

**STRATEGIC PLAN FOR THE DEPARTMENT OF
TRADITIONAL AND LOCAL GOVERNMENT
AFFAIRS**

2003/04 to 06

KWAZULU-NATAL PROVINCIAL GOVERNMENT

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PART A: STRATEGIC OVERVIEW

1.1 STATEMENT OF POLICY AND COMMITMENT BY THE MEC

STATEMENT OF POLICY AND COMMITMENT BY MINISTER INKOSI NJ NGUBANE MEC, EXECUTING AUTHORITY FOR THE DEPARTMENT OF TRADITIONAL AND LOCAL GOVERNMENT AFFAIRS

As Executing Authority of the Department I determine the outcome of the activities of Department as being the attainment of the vision of "Prosperous and harmonious communities".

To attain the vision the Department will operate according to its strategic objectives and core functions with due regard to its financial and human resources capacity. The Department will endeavor to support the attainment of the following eight Provincial Priorities within its programmes:

- Eradication of poverty.
- Addressing the HIV/AIDS pandemic.
- Providing social security nets for the poor.
- Investing in infrastructure.
- Developing human capability.
- Strengthening governance.
- Promoting rural development and urban renewal.
- Investing in job creating economic growth.

I determine that the strategic objectives of the Department are:

- Accountable and sustainable traditional institutions
- Accountable and sustainable local governance
- Sound corporate management

I confirm in my capacity as Executing Authority described in the Public Finance Management Act, that the strategic plan for my Department as submitted herewith including the policy options it represents, has my support and approval.

INKOSI N J NGUBANE MEC
MINISTER OF TRADITIONAL AFFAIRS, SAFETY AND SECURITY
AND OF LOCAL GOVERNMENT AFFAIRS

Date: 05 March 2003

1.2 OVERVIEW BY THE ACCOUNTING OFFICER

The transformation of local government due mainly to the changes in policy and legislation has created many challenges for the Department. These challenges have impacted greatly on the strategic goals and service delivery of the Department. In ensuring sustainable integrated development within the Province, the Department focused on the development of strategic programmes that would enhance functional linkages between traditional authorities and municipalities, as well as focus on capacity building within traditional and local government structures.

In striving towards the achievement of its vision and mission, the Department has set strategic goals to ensure accountable and sustainable traditional and local government institutions and sound corporate management.

Functioning within the ambit of its mandates, as dictated by various policies and legislation, the Department, through the strategic planning process, has set strategic objectives which are linked to outputs, performance measures and the related financial implications. The Department commits itself to maintaining a high standard of fiscal discipline, acting with transparency, integrity, professionalism and objectivity and striving towards excellence in service delivery.

1.3 VISION

The vision of the Department is:-

PROSPEROUS AND HARMONIOUS COMMUNITIES

which translates, in isiZulu, to

INQUBEKELA PHAMBILI NENTUTHUKO EMIPHAKATHINI

1.4 MISSION AND STRATEGIC GOALS

The mission set for the Department is:-

The Department of Traditional and Local Government Affairs will foster good governance and promote sustainable development in KZN through traditional and local government structures. The above is underpinned by a professional approach based on the Batho Pele principles.

The strategic goals set are:-

- Accountable and sustainable traditional institutions
- Accountable and sustainable local governance
- Sound corporate management

1.5 VALUES

The core values that this Department espouses are:

- Act with transparency, integrity, professionalism and objectivity;
- Maintain a high standard of fiscal discipline;
- Ensure value for money;
- Open communication and consultation;
- Respect staff and invest in them as a valued asset;
- Recognize performance excellence; and
- Deliver service excellence through teamwork, sound planning and committed implementation, striving to improve performance.

1.6 LEGISLATIVE AND OTHER MANDATES

The legislative mandates of the Department of Traditional and Local Government Affairs are found in the Constitution of South Africa, the Public Finance Management Act (PFMA) and several other Acts of Parliament. Some of the main Acts that dictate the mandates amongst various other legislation are:-

1) The KwaZulu Amakhosi and Iziphakanyiswa Act 9 of 1990

This Act makes provision for the recognition, appointment and condition of service, discipline, retirement, dismissal and deposition of Amakhosi. It provides for the establishment of Traditional Authorities, Regional Authorities and Community Authorities. This includes suspension of Amakhosi or Iziphakanyiswa, misconduct inquiry, settlement of civil disputes and hearing of

criminal actions by Amakhosi and Iziphakanyiswa. It also makes provision for Traditional Leaders to preside on cases held in Traditional courts.

