

Vote 4

Cooperative Governance and Traditional Affairs

Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	83 651 888	85 037 011	–	1 385 123
<i>of which:</i>				
Current payments	3 532 353	4 495 342	–	962 989
Transfers and subsidies	80 111 778	80 533 862	–	422 084
Payments for capital assets	7 757	7 757	–	–
Payments for financial assets	–	50	–	50
Executive authority	Minister of Cooperative Governance and Traditional Affairs			
Accounting officer	Director General of Cooperative Governance and Director General of Traditional Affairs			
Website address	www.cogta.gov.za			

Vote purpose

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

Mid-year performance status

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Number of secondary cities supported per year to improve spatial and economic planning by implementing the integrated urban development framework	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government	15	9	–
Number of municipalities assessed and guided to comply with the rating criteria of the Municipal Property Rates Act (2004) per year	Institutional Development		110	55	–
Percentage of spending by municipalities on the municipal infrastructure grant per year	Local Government Support and Intervention Management		100%	– ¹	–
Number of municipalities where Back to Basics interventions are being implemented per year	Local Government Support and Intervention Management		80	25	–
Total number of work opportunities provided through the community work programme	Community Work Programme		259 157	247 616	–

1. No information on municipal spending on the municipal infrastructure grant is available. This is due to the municipal year starting on 1 July 2018 and first quarter expenditure information only due after publication of the 2018 Adjusted Estimates of National Expenditure.

Mid-year progress

In the first half of 2018/19, 25 municipalities were visited and monitored, with interventions implemented where necessary as per the Back to Basics strategy, against a target of 80 for the year. The department expects to meet its full target by the end of the financial year.

Over the same period, 247 616 participants enrolled in the community work programme against a target of 259 157 for the year. The remaining participants are expected to be enrolled during the second half of 2018/19.

Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	258 556	–	–	19 900	–	–	19 900	278 456
Regional and Urban Development and Legislative Support	103 475	–	–	900	–	–	900	104 375
Institutional Development	63 111 536	–	–	3 200	–	–	3 200	63 114 736
National Disaster Management Centre	592 245	–	159 639	(9 700)	–	1 225 484	1 375 423	1 967 668
Local Government Support and Intervention Management	15 716 173	–	–	(8 100)	–	–	(8 100)	15 708 073
Community Work Programme	3 869 903	–	–	(6 200)	–	–	(6 200)	3 863 703
Total	83 651 888	–	159 639	–	–	1 225 484	1 385 123	85 037 011
Economic classification								
Current payments	3 532 353	–	–	962 989	–	–	962 989	4 495 342
Compensation of employees	339 475	–	–	(29 450)	–	–	(29 450)	310 025
Goods and services	3 192 878	–	–	992 439	–	–	992 439	4 185 317
Transfers and subsidies	80 111 778	–	159 639	(963 039)	–	1 225 484	422 084	80 533 862
Provinces and municipalities	78 513 824	–	159 639	23 216	–	1 225 484	1 408 339	79 922 163
Departmental agencies and accounts	582 430	–	–	12 000	–	–	12 000	594 430
Foreign governments and international organisations	1 946	–	–	–	–	–	–	1 946
Non-profit institutions	1 013 578	–	–	(998 700)	–	–	(998 700)	14 878
Households	–	–	–	445	–	–	445	445
Payments for capital assets	7 757	–	–	–	–	–	–	7 757
Machinery and equipment	7 757	–	–	–	–	–	–	7 757
Payments for financial assets	–	–	–	50	–	–	50	50
Total	83 651 888	–	159 639	–	–	1 225 484	1 385 123	85 037 011

Programme 1: Administration

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry Management	29 440	–	–	7 048	–	–	7 048	36 488
Corporate Services	18 447	–	–	–	–	–	–	18 447
Financial Services	113 456	–	–	13 150	–	–	13 150	126 606
Internal Audit and Risk Management	40 569	–	–	(5 148)	–	–	(5 148)	35 421
Office Accommodation	13 622	–	–	(650)	–	–	(650)	12 972
Total	258 556	–	–	19 900	–	–	19 900	278 456
Economic classification								
Current payments	253 192	–	–	19 891	–	–	19 891	273 083
Compensation of employees	141 475	–	–	(10 650)	–	–	(10 650)	130 825
Goods and services	111 717	–	–	30 541	–	–	30 541	142 258
Transfers and subsidies	106	–	–	59	–	–	59	165
Provinces and municipalities	106	–	–	–	–	–	–	106
Households	–	–	–	59	–	–	59	59
Payments for capital assets	5 258	–	–	(100)	–	–	(100)	5 158
Machinery and equipment	5 258	–	–	(100)	–	–	(100)	5 158
Payments for financial assets	–	–	–	50	–	–	50	50
Total	258 556	–	–	19 900	–	–	19 900	278 456

