–	–	–	–	156 951	807 759
Economic classification									
Current payments	50 207	–	–	–	–	–	–	–	50 207
Compensation of employees	20 801	–	–	–	–	–	–	–	20 801
Goods and services	29 406	–	–	–	–	–	–	–	29 406
Transfers and subsidies	598 254	–	156 951	–	–	–	–	156 951	755 205
Provinces and municipalities	598 254	–	156 951	–	–	–	–	156 951	755 205
Payments for capital assets	2 347	–	–	–	–	–	–	–	2 347
Machinery and equipment	2 347	–	–	–	–	–	–	–	2 347
Total	650 808	–	156 951	–	–	–	–	156 951	807 759

Programme 5: Provincial and Municipal Government Systems

Subprogramme	2014/15								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments			
R thousand									
Management: Provincial and Local Government Support	6 696	-	-	1 000	-	-	-	1 000	7 696
Provincial Government Support and Intervention	7 400	-	-	(800)	-	-	-	(800)	6 600
Local Government Support and Intervention	14 899	-	-	(1 700)	-	-	-	(1 700)	13 199
Development Planning	8 361	-	-	-	-	-	-	-	8 361
Municipal Systems Improvement Grant	252 152	-	-	-	-	-	-	-	252 152
Total	289 508	-	-	(1 500)	-	-	-	(1 500)	288 008
Economic classification									
Current payments	37 256	-	-	(1 500)	-	-	-	(1 500)	35 756
Compensation of employees	24 485	-	-	(1 500)	-	-	-	(1 500)	22 985
Goods and services	12 771	-	-	-	-	-	-	-	12 771
Transfers and subsidies	252 152	-	-	-	-	-	-	-	252 152
Provinces and municipalities	252 152	-	-	-	-	-	-	-	252 152
Payments for capital assets	100	-	-	-	-	-	-	-	100
Machinery and equipment	100	-	-	-	-	-	-	-	100
Total	289 508	-	-	(1 500)	-	-	-	(1 500)	288 008

Programme 6: Infrastructure and Economic Development

Subprogramme	2014/15								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments			
R thousand									
Management: Infrastructure	13 152	-	-	-	-	-	-	-	13 152
Local Economic Development Planning	8 018	-	-	1 000	-	-	-	1 000	9 018
Infrastructure Development	11 572	-	-	-	-	-	-	-	11 572
Municipal Infrastructure Grant	14 683 835	80 214	-	-	-	-	-	80 214	14 764 049
Community Work Programme	2 257 840	-	-	-	-	-	-	-	2 257 840
Municipal Infrastructure Support Agency	294 162	-	-	-	-	-	-	-	294 162
Total	17 268 579	80 214	-	1 000	-	-	-	81 214	17 349 793
Economic classification									
Current payments	2 290 432	-	-	740	-	-	-	740	2 291 172
Compensation of employees	60 939	-	-	(10 000)	-	-	-	(10 000)	50 939
Goods and services	2 229 493	-	-	10 740	-	-	-	10 740	2 240 233
Transfers and subsidies	14 977 997	80 214	-	260	-	-	-	80 474	15 058 471
Provinces and municipalities	14 683 835	80 214	-	-	-	-	-	80 214	14 764 049
Departmental agencies and accounts	294 162	-	-	-	-	-	-	-	294 162
Foreign governments and international organisations	-	-	-	260	-	-	-	260	260
Payments for capital assets	150	-	-	-	-	-	-	-	150
Machinery and equipment	150	-	-	-	-	-	-	-	150
Total	17 268 579	80 214	-	1 000	-	-	-	81 214	17 349 793

Programme 7: Traditional Affairs

Subprogramme	2014/15								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments			
R thousand									
Department of Traditional Affairs	111 864	-	4 000	-	-	-	-	4 000	115 864
Total	111 864	-	4 000	-	-	-	-	4 000	115 864
Economic classification									
Transfers and subsidies	111 864	-	4 000	-	-	-	-	4 000	115 864
Departmental agencies and accounts	111 864	-	4 000	-	-	-	-	4 000	115 864
Total	111 864	-	4 000	-	-	-	-	4 000	115 864

Details of adjustments to the Estimates of National Expenditure 2014

Roll-overs – R80.214 million

R80.214 million has been rolled over to a number of municipalities whose allocations were terminated due to underspending under Section 18 (1) (b) of the Division of Revenue Act.