2) KwaZulu Act on the code of Zulu Law Act 16 of 1985

This Act amongst other aspects deals with the functions of Inkosi within the framework of customary practices and provides guidelines for inheritance and succession with specific reference to Ubukhosi (section 81).

3) The KZN House of Traditional Leaders Act 7 of 1994

This legislation provides for the establishment of the KwaZulu Natal House of Traditional Leaders. It describes various processes for election of members, tenure of office for various bodies, broad functions of the House and establishment of the secretariat office. The Act makes provision for the secretariat to serve a functional interface between the Department and the House. All other Departmental responsibilities and obligations are sanctioned through the Executive Committee of the House.

This Act describes the role of the House and the role of the Department.

4) Ingonyama Trust Act 3 of 1994

The Act creates Trust to hold the land, formerly vested in the name of the Government of KwaZulu, for and on behalf of the members of the clans and communities residing on such land. It also provides for Traditional Authorities to grant consent for the use and development of such land. It furthermore creates the Ingonyama Trust Board which administers the affairs of the Trust.

5) Municipal Systems Act 32 of 2000

The Municipal Systems Act describes the core processes or elements that are essential to realizing a truly developmental local government system. These include aspects such as participatory governance, integrated development planning, performance management and reporting, resource allocation and organizational change. The intention is to try to ensure better synergy between local, provincial and national initiatives, and a more effective system of inter-government relations. All provincial responsibilities and obligations in terms of systems, processes and procedures to be operational within local governments are invested within this Act.

6) Municipal Structures Act 117 of 1998

The Municipal Structures Act provides for the establishment of municipalities. The Act provides for the establishment of municipalities in accordance with requirements relating to categories and types of municipalities. In addition the Act provides for the division of functions and powers between categories of municipalities. In broad this prescribes all the provincial responsibilities and obligations in terms of the structures of local governments.

7) Development Facilitation Act 67 of 1995

The Development Facilitation Act No. 67 of puts in place a system to speed up the development processes in South Africa, specifically housing and RDP initiatives. This faster route is achieved when the decision making body (Development Tribunal) may set aside other legislation which may have a dilatory effect on development. The Development Facilitation Act also provides a new policy framework for integrated development and a mechanism whereby end – user finance in the form of subsidies and loans can be obtained earlier in the development process. The multiplicity of existing planning and development laws and the time currently taken to approve certain applications has contributed to an unfriendly development environment. The DFA therefore provides a nationally applicable process for approving development.

8) Less Formal Township Establishment Act 113 of 1991

In order to alleviate the shortage of developed land, eliminate illegal occupation and in order to create sustainable orderly development, the Less Formal Township Establishment Act was introduced to facilitate development. The thrust of the legislation is threefold; to provide procedure for designation, provision and development of land, to provide procedure for the establishment of “less formal” residential settlements which may be upgraded later and to permit the establishment of residential settlement areas on communally owned land, i.e. Tribal owned land. This legislation offers a quick way for the development of land as it can override certain legislation applicable to land and relating to township establishment, subdivisions and servitudes. This Act allows for a developed area to be declared prior to commencement of development.

9) Upgrading of Land Tenure Rights Act 112 of 1991

This Act provides for the upgrading and conversion into ownership of certain rights granted in respect of land, for the transfer of traditional land in full ownership to clans and for any matters connected therewith.

10) KwaZulu-Natal Provincial Growth & Development Strategy (PGDS)

This Strategy sets as its broad goals the creation of opportunities for earning a sustainable living, the creation of a competitive economic environment, and the raising of standards for the delivery of services and infrastructure. The Strategy seeks to achieve these goals by building on the dynamism of the economy by creating new areas for economic development by redressing social inequity by addressing the constraints to development by rooting initiatives in a shared responsibility for and commitment to social and economic development which integrates growth and redistribution. This Strategy consists of eight programmes of intervention.

11) KwaZulu- Land Affairs Act 11 of 1992

This legislation provides for the disposal of Government land, provides for certain rights of tenure to land and for the registration of certain forms of title in respect of land, provides for the development, use and subdivision of land, provides for the removal of restrictive conditions and for incidental matters thereto.