Programme 2: Regional and Urban Development and Legislative Support

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Management Regional and Urban Development and Legislative Support	3 414	–	–	(2 000)	–	–	(2 000)	1 414
Local Government Legislative Support and Institutional Establishment	6 329	–	–	–	–	–	–	6 329
Urban Development Planning	10 598	–	–	2 500	–	–	2 500	13 098
Spatial Planning Districts and Regions	11 527	–	–	–	–	–	–	11 527
Intergovernmental Policy and Practice	10 686	–	–	(3 600)	–	–	(3 600)	7 086
Municipal Demarcation Board	53 568	–	–	2 000	–	–	2 000	55 568
South African Cities Network	7 353	–	–	2 000	–	–	2 000	9 353
Total	103 475	–	–	900	–	–	900	104 375
Economic classification								
Current payments	42 554	–	–	(3 100)	–	–	(3 100)	39 454
Compensation of employees	27 597	–	–	(5 600)	–	–	(5 600)	21 997
Goods and services	14 957	–	–	2 500	–	–	2 500	17 457
Transfers and subsidies	60 921	–	–	4 000	–	–	4 000	64 921
Departmental agencies and accounts	53 568	–	–	2 000	–	–	2 000	55 568
Non-profit institutions	7 353	–	–	2 000	–	–	2 000	9 353
Total	103 475	–	–	900	–	–	900	104 375

Programme 3: Institutional Development

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Management: Institutional Development	3 493	–	–	(1 000)	–	–	(1 000)	2 493
Municipal Human Resources Management Systems	10 153	–	–	50	–	–	50	10 203
Municipal Finance	33 055	–	–	(7 100)	–	–	(7 100)	25 955
Citizen Engagement	7 254	–	–	50	–	–	50	7 304
Anti-Corruption and Good Governance	5 474	–	–	1 200	–	–	1 200	6 674
Municipal Property Rates	11 958	–	–	–	–	–	–	11 958
Local Government Equitable Share	62 731 845	–	–	–	–	–	–	62 731 845
South African Local Government Association	33 100	–	–	–	–	–	–	33 100
Municipal Systems Improvement Grant	115 116	–	–	–	–	–	–	115 116
Department of Traditional Affairs	153 306	–	–	10 000	–	–	10 000	163 306
United Cities and Local Government of Africa	6 782	–	–	–	–	–	–	6 782
Total	63 111 536	–	–	3 200	–	–	3 200	63 114 736
Economic classification								
Current payments	185 913	–	–	(30 116)	–	–	(30 116)	155 797
Compensation of employees	38 121	–	–	(1 600)	–	–	(1 600)	36 521
Goods and services	147 792	–	–	(28 516)	–	–	(28 516)	119 276
Transfers and subsidies	62 925 623	–	–	33 216	–	–	33 216	62 958 839
Provinces and municipalities	62 731 845	–	–	23 216	–	–	23 216	62 755 061
Departmental agencies and accounts	186 406	–	–	10 000	–	–	10 000	196 406
Foreign governments and international organisations	1 946	–	–	–	–	–	–	1 946
Non-profit institutions	5 426	–	–	–	–	–	–	5 426
Payments for capital assets	–	–	–	100	–	–	100	100
Machinery and equipment	–	–	–	100	–	–	100	100
Total	63 111 536	–	–	3 200	–	–	3 200	63 114 736