Unforeseeable and unavoidable expenditure – R160.951 million

Programme 4: National Disaster Management Centre

R156.951 million has been allocated for post-disaster reconstruction and the rehabilitation of municipal infrastructure in the Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and the Western Cape.

Programme 7: Traditional Affairs

An additional R4 million has been allocated to the Department of Traditional Affairs to cover the costs of the establishment of the deputy ministry.

Virements and shifts

Programmes					
1. Administration					
2. Policy, Research and Knowledge Management					
3. Governance and Intergovernmental Relations					
4. National Disaster Management Centre					
5. Provincial and Municipal Government Systems					
6. Infrastructure and Economic Development					
7. Traditional Affairs					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(662)	Programme 1		662
Goods and services	Unspent funds on consultants due to delays in procurement processes	(662)	Departmental agencies and accounts	Contribution to the Public Service Sector Education and Training Authority for skills development ¹	662
Shifts within the programme as a percentage of the programme budget		0.3%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(1 460)	Programme 1		460
Goods and services	Cost containment measures effected on printing costs	(460)	Goods and services	Mentoring programme for the department's middle management service and senior management service	460
	Cost containment measures effected on travel	(1 000)	Programme 6		1 000
Goods and services			Goods and services	Procurement of consultant services to evaluate the municipal infrastructure grant	1 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		6.9%			
Programme 5		(1 500)	Programme 2		1 500
Compensation of employees	Vacant posts	(1 500)	Compensation of employees	Restructuring due to personnel being shifted from programme 5 to 2 to assist in the intergovernmental relations framework	1 500
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.5%			
Programme 6		(10 260)	Programme 6		10 260
Goods and services	Unspent funds on consultants due to delays in procurement processes	(260)	Foreign governments and international organisations	Membership fees for the Commonwealth Local Government Forum ¹	260
Compensation of employees	Vacant posts	(10 000)	Goods and services	Purchase of tools and materials for participants in community work programme	10 000
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(13 882)			13 882

1. National Treasury approval has been obtained.

Expenditure outcome for 2013/14 and actual expenditure for 2014/15

Programme	2013/14 Audited outcome					2014/15 Actual expenditure			
	Adjusted appropriation	Apr 13 - Sep 13	adjusted appropriation % of	Apr 13 - Mar 14	adjusted appropriation % of	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 14 - Sep 14	adjusted appropriation % of
R thousand									
Administration	219 871	101 458	46.1	211 498	96.2	252 540	0.4	110 561	43.8
Policy, Research and Knowledge Management	52 492	18 385	35.0	51 453	98.0	21 119	0.0	15 509	73.4
Governance and Intergovernmental Relations	40 722 949	16 332 715	40.1	39 080 214	96.0	44 618 802	70.3	17 440 752	39.1
National Disaster Management Centre	705 396	136 058	19.3	423 859	60.1	807 759	1.3	85 574	10.6
Provincial and Municipal Government Systems	281 627	262 896	93.3	291 872	103.6	288 008	0.5	269 996	93.7
Infrastructure and Economic Development	16 371 416	5 316 432	32.5	16 230 974	99.1	17 349 793	27.3	5 452 459	31.4
Traditional Affairs	105 156	50 302	47.8	111 702	106.2	115 864	0.2	59 609	51.4
Total	58 458 907	22 218 246	38.0	56 401 572	96.5	63 453 885	100.0	23 434 460	36.9
Economic classification									
Current payments	2 143 510	977 325	45.6	2 192 864	102.3	2 689 790	4.2	1 061 634	39.5
Compensation of employees	245 062	144 544	59.0	269 740	110.1	246 568	0.4	151 416	61.4
Goods and services	1 898 448	832 781	43.9	1 923 124	101.3	2 443 222	3.9	910 218	37.3
Transfers and subsidies	56 304 352	21 238 517	37.7	54 193 279	96.3	60 755 398	95.7	22 367 152	36.8
Provinces and municipalities	55 842 888	21 179 966	37.9	53 811 709	96.4	60 261 651	95.0	22 247 406	36.9
Departmental agencies and accounts	435 347	52 550	12.1	362 449	83.3	481 822	0.8	116 394	24.2
Foreign governments and international organisations	–	–	0.0	400	0.0	260	0.0	–	0.0
Public corporations and private enterprises	–	182	0.0	–	0.0	–	0.0	–	0.0
Non-profit institutions	11 117	5 122	46.1	13 888	124.9	11 665	0.0	3 209	27.5
Households	15 000	697	4.6	4 833	32.2	–	0.0	143	0.0
Payments for capital assets	10 245	2 357	23.0	15 011	146.5	8 697	0.0	5 614	64.6
Machinery and equipment	9 495	2 357	24.8	15 011	158.1	7 697	0.0	5 614	72.9
Software and other intangible assets	750	–	0.0	–	0.0	1 000	0.0	–	0.0
Payments for financial assets	800	47	5.9	418	52.3	–	0.0	60	0.0
Total	58 458 907	22 218 246	38.0	56 401 572	96.5	63 453 885	100.0	23 434 460	36.9