12) Town Planning Ordinance

Facilitates the development of the province in an orderly way by establishing the Town and Regional Planning Commission to formulate provincial planning and development policy and supervise planning and development in the province, establishing the Private Townships Board to formulate provincial policy on the subdivision of land and township establishment, establishing the Appeals Board to hear appeals against planning and development applications, providing for the preparation, adoption and amendment of town planning schemes and structure plans to manage land use, providing for the consideration of developments outside town planning schemes; and providing for the subdivision of land and township establishment.

13) KwaZulu-Natal Integrated Rural Development White Paper (IRD)

The Integrated Rural Development White Paper is directed at promoting the economic and social development of KwaZulu-Natal's rural areas. The White Paper draws on and includes elements of existing sectoral and inter-sectoral policies and of growth and development and spatial strategies. The White Paper suggests that rural development goals are unlikely to be achieved unless decision-making and delivery are located within and coordinated through the local government system. The purpose of this paper is to identify policy instruments and specific strategies through which the economic and social development of the rural areas might be realized.

14) Public Service Act, 1994 as amended.

This act provides for the organisation and administration of the public service, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

15) Ministerial Handbook, 5 May 1999, as amended.

Provides for a Code of Conduct relating mainly to probity in public life, and rules governing Ministerial privileges.

16) The KwaZulu-Natal Transport Policy.

Provides for the maintenance of a Departmental fleet.

17) The KwaZulu-Natal Communication Policy

Provides for each Department to undertake the communication function, both internally and externally.

18) Premier's State of the Province Speech

The Premier's state of the Province Speech was delivered on 26 February 2001. In his speech the Premier congratulated the Province on the good work that had been done in order to speed up growth and development. The Premier stated that strengthening governance remains one of the major priorities for the Cabinet. Issues relating to Provincial Constitution Making, Intergovernmental relations, Rural local governance, Transformation of the Provincial Public Service, Government communication and the State of the economy, amongst others were addressed by the Premier.

1.7 DESCRIPTION ON STATUS QUO

1.7.1. Summary of service delivery environment and challenges

Broader legislative and policy shifts in 2002 ushered in a transformation in the local governance institutional landscape unprecedented in the history of the country. Needs identified during the implementation of the Department's service delivery programme, challenged it to develop a strategic programme of functional interface between traditional authorities and municipalities in order to ensure sustainable integrated development within KwaZulu-Natal.

The need for developing a process of capacitating Traditional Authorities to function as fully fledged public entities poses an inevitable challenge of reassessing current Departmental support to the institution of Traditional Leadership. The drafting of appropriate financial regulations to be used for the establishment of individual Traditional Authority financial accounts demands a parallel process of financial management empowerment programme. It requires the Department to focus on programmes that would make traditional authorities economically self-sustainable. It is also imperative for the Department to start promoting a culture of performance management among traditional leaders and traditional authority administration so as to administer their affairs in an economical, effective, efficient and accountable manner.

The establishment of new municipalities and the moulding of these into functional and viable operational entities present major challenges to be addressed in the Department's programme. The major challenges lie in the establishment of policies, systems and procedures in terms of a range of new legislation and the building of capacity within the new local government structures to ensure optimum service delivery to communities.

1.7.2 Summary of organisational environment and challenges

The Department of Traditional and Local Government Affairs was created after the elections in 1999 and consists of the components dealing with Traditional Affairs of the former Department of Traditional and Environmental Affairs and the Local Government components of the former Department of Local Government and Housing. This institutional arrangement has placed all aspects of local governance within the Province under one Department and one Minister.

Over the last 24 months, priorities were to develop and implement new structures and to fill core senior management and other key posts. The revision of the structures is an ongoing project within the Department as a result of the fast changing legislation and environment that it is functioning within and to align the structure with the Strategic Plan.

The Department consists of two Branches namely the Traditional Affairs Branch dealing with all aspects regarding the Traditional Institutions and related fields, the Local Government Branch dealing with all aspects of Local Governance and related issues and a Chief Directorate: Corporate Services dealing with the support functions.

The feedback obtained from the process of monitoring and reviews of the implementation of Departmental service delivery programme challenged the Department to develop a strategic programme of enhancing functional linkages and interfaces between traditional authorities and municipalities to ensure sustainable integrated development within KwaZulu-Natal. Intellectual competencies required related instruments to create incentives and promote opportunities to ensure returns on investments. Technical and networking skills are desperately needed for promoting syndication among development finance institutions, attracting untapped funds and improving strategic alliances in order to stimulate economic growth and support sustainable development.