Programme 4: National Disaster Management Centre

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management: Head of Disaster	3 801	–	–	300	–	–	300	4 101
Disaster Risk Reduction, Capacity Building and Intervention	52 892	–	–	(1 300)	–	–	(1 300)	51 592
Legislation and Policy Management	6 352	–	–	–	–	–	–	6 352
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	4 505	–	–	(1 100)	–	–	(1 100)	3 405
Fire Services	3 459	–	–	(200)	–	–	(200)	3 259
Information Technology, Intelligence and Information Management Systems	27 048	–	–	(7 400)	–	–	(7 400)	19 648
Disaster Relief Grant	472 871	–	–	–	–	200 000	200 000	672 871
Municipal Disaster Recovery Grant	21 317	–	143 335	–	–	1 025 484	1 168 819	1 190 136
Provincial Disaster Recovery Grant	–	–	16 304	–	–	–	16 304	16 304
Total	592 245	–	159 639	(9 700)	–	1 225 484	1 375 423	1 967 668
Economic classification								
Current payments	95 558	–	–	(9 799)	–	–	(9 799)	85 759
Compensation of employees	24 983	–	–	(3 100)	–	–	(3 100)	21 883
Goods and services	70 575	–	–	(6 699)	–	–	(6 699)	63 876
Transfers and subsidies	494 188	–	159 639	99	–	1 225 484	1 385 222	1 879 410
Provinces and municipalities	494 188	–	159 639	–	–	1 225 484	1 385 123	1 879 311
Non-profit institutions	–	–	–	99	–	–	99	99
Payments for capital assets	2 499	–	–	–	–	–	–	2 499
Machinery and equipment	2 499	–	–	–	–	–	–	2 499
Total	592 245	–	159 639	(9 700)	–	1 225 484	1 375 423	1 967 668

Programme 5: Local Government Support and Intervention Management

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management: Local Government Support and Interventions	3 471	–	–	–	–	–	–	3 471
Municipal Performance Monitoring	11 136	–	–	(4 235)	–	–	(4 235)	6 901
Local Government Improvement Programme	26 042	–	–	3 435	–	–	3 435	29 477
Litigations and Interventions	7 955	–	–	(4 500)	–	–	(4 500)	3 455
Municipal Infrastructure Administration	37 428	–	–	(2 800)	–	–	(2 800)	34 628
Municipal Infrastructure Grant	15 287 685	–	–	–	–	–	–	15 287 685
Municipal Infrastructure Support Agent	342 456	–	–	–	–	–	–	342 456
Total	15 716 173	–	–	(8 100)	–	–	(8 100)	15 708 073
Economic classification								
Current payments	86 032	–	–	(8 330)	–	–	(8 330)	77 702
Compensation of employees	62 947	–	–	(2 300)	–	–	(2 300)	60 647
Goods and services	23 085	–	–	(6 030)	–	–	(6 030)	17 055
Transfers and subsidies	15 630 141	–	–	230	–	–	230	15 630 371
Provinces and municipalities	15 287 685	–	–	–	–	–	–	15 287 685
Departmental agencies and accounts	342 456	–	–	–	–	–	–	342 456
Households	–	–	–	230	–	–	230	230
Total	15 716 173	–	–	(8 100)	–	–	(8 100)	15 708 073

Programme 6: Community Work Programme

Subprogramme	Main appropriation	2018/19 Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management: Community Work Programme	3 814 134	–	–	–	–	–	3 814 134	
Programme Coordination	42 613	–	–	(6 200)	–	–	36 413	
Partnerships, Norms, Standards and Innovation	13 156	–	–	–	–	–	13 156	
Total	3 869 903	–	–	(6 200)	–	–	3 863 703	
Economic classification								
Current payments	2 869 104	–	–	994 443	–	–	3 863 547	
Compensation of employees	44 352	–	–	(6 200)	–	–	38 152	
Goods and services	2 824 752	–	–	1 000 643	–	–	3 825 395	
Transfers and subsidies	1 000 799	–	–	(1 000 643)	–	–	156	
Non-profit institutions	1 000 799	–	–	(1 000 799)	–	–	–	
Households	–	–	–	156	–	–	156	
Total	3 869 903	–	–	(6 200)	–	–	3 863 703	

Details of adjustments to Estimates of National Expenditure 2018**Unforeseeable and unavoidable expenditure – R159.639 million**

Programme 4: National Disaster Management Centre

R159.639 million has been allocated for post-disaster reconstruction and rehabilitation after floods in Eastern Cape, KwaZulu-Natal and Western Cape.