Expenditure trends for the first half of 2014/15

Total expenditure in 2013/14 was 96.5 per cent of the 2013/14 adjusted appropriation. Expenditure in the first six months of 2014/15 was R23.434 billion, or 36.9 per cent of the adjusted appropriation of R63.454 billion for the year. In comparison, mid-year expenditure in 2013/14 was R22.218 billion, or 38 per cent of the 2013/14 adjusted appropriation. Compared to the first six months of 2013/14, expenditure over the same period in 2014/15 increased by R1.216 billion, or 5.5 per cent. This was mainly due to an increase in the allocations for the grants.

Departmental receipts

R thousand	2013/14					2014/15				
	Adjusted estimate	Audited outcome				Actual receipts				
		Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted estimate	Apr 13 - Mar 14	Apr 13 - Mar 14 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted estimate
Departmental receipts	871	112	12.9	1 220	140.1	918	988	100.0	393	39.8
Sales of goods and services produced by department	159	84	52.8	174	109.4	161	171	17.3	86	50.3
Sales of scrap, waste, arms and other used current goods	2	1	50.0	1	50.0	5	5	0.5	-	-
Interest, dividends and rent on land	2	1	50.0	-	0.0	2	2	0.2	2	100.0
Sales of capital assets	-	-	0.0	16	0.0	-	60	6.1	52	86.7
Transactions in financial assets and liabilities	708	26	3.7	1 029	145.3	750	750	75.9	253	33.7
Total	871	112	12.9	1 220	140.1	918	988	100.0	393	39.8

Revenue trends for the first half of 2014/15

Revenue in the first six months of 2014/15 was R393 000, or 39.8 per cent of the adjusted revenue estimate of R988 000 for the year. In comparison, mid-year revenue in 2013/14 was R112 000, or 12.9 per cent of the 2013/14 adjusted estimate. Compared to the first six months of 2013/14, revenue over the same period in 2014/15 increased by R281 000 or 250.9 per cent. This was mainly due to more than anticipated capital asset sales in 2013/14 and increased repayments of loans and advances paid to employees.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2014/15								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Administration									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	-	-	-	662	-	-	-	662	662
Public Service Education Training Authority	-	-	-	662	-	-	-	662	662
National Disaster Management Centre									
Provinces and municipalities									
Municipalities									
Municipal bank accounts									
Capital	37 302	-	156 951	-	-	-	-	156 951	194 253
Municipal disaster recovery grant	37 302	-	156 951	-	-	-	-	156 951	194 253
Infrastructure and Economic Development									
Provinces and municipalities									
Municipalities									
Municipal bank accounts									
Capital	14 683 835	80 214	-	-	-	-	-	80 214	14 764 049
Municipal infrastructure grant	14 683 835	80 214	-	-	-	-	-	80 214	14 764 049
Foreign governments and international organisations									
Current	-	-	-	260	-	-	-	260	260
Commonwealth Local Government Forum	-	-	-	260	-	-	-	260	260

Summary of changes to transfers and subsidies per programme (continued)

		2014/15							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Traditional Affairs									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	111 864	-	4 000	-	-	-	-	4 000	115 864
Department of Traditional Affairs	111 864	-	4 000	-	-	-	-	4 000	115 864

Summary of changes to conditional grants: Local government

		2014/15							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
National Disaster Management Centre	400 882	-	156 951	-	-	-	-	156 951	557 833
Municipal disaster recovery grant	37 302	-	156 951	-	-	-	-	156 951	194 253
Infrastructure and Economic Development	14 683 835	80 214	-	-	-	-	-	80 214	14 764 049
Municipal infrastructure grant	14 683 835	80 214	-	-	-	-	-	80 214	14 764 049