It is evident the Department is continuously expected to provide knowledge and expertise to Traditional Authorities and Local Government structures, while always remaining open to learning from them. The Department is therefore intensifying its efforts to attract intellectual talent and

development leadership that would assist in empowering communities to overcome human, institutional and financial capacity constraints on development. This position is in line with the Department's vision of becoming a leading catalyst of capacity building.

1.8 DESCRIPTION OF STRATEGIC PLANNING PROCESS

The strategic planning session to compile the first draft for the period 2003 to 2006, was held on 26 and 27 August 2002 and was attended to by the Senior Managers of the Department. The main objective of the session was to review and then align the strategic plan compiled in 2001 to the format that has been designed by National Treasury and which has been adopted by the Provincial Department of Treasury.

The Department furthermore envisages to workshop the strategic plan with its clients, namely the Traditional Institutions and various Local Government structures.

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

1.9 STRATEGIC OBJECTIVES

The following table presents the strategic objectives identified by the Department:

PROGRAMME 1
STRATEGIC GOAL 1: Sound corporate management STRATEGIC OBJECTIVES: <ol style="list-style-type: none">1. To enable the Minister to perform his/her political and executive responsibilities2. To ensure competent, empowered and performance focused employees3. To provide administrative support to the Department4. To provide financial management support to the Department
PROGRAMME 2 (traditional institutional management)
STRATEGIC GOAL 1: Accountable and sustainable traditional institutions STRATEGIC OBJECTIVES: <ol style="list-style-type: none">1. To establish and support traditional institutions2. To manage land tenure processes3. To advise and support Traditional Authorities on development processes
PROGRAMME 3 (local government and development planning)
STRATEGIC GOAL 2: Accountable and sustainable local governance STRATEGIC OBJECTIVES: <ol style="list-style-type: none">1. To implement an institutional, administrative and financial municipal framework2. To promote informed integrated planning and development3. To provide a municipal infrastructure framework

1.10 Measurable objectives, performance measures and performance targets

Following the identification of the strategic objectives the Department identified the performance measures for each of the strategic objectives and the respective financial implications:-

Programme 1: Aim of the programme is – Sound Corporate management

Programme structure	Output	Performance measures	Performance Targets	2001/02 Actual	2002/03 Estimated	2003/04 Target	2004/05 Target	2005/06 Target
Administration								
1.1 Minister	1. To enable the Minister to perform his responsibilities.	% compliance.	100% compliance with Ministerial Handbook, Cabinet Manual, Protocols & Parliamentary requirements.	2,418	3,118	3,654	3,812	3,980
1.2 Corporate Services	1. To ensure competent, empowered and performance focused employees. 2. To provide administrative support to the Department. 3. To provide financial management support to the Department.	% of vacant and management posts evaluated. % of compliance with the Departmental Skills. Development and Human Resource Plans. Coverage of Departmental communications. Compliance with PFMA and Treasury Notes. Timeframe to submit annual Financial Statements.	100% of vacant and management posts evaluated. 100% achievement of skills targeted in Skills development plan. 100% of targets achieved as stipulated in HR plan. 100% of Departmental officials reached. 100% compliance with PFMA and Treasury notes. Annual Financial Statements to be submitted within 2 months of the end of each financial year.	63,456	75,339	81,652	91,573	96,191
Total budget				65,874	78,457	85,306	95,385	100,171

Programme 2: Aim of this Programme – Accountable and sustainable traditional institutions

Programme structure	Output	Performance measures	Performance Targets	2001/02 Actual	2002/03 Estimated	2003/04 Target	2004/05 Target	2005/06 Target
2.1 Traditional Affairs Administration	To establish and support traditional institutions.	<p>% of implemented legislation and policies.</p> <p>% of settled claims and resolved disputes.</p> <p>target date.</p> <p>target date.</p> <p>Effective establishment and linkage of anthropological data base.</p> <p>Adherence to prescriptive.</p>	<p>40% implementation of identified and prioritized legislation and policies to be aligned to the Constitution by March 2004.</p> <p>100% settlement of registered claims and resolution of disputes.</p> <p>Computerised financial management system for Traditional Authorities by 31 March 2004.</p> <p>Alignment of Traditional Authorities Financial Regulations with PFMA by December 2003.</p> <p>Finalisation of Anthropological database by March 2004.</p> <p>Fully fledged professional secretariat.</p>	39,295	47,534	48,667	51,302	54,254
2.2 Traditional Land Administration	To manage land tenure processes	<p>Number of reported land disputes resolved.</p> <p>100% of land rights applications received will be processed.</p>	<p>All reported land disputes will be attended to and depending on their nature and complexity 50% thereof to be finalised.</p> <p>All applications for land rights received will be attended to and 90% will be finalised.</p>	17,952	19,049	21,389	22,672	24,032