Virements and shifts within the vote**Programmes**

- Administration
- Regional and Urban Development and Legislative Support
- Institutional Development
- National Disaster Management Centre
- Local Government Support and Intervention Management
- Community Work Programme

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(10 859)	Programme 1		10 759
Compensation of employees	Vacant posts ¹	(10 650)	Goods and services	Travel and subsistence	10 650
Goods and services	Advertising	(50)	Payments for financial assets	Theft and losses	50
	Stationery	(59)	Households	Leave payouts	59
			Programme 3		100
Machinery and equipment	Machinery and equipment	(100)	Machinery and equipment	Equipment	100
Shifts within the programme as a percentage of the programme budget		4.2%			
Virements to other programmes as a percentage of the programme budget		0.0%			

2018 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2			Programme 2		
(5 600)			5 600		
Compensation of employees	Vacant posts ¹	(1 600)	Goods and services	Consultants ¹	1 600
	Vacant posts ¹	(2 000)	Departmental agencies and accounts	Municipal Demarcation Board ¹	2 000
	Vacant posts ¹	(2 000)	Non-profit institutions	South African Cities Network ¹	2 000
Shifts within the programme as a percentage of the programme budget		5.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3			Programme 3		
(30 116)			1 600		
Compensation of employees	Vacant posts ¹	(1 600)	Departmental agencies and accounts	Department of Traditional Affairs ¹	1 600
Goods and services	Communications, contractors, entertainment and stationery	(5 300)	Programme 1		5 300
	Municipal systems improvement grant	(23 216)	Goods and services	Operational payments	5 300
Shifts within the programme as a percentage of the programme budget		0.0%	Programme 3		23 216
Virements to other programmes as a percentage of the programme budget		0.0%	Provinces and municipalities	Municipal systems improvement grant ²	23 216
Programme 4			Programme 3		
(9 799)			3 100		
Compensation of employees	Vacant posts ¹	(3 100)	Departmental agencies and accounts	Department of Traditional Affairs ¹	3 100
Goods and services	Computer services	(5 700)	Programme 1		5 700
	Consultants	(900)	Goods and services	Operational payments	5 700
	Consultants	(99)	Programme 2		900
Shifts within the programme as a percentage of the programme budget		0.0%	Goods and services	Consultants (integrated urban development framework)	900
Virements to other programmes as a percentage of the programme budget		1.6%	Programme 4		99
Programme 5			Non-profit institutions	Project (Disaster Management Institute of Southern Africa) ¹	99
(8 330)			Programme 3		
Compensation of employees	Vacant posts ¹	(2 300)	2 300		
Goods and services	Legal services, and travel and subsistence	(5 800)	Departmental agencies and accounts	Department of Traditional Affairs ¹	2 300
	Consultants	(230)	Programme 1		5 800
Shifts within the programme as a percentage of the programme budget		0.0%	Goods and services	Operational payments	5 800
Virements to other programmes as a percentage of the programme budget		0.1%	Programme 5		230
			Households	Leave payouts	230

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 6		(1 007 155)	Programme 1		3 200
Compensation of employees	Vacant posts ¹	(3 200)	Goods and services	Operational payments ¹	3 200
	Vacant posts ¹	(3 000)	Programme 3		3 000
			Departmental agencies and accounts	Department of Traditional Affairs ¹	3 000
Goods and services	Materials and supplies	(156)	Programme 6		1 000 955
			Households	Leave payouts	156
Non-profit institutions	Reclassification of the non-wage component of the Community Work Programme incorrectly classified in the 2018 ENE ²	(1 000 799)	Goods and services	Reclassification of non-wage component of the Community Work Programme incorrectly classified in the 2018 ENE ²	1 000 799
Shifts within the programme as a percentage of the programme budget		25.9%			
Virements to other programmes as a percentage of the programme budget		0.2%			
Total		(1 071 859)			1 071 859

1. Only the legislature may approve this virement.

2. National Treasury approval has been obtained.

Other adjustments – R1.226 billion

Appropriation of expenditure earmarked in the 2018 Budget speech for future allocation

Programme 4: National Disaster Management Centre

R1.226 billion has been allocated for immediate disaster relief, and drought relief initiatives, in various provinces and municipalities.

Gifts, donations and sponsorships – R2.099 million

Programme 4: National Disaster Management Centre

The department will make a donation of R99 000 to the Disaster Management Institute of Southern Africa to host a conference on the reduction of disaster risk.

Programme 2: Regional and Urban Development and Legislative Support

The department will make a donation of R2 million to the South African Cities Network for research undertaken on urban development.

Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18					2018/19				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation	
Administration	244 296	113 652	46.5	260 405	106.6	278 456	0.3	137 424	49.4	
Regional and Urban Development and Legislative Support	248 553	127 218	51.2	232 397	93.5	104 375	0.1	55 261	52.9	
Institutional Development	57 373 121	23 796 996	41.5	55 899 113	97.4	63 114 736	74.2	26 134 637	41.4	
National Disaster Management Centre	548 051	93 583	17.1	492 439	89.9	1 967 668	2.3	155 475	7.9	
Local Government Support and Intervention Management	16 409 803	5 686 353	34.7	16 361 923	99.7	15 708 073	18.5	5 892 982	37.5	
Community Work Programme	3 640 066	1 369 258	37.6	3 115 766	85.6	3 863 703	4.5	1 443 944	37.4	
Total	78 463 890	31 187 060	39.7	76 362 043	97.3	85 037 011	100.0	33 819 723	39.8	
Economic classification										
Current payments	4 275 554	1 587 370	37.1	3 596 203	84.1	4 495 342	5.3	1 678 244	37.3	
Compensation of employees	307 622	143 622	46.7	288 058	93.6	310 025	0.4	151 419	48.8	
Goods and services	3 967 932	1 443 748	36.4	3 308 139	83.4	4 185 317	4.9	1 526 825	36.5	
Interest and rent on land	–	–	0.0	6	0.0	–	0.0	–	0.0	
Transfers and subsidies	74 180 734	29 597 568	39.9	72 747 717	98.1	80 533 862	94.7	32 138 951	39.9	
Provinces and municipalities	73 493 070	29 363 566	40.0	72 094 572	98.1	79 922 163	94.0	31 872 353	39.9	
Departmental agencies and accounts	622 920	216 524	34.8	622 920	100.0	594 430	0.7	205 883	34.6	
Foreign governments and international organisations	1 281	–	0.0	1 190	92.9	1 946	0.0	–	0.0	
Non-profit institutions	17 972	8 117	45.2	17 972	100.0	14 878	0.0	60 314	405.4	
Households	45 491	9 361	20.6	11 063	24.3	445	0.0	401	90.1	
Payments for capital assets	7 502	2 054	27.4	17 940	239.1	7 757	0.0	2 519	32.5	
Buildings and other fixed structures	–	–	0.0	316	0.0	–	0.0	–	0.0	
Machinery and equipment	7 502	2 054	27.4	17 624	234.9	7 757	0.0	2 519	32.5	
Payments for financial assets	100	68	68.0	183	183.0	50	0.0	9	18.0	
Total	78 463 890	31 187 060	39.7	76 362 043	97.3	85 037 011	100.0	33 819 723	39.8	

Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R76.4 billion, 97.3 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2017/18 was R31.2 billion, 39.7 per cent of the adjusted appropriation for the year, whereas expenditure in the first half of 2018/19 was R33.8 billion, 39.8 per cent of the adjusted appropriation of R85 billion for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 increased by R2.6 billion, 8.4 per cent, mainly due to increased transfers on the local government equitable share to municipalities.

Departmental receipts

R thousand	2017/18					2018/19				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate	
Departmental receipts	1 875	1 102	58.8	1 661	88.6	1 532	43 768	100.0	43 478	99.3
Sales of goods and services produced by department	375	87	23.2	184	49.1	375	335	0.8	234	69.9
Sales of scrap, waste, arms and other used current goods	–	–	–	2	–	7	–	–	–	–
Interest, dividends and rent on land	1 100	728	66.2	777	70.6	1 010	950	2.2	807	84.9
Sales of capital assets	50	–	–	–	–	40	100	0.2	54	54.0
Transactions in financial assets and liabilities	350	287	82.0	698	199.4	100	42 383	96.8	42 383	100.0
Total	1 875	1 102	58.8	1 661	88.6	1 532	43 768	100.0	43 478	99.3