		<p>Number of approved cadastral diagrams.</p> <p>No of commercial institutional and social facilities recorded.</p> <p>Number of trained Traditional Authorities.</p> <p>Number of finalised land use management plans.</p>	<p>Compile 600 cadastral diagrams and plans of Communal Land for property registration.</p> <p>All commercial institutional and social facilities recorded in cadastral database (approx 8000).</p> <p>75 Traditional Authorities to be trained on how to prepare land use plans by March 2004.</p> <p>27 land use plans to be finalized by March 2004.</p>					
2.3 Rural Development Facilitation	To advise and support Traditional Authorities on development processes.	<p>% fiscal transfers to Eskom and Telkom.</p> <p>Number of infrastructure projects for transforming traditional courts to traditional administrative centres.</p> <p>Number of Traditional Administrative centers constructed.</p> <p>Number of Traditional Authorities equipped.</p>	<p>100% fiscal transfers to Eskom and Telkom on conclusion of enabling agreement and related service level agreement by March 2004 for 29 Traditional Authorities</p> <p>23 Traditional Courts transformed to Traditional Administrative centres by December 2003.</p> <p>19 Traditional Administrative centres to be constructed by March 2004.</p> <p>39 Traditional Authorities to be equipped with Information Technology equipment by December 2003.</p>	39,975	53,606	75,775	81,082	85,960

		<p>Number of e-business initiatives achieved.</p> <p>Number of workshops conducted.</p>	<p>Assessment of e-business initiative on 9 Traditional Authorities pilot projects based on sustainability index by August 2003.</p> <p>24 Workshops on Development Legislation and Management for Traditional Leadership by December 2003.</p> <p>30 Workshops on Income generation by November 2003.</p> <p>30 Workshops for Izinduna focusing on development leadership by March 2004.</p>						
Total Budget				97,222	120,199	145,831	155,056	164,246	

Programme 3: Aim of this programme – Accountable and sustainable local governance

Programme structure	Output	Performance measures	Performance Targets	2001/02 Actual	2002/03 Estimated	2003/04 Target	2004/05 Target	2005/06 Target
3.1 Local Government	To implement an institutional, administrative and financial municipal framework.	<p>% of financial viable municipalities.</p> <p>% of municipalities passing operational test.</p> <p>Number of training courses conducted, and number of pilot shared service centres established.</p> <p>Number of operational disaster management centers established.</p> <p>June 2003</p>	<p>65% of municipalities passing viability test.</p> <p>55% of municipalities passing operational test.</p> <p>15 training courses conducted, and one pilot shared service centre established.</p> <p>10 operational disaster management centres established.</p> <p>allocation of powers and functions / review and adjust.</p>	161,473	178,886	157,276	161,224	132,697
3.2 Development Planning	To promote informed integrated planning and development.	<p>Number of IDP's assessed and reviewed by the Provincial IDP Forum.</p> <p>Number of IDP review training sessions to be held with municipalities.</p> <p>Number of District Capacity Building Development Planning Business Plans.</p> <p>Number of workshops on the "best practice model" on</p>	<p>61 IDP's assessed and reviewed by the Provincial IDP Forum by Sept 2003.</p> <p>4 IDP review training sessions to be held with municipalities.</p> <p>10 District Capacity Building Development Planning Business Plans finalized.</p> <p>10 Workshops on the "best practice model" on Municipal</p>	42,411	54,879	62,331	63,951	67,788