Revenue trends for the first six months of 2018/19

Mid-year revenue in 2017/18 was R1.1 million, 58.8 per cent of the 2017/18 adjusted estimate, whereas mid-year revenue in 2018/19 was R43.5 million, 99.3 per cent of the adjusted estimate for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 increased by R42.4 million, 3 845.4 per cent. This was due to the return of the provincial disaster relief funds of R42.3 million that was not appropriated by the Northern Cape legislature.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	–	–	–	59	–	–	59	59
Employee social benefits	–	–	–	59	–	–	59	59
Regional and Urban Development and Legislative Support								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	53 568	–	–	2 000	–	–	2 000	55 568
Municipal Demarcation Board	53 568	–	–	2 000	–	–	2 000	55 568
Non-profit institutions								
Current	7 353	–	–	2 000	–	–	2 000	9 353
South African Cities Network	7 353	–	–	2 000	–	–	2 000	9 353

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

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Institutional Development								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	–	–	–	23 216	–	–	23 216	23 216
Municipal systems improvement grant	–	–	–	23 216	–	–	23 216	23 216
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	153 306	–	–	10 000	–	–	10 000	163 306
Department of Traditional Affairs	153 306	–	–	10 000	–	–	10 000	163 306
National Disaster Management Centre								
Provinces and municipalities								
Provinces								
Provincial Revenue Funds								
Current	123 591	–	16 304	–	–	200 000	216 304	339 895
Provincial disaster relief grant	123 591	–	–	–	–	200 000	200 000	323 591
Provincial disaster recovery grant	–	–	16 304	–	–	–	16 304	16 304
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Capital	21 317	–	143 335	–	–	1 025 484	1 168 819	1 190 136
Municipal disaster recovery grant	21 317	–	143 335	–	–	1 025 484	1 168 819	1 190 136
Non-profit institutions								
Current	–	–	–	99	–	–	99	99
Disaster Management Institute of Southern Africa	–	–	–	99	–	–	99	99
Local Government Support and Intervention Management								
Households								
Social benefits								
Current	–	–	–	230	–	–	230	230
Employee social benefits	–	–	–	230	–	–	230	230
Community Work Programme								
Non-profit institutions								
Current	1 000 799	–	–	(1 000 799)	–	–	(1 000 799)	–
National Bodies: Community Care	1 000 799	–	–	(1 000 799)	–	–	(1 000 799)	–
Households								
Other transfers to households								
Current	–	–	–	156	–	–	156	156
Employee social benefits	–	–	–	156	–	–	156	156

Summary of changes to conditional grants: Provinces

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
National Disaster Management Centre	123 591	–	16 304	–	–	200 000	216 304	339 895
Provincial disaster relief grant	123 591	–	–	–	–	200 000	200 000	323 591
Provincial disaster recovery grant	–	–	16 304	–	–	–	16 304	16 304

Summary of changes to conditional grants: Local government

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Institutional Development	-	-	-	23 216	-	-	23 216	23 216
Municipal systems improvement grant	-	-	-	23 216	-	-	23 216	23 216
National Disaster Management Centre	370 597	-	143 335	-	-	1 025 484	1 168 819	1 539 416
Municipal disaster recovery grant	21 317	-	143 335	-	-	1 025 484	1 168 819	1 190 136

Other department within the vote

Traditional affairs

Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated of which:	153 306	163 306	-	10 000
Current payments	107 844	111 844	-	4 000
Transfers and subsidies	42 800	48 800	-	6 000
Payments for capital assets	2 662	2 662	-	-
Executive authority	Minister of Cooperative Governance and Traditional Affairs			
Accounting officer	Director General of Traditional Affairs			
Website address	www.dta.gov.za			

Department purpose

Coordinate traditional affairs across government through the development of appropriate policies, norms and standards, systems, and regulatory frameworks; and promote culture, heritage and social cohesion.

Mid-year performance status

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Number of publications on customary laws of succession and genealogies developed per year	Research, Policy and Legislation	Outcome 14: Nation building and social cohesion	1	0	-
Number of traditional leadership claims and dispute cases researched per year	Institutional Support and Coordination		43	0	-
Number of provinces monitored on implementation of the framework for resolution of traditional leadership disputes and claims per year	Institutional Support and Coordination		8	4	-
Number of traditional courts monitored on management of court decisions per year	Institutional Support and Coordination		100	20	-

Mid-year progress

No publication on customary laws of succession and genealogies was developed in the first half of 2018/19. The department expects to publish 1 document in the second half of the year.

There was no achievement on the target of traditional leadership claims and dispute cases for the first half of 2018/19 as no cases were rejected by the courts, hence no claims or cases required to be researched.