		<p>Municipal Performance Management System.</p> <p>Number of workshops held with District Councils on the new Land Use Management System (LUMS).</p> <p>Number of Local Councils converted to the new LUMS % of applications finalised within the time.</p> <p>Number of District Development Administration Capacity Building Business Plans finalised.</p> <p>% of Arc SDE implemented on corporate GIS.</p>	<p>Performance Management System completed by March 2004.</p> <p>10 District workshops held on the new Land Use Management System (LUMS).</p> <p>At least 10 Local Councils converted to the new LUMS. Of the 600 applications received per annum, at least 80% to be finalised within the statutory and internally set time frames.</p> <p>10 Municipal Development Administration Capacity Building Business Plans finalised.</p> <p>Arc SDE 100% implemented on corporate GIS.</p>					
3.3 Municipal Infrastructural Support.	To provide a municipal infrastructure framework.	<p>% of backlog addressed.</p> <p>% of available funds spent.</p>	<p>5% of backlog addressed.</p> <p>98% of available funds spent.</p>					
Total budget				203,884	233,765	219,607	225,175	200,485

Programme 4: Aim of this programme - To render auxiliary services

Programme structure	Output	Performance measures	Performance Targets	2001/02 Actual	2002/03 Estimated	2003/04 Target	2004/05 Target	2005/06 Target
Auxiliary & Associated Services	To provide motor transport.	Fuel to repair cost ratio.	70:30 fuel to repair cost ratio.	5,779	5,980	7,160	6,004	6,395

1.11 RECONCILIATION OF BUDGET WITH PLAN BY PROGRAMME

Evolution of expenditure by budget programmes and sub-programmes (R million)

Sub-programme	Year – 2 2000/01 (actual)	Year - 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change (%) ²	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection)	Year 3 2005/06 (MTEF projection)	Average annual change (%) ³
Programme 1								
Minister	2	2	3	25,0%	4	4	4	33,3%
Administration	48	63	75	33,3%	82	92	96	12,5%
Programme 2								
Traditional Affairs Admin	38	39	48	7,9%	49	51	54	11,4%
Traditional Land Admin	12	18	19	33,3%	21	23	24	13,3%
Rural Development Facilitation	26	40	54	63,5%	76	81	86	36,7%
Programme 3								
Local Government	259	161	179	-25,5%	157	161	133	10,2%
Development Planning	33	42	55	39,9%	62	64	68	9,6%
Programme 4								
Provincial Motor Transport	4	6	6	12,5%	7	6	6	26,6%

1. The capacity to implement and sustain the empowerment initiatives for functional traditional authorities remains a key challenge for the sub-programmes within the Traditional Institutional Management programme (programme 2). This provided a rationale for substantial increased budgetary allocation to the Rural Development sub-programme. The changes in the legislative and policy programme governing traditional authorities resulted with the need for a steady increase in budgetary allocations for both the Traditional Affairs Administration and the Traditional Land Administration sub-programmes.

2. The need of support to the Local Government sphere within the Province by the Department is high, which has resulted in a steady increase in the budgetary requirements in programme 3 in order to be able to render the obligations of the Department in this regard, especially if one takes into consideration the need of capacity within the various municipalities to be able to perform there functions. The financial constraints of the municipalities within the Province are pressurizing the Department to provide financial assistance.

1.12 MEDIUM-TERM REVENUES

1.12.1 Summary of revenue - Vote 11: Traditional and Local Government Affairs

The following sources of funding are used for the Vote:

R 000	2000-2001 Actual	2001-2002 Actual Un-audited	2002-2003 Budget	2003-2004 MTEF	2004-2005 MTEF	2005-2006 MTEF
Equitable share	277,300	346,905	351,102	381,695	399,572	423,546
Conditional grants	151,097	39,427	74,806	76,771	82,610	48,313
Other (specify)						
Total: Revenue	428,397	386,332	425,908	458,466	182,182	471,859

1.12.2 Departmental revenue collection - Vote 11: Traditional and Local Government Affairs

This Department does not generate revenue and accordingly had budgeted only for those items where it is known that revenue will be received.