In the first half of 2018/19, 20 traditional courts were monitored on the management of court decisions against a target of 100 for the year. The department expects to monitor the remaining 80 towards the end of the financial year.

Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	45 520	–	–	–	–	1 500	1 500	47 020
Research, Policy and Legislation	16 640	–	–	–	–	2 000	2 000	18 640
Institutional Support and Coordination	91 146	–	–	–	–	6 500	6 500	97 646
Total	153 306	–	–	–	–	10 000	10 000	163 306
Economic classification								
Current payments	107 844	–	–	–	–	4 000	4 000	111 844
Compensation of employees	73 853	–	–	–	–	–	–	73 853
Goods and services	33 991	–	–	–	–	4 000	4 000	37 991
Transfers and subsidies	42 800	–	–	–	–	6 000	6 000	48 800
Provinces and municipalities	5	–	–	–	–	–	–	5
Departmental agencies and accounts	–	–	–	42 793	–	6 000	48 793	48 793
Public corporations and private enterprises	2	–	–	–	–	–	–	2
Non-profit institutions	42 793	–	–	(42 793)	–	–	(42 793)	–
Payments for capital assets	2 662	–	–	–	–	–	–	2 662
Machinery and equipment	2 662	–	–	–	–	–	–	2 662
Total	153 306	–	–	–	–	10 000	10 000	163 306

Programme 1: Administration

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	7 975	–	–	–	–	–	–	7 975
Management of Traditional Affairs	13 913	–	–	–	–	450	450	14 363
Corporate Services	18 546	–	–	–	–	1 000	1 000	19 546
Internal Audit	5 086	–	–	–	–	50	50	5 136
Total	45 520	–	–	–	–	1 500	1 500	47 020
Economic classification								
Current payments	42 851	–	–	–	–	1 500	1 500	44 351
Compensation of employees	31 384	–	–	–	–	–	–	31 384
Goods and services	11 467	–	–	–	–	1 500	1 500	12 967
Transfers and subsidies	7	–	–	–	–	–	–	7
Provinces and municipalities	5	–	–	–	–	–	–	5
Public corporations and private enterprises	2	–	–	–	–	–	–	2
Payments for capital assets	2 662	–	–	–	–	–	–	2 662
Machinery and equipment	2 662	–	–	–	–	–	–	2 662
Total	45 520	–	–	–	–	1 500	1 500	47 020

Programme 2: Research, Policy and Legislation

Subprogramme	2018/19								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Management	1 722	–	–	–	–	1 500	1 500	3 222	
Policy and Legislation	4 014	–	–	–	–	–	–	4 014	
Research and Information Management	10 904	–	–	–	–	500	500	11 404	
Total	16 640	–	–	–	–	2 000	2 000	18 640	
Economic classification									
Current payments	16 640	–	–	–	–	2 000	2 000	18 640	
Compensation of employees	13 213	–	–	–	–	–	–	13 213	
Goods and services	3 427	–	–	–	–	2 000	2 000	5 427	
Total	16 640	–	–	–	–	2 000	2 000	18 640	

Programme 3: Institutional Support and Coordination

Subprogramme	2018/19								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Management	1 775	–	–	–	–	500	500	2 275	
Institutional Development and Capacity Building	7 347	–	–	–	–	–	–	7 347	
Intergovernmental Relations and Partnerships	8 281	–	–	–	–	–	–	8 281	
National House of Traditional Leaders	18 533	–	–	–	–	–	–	18 533	
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	42 793	–	–	–	–	6 000	6 000	48 793	
Commission on Traditional Leaders Disputes and Claims	12 417	–	–	–	–	–	–	12 417	
Total	91 146	–	–	–	–	6 500	6 500	97 646	
Economic classification									
Current payments	48 353	–	–	–	–	500	500	48 853	
Compensation of employees	29 256	–	–	–	–	–	–	29 256	
Goods and services	19 097	–	–	–	–	500	500	19 597	
Transfers and subsidies	42 793	–	–	–	–	6 000	6 000	48 793	
Departmental agencies and accounts	–	–	–	42 793	–	6 000	48 793	48 793	
Non-profit institutions	42 793	–	–	(42 793)	–	–	(42 793)	–	
Total	91 146	–	–	–	–	6 500	6 500	97 646	

Details of adjustments to Estimates of National Expenditure 2018**Virements and shifts within the department****Programmes**

- Administration
- Research, Policy and Legislation
- Institutional Support and Coordination

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(42 793)	Programme 3		42 793
Non-profit institutions	Reclassification of funds incorrectly classified in the 2018 ENE ¹	(42 793)	Departmental agencies and accounts	Reclassification of funds incorrectly classified in the 2018 ENE ¹	42 793
Shifts within the programme as a percentage of the programme budget		46.9%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(42 793)	42 793		

1. National Treasury approval has been obtained.

Other adjustments – R10 million

Funds shifted between departments

R10 million has been shifted from the Department of Cooperative Governance to the Department of Traditional Affairs for projected increased expenditure on advertising, legal costs, travel and subsistence, and operational requirements within the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.

Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18					2018/19			
	Audited outcome					Actual expenditure			
R thousand	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation
Administration	43 446	18 918	43.5	39 753	91.5	47 020	28.8	19 672	41.8
Research, Policy and Legislation	16 644	6 840	41.1	13 994	84.1	18 640	11.4	7 615	40.9
Institutional Support and Coordination	92 416	45 174	48.9	85 811	92.9	97 646	59.8	41 084	42.1
Total	152 506	70 932	46.5	139 558	91.5	163 306	100.0	68 371	41.9
Economic classification									
Current payments	106 839	49 314	46.2	94 096	88.1	111 844	68.5	46 519	41.6
Compensation of employees	69 211	31 105	44.9	62 544	90.4	73 853	45.2	32 141	43.5
Goods and services	37 628	18 209	48.4	31 552	83.9	37 991	23.3	14 378	37.8
Transfers and subsidies	42 681	20 250	47.4	42 603	99.8	48 800	29.9	21 654	44.4
Provinces and municipalities	4	–	0.0	2	50.0	5	0.0	–	0.0
Departmental agencies and accounts	42 447	20 223	47.6	42 447	100.0	48 793	29.9	21 457	44.0
Public corporations and private enterprises	1	1	100.0	1	100.0	2	0.0	–	0.0
Households	229	26	11.4	153	66.8	–	0.0	197	0.0
Payments for capital assets	2 920	1 368	46.8	2 794	95.7	2 662	1.6	198	7.4
Machinery and equipment	2 754	1 368	49.7	2 628	95.4	2 662	1.6	198	7.4
Software and other intangible assets	166	–	0.0	166	100.0	–	0.0	–	0.0
Payments for financial assets	66	–	0.0	65	98.5	–	0.0	–	0.0
Total	152 506	70 932	46.5	139 558	91.5	163 306	100.0	68 371	41.9

Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R139.6 million, 91.5 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2017/18 was R70.9 million, 46.5 per cent of the adjusted appropriation for the year, whereas expenditure for the first half of 2018/19 was R68.4 million, 41.9 per cent of the adjusted appropriation of R163.3 million for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 decreased by R2.6 million, 3.6 per cent, mainly due to the late receipt of invoices from suppliers and the expiry of the contract for disputes and claims for members of the Commission on Traditional Leadership.

Departmental receipts

R thousand	2017/18					2018/19				
	Adjusted estimate	Audited outcome				Actual receipts				
		Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate
Departmental receipts	32	23	71.9	98	306.3	48	127	100.0	116	91.3
Sales of goods and services produced by department	32	20	62.5	98	306.3	48	27	21.3	22	81.5
Transactions in financial assets and liabilities	-	3	-	-	-	-	100	78.7	94	94.0
Total	32	23	71.9	98	306.3	48	127	100.0	116	91.3

Revenue trends for the first half of 2018/19

Mid-year revenue in 2017/18 was R23 000, 71.9 per cent of the 2017/18 adjusted estimate, whereas mid-year revenue in 2018/19 was R116 000, 91.3 per cent of the adjusted revenue estimate for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 increased by R93 000, 404.3 per cent, mainly due to the recovery of old debt and parking fees collected from employees.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2018/19						Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation							
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
Institutional Support and Coordination									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current	-	-	-	42 793	-	6 000	48 793	48 793	
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	-	-	-	42 793	-	6 000	48 793	48 793	
Non-profit institutions									
Current	42 793	-	-	(42 793)	-	-	(42 793)	-	
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	42 793	-	-	(42 793)	-	-	(42 793)	-	