R 000	2000-2001 Actual	2001-2002 Actual Un-audited	2002-2003 Budget	2003-2004 MTEF	2004-2005 MTEF	2005-2006 MTEF
Current revenue	4.349	3.903	198	209	220	233
Tax revenue						
Non-tax revenue	4.349	3.903	198	209	220	233
<i>Interest</i>	77	203				
<i>Other sales</i>	9					
<i>Other revenue</i>	4.263	3.693	198	209	220	233
Capital revenue	2	6				
Sale of land and buildings						
Sale of stock, livestock etc	2	6				
Other capital revenue						
Total: Departmental revenue	4,351	3,909	198	209	220	233

1.12.3 CONDITIONAL GRANTS

Conditional grants that are received are depicted below and business plans are then devised to spend these funds on the projects identifies and approved

Name of conditional grant	02/03	03/04	04/05	Plan for spending
Local Government – support grant	26 450	38 880	37 181	These funds will be spent on various capacity building projects in the District Councils per projects that are approved. Various projects have been identified and the relevant budgets have been attached to each of these projects
Local Government - Infrastructure grant	28 489	7 874	8 353	
Traditional Authorities – Infrastructure grant	19 867	30 017	37 076	These funds are spent on providing infrastructure development needs to various traditional authorities. The applicable condition is that for every rand received from Treasury, the Department would provide fifty cents

1.13 CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS

1.13.1 Inter-Departmental Linkages

The Chief Directorate: Rural Development Facilitation is championing the process of developing and implementing effective centers for strategic service delivery alliance programmes. The strategic partnerships have been entered in order to learn, share experiences, formulate joint values and advance best practices and new business models in developmental operations. During 2002 a partnership has been established with SITA (State Information Technology Agency) to equip electrified centers with Information Technology equipment and maintain them accordingly and to also pilot a rural connectivity programme in traditional authorities. A decentralized programme has also been initiated with the Department of Home Affairs in 27 traditional authorities within the programme to access the services of ID applications, birth and death registrations

In order to perform the Traditional Land Administration functions attached to the Department, linkages through forums, working groups and task teams have been created with the following Departments: Land Affairs, Works, Agriculture and Transport as well as with the municipalities. These provide for the identification, allocation and registration of land rights in Traditional Authority areas, together with the Ingonyama Trust Board to improve land management in those areas.

Linkages have been created with the Department of Provincial and Local Government, Housing, Water Affairs and Transport to specifically deal with the co-ordination of municipal infrastructure development. Formalization of a programme management agreement, in terms of which the Department will manage infrastructural programmes at provincial level on behalf of with DWAF, is imminent.

A water and sanitation committee (WATSAN), responsible for the co-ordination and facilitation of delivery of water and sanitation services is chaired by this Department. This statutory body consists of provincial role-players in the provision of water and sanitation. Similarly, the Department also manages the activities of the Provincial Emergency Reconstruction Command Centre, a body consisting of all provincial disaster management role-players.

A multi-sectoral Provincial Integrated Development Planning Forum has been established comprising of representatives from different Departments and state enterprises at national, provincial and local government level. This Forum will promote improved coordination and alignment between the activities of the various Departments and State Enterprises. Similar structures have been put into place for the management of the Integrated Sustainable Rural Development Programme (ISRDP) and Urban Renewal Programme (URP)

In conjunction with the Office of the Premier, consultants have been commissioned to develop a model for inter-governmental relations.

In order to strengthen and enhance functional linkages between the Department, traditional authorities and municipalities, the Department has initiated a process of transferring funds to support strategically focused municipal development projects.

1.13.2 Public entities

1.13.3

The following Public Entities are supported and managed by the Department

Name of public entity	Main purpose of public entity	Provision from the Departmental budget		
		2002/3 MTEF	2003/4 MTEF	2004/5 MTEF
UMsekeli	To render municipal support services	21,6 m	20.6 m	17.6 m
Provincial Planning & Development Commission	To advise the MEC on planning and development matters	2,314m	2,558m	4,962m

House of Traditional Leaders	To advise the MEC on matters affecting institution of Traditional leadership	Part of programme 2. However, the Department is busy working towards classifying and listing the House as a public entity.
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1.14 FINANCIAL MANAGEMENT

1.14.1 Strategies to address audit queries

The Department has set up the following procedures to ensure that the reports from the Auditor-General are followed upon:

Management Letters received are attended to immediately. It is handed to the Programme Managers to respond to the questions by a specific date depending on the deadline to be met from the Office of the Auditor-General.

Copies of all responses are sent to the Internal Control Section of the Department to follow-up and to confirm the correctness thereof.

1.14.2 Implementation of PFMA

The following plan has been set up by the Department to implement and ensure the strengthening of its ability to comply with the PFMA

No.	Specific Responsibility i.t.o Legislation	PFMA/ Treasury Regulations Reference	Action	Target Date	Responsible Person
1	Delegation by Executive Authority/Accounting Officer.	Section 44	Written delegation of powers and assignments to appropriate officials of the Department	June 2003	AO CFO
2	Management of transfer payments	Section 38 (1)(j)	<ul style="list-style-type: none"> ◆ Conduct audit ◆ Check certificates of compliance 	Ongoing Quarterly	CFO Programme/ Responsibility Managers
3	Review Strategic plans 2002/3 2003/4	Section 5.2.3(e) of Treasury Regulations	Link MTEF to business plans	May 2003	AO CFO Programme/ Responsibility Managers
4	Reporting and accountability	Section 40	<ul style="list-style-type: none"> ◆ Compliance with reporting standards for financial year ending 31 March 2002 ◆ Improve the quality of information ◆ In-year monitoring and reporting 	Monthly	All
5	Risk Assessment		<ul style="list-style-type: none"> ◆ Fraud workshops to be conducted in IsiZulu ◆ Fraud workshops to be conducted with Traditional Leaders and Tribal Authority secretaries ◆ Follow ups on Risks 	6 to be finalised by June 2002 2003/04 Quarterly	CFO Head: Internal Control

			<ul style="list-style-type: none"> identified 2002/3 ◆ Surprise inspections/ audits to be conducted ◆ Fraud prevention week will be held ◆ Fraud campaign 	<p>2003/04</p> <p>Oct 2003</p> <p>Ongoing</p>	
6	Elimination of existing audit queries		<ul style="list-style-type: none"> ◆ Follow ups ◆ Clear-up audit queries raised in the report of the AG on financial statements of Vote 11 for that year 	<p>Clear audit</p> <p>Sept 03</p>	<p>CFO</p> <p>Head:</p> <p>Expenditure Management</p> <p>Head: Internal Control</p>
7	Management of Assets and liabilities	Section 38(1)(d)	<ul style="list-style-type: none"> ◆ Monitor the compilation of the fixed asset register ◆ Timeous payment to avoid penalties 	<p>Ongoing</p>	<p>CFO</p> <p>Head:</p> <p>Procurement and Provisioning</p>

PART C: BACKGROUND INFORMATION

1.15 APPENDIX ONE: ANALYSIS OF SERVICE DELIVERY ENVIRONMENT

1.15.1 Policy changes and trends

The Department operates in an ever changing environment in this period of transformation, which necessitates constantly changing legislation and policies. This has a direct and indirect impact on the Department and the services provided.

Some of the new and proposed legislation is listed below.

- Land Use Management Bill
- KwaZulu-Natal Land Use Management Bill
- Local Government Laws Amendment Act
- Municipal Finance Management Bill
- Property Rates Bill
- Communal Land Rights Bill
- Draft White Paper on Traditional Leadership in Governance
- Disaster Management Act

The current impasse between the institution of Traditional Leadership and Government on the role and powers of the traditional leadership structures in governance continues to pose serious constraints on the effective implementation of Departmental line functionaries. The insistence by the institution of Traditional Leadership that their statutory obligations are not clear and not sanctioned by the constitution makes it almost impossible to effect a process of streamlining the current legislation with the constitution. The Department has tried to forge functional linkages between Municipalities and Traditional Authorities by initiating processes where decisions required on development initiatives are shared by both institutions. These initiatives facilitate meaningful participation, benefiting urban and rural communities.

Amakhosi of this Province took a formal decision in their general meeting that they would not participate in the structures and decision making processes of municipalities. This resolution is not only making systems of functionaries difficult but it also makes it impossible to invite traditional leaders to the meetings where Integrated Development Plans are prepared. Municipalities have proceeded with preparations of these IDP's without meaningful input from surrounding and nearby structures of traditional authorities. Municipalities cannot confirm with certainty that their IDP's are enjoying the support of all structures of communities that they are preparing for. In the same vein, it is increasingly becoming impossible for Municipalities to implement the provisions of Municipal Systems Act where it requires municipalities to establish ward committees in order to improve communication levels and community budgeting processes. The Department initiated a mechanism of improving functional relationships by facilitating a process of inviting municipal officials to come and explain their annual operational business plans to various structures of traditional authorities. Municipal managers and their staff are responding positively to these requests and inputs received from traditional authority structures are fully considered in their budgetary allocations.

The Department has developed numerous provincial support and capacity building programmes to facilitate the implementation of new legislation at municipal level. However, this task was complicated by the fact that the Department has no or little input into the formulation of legislation and policies at National level. The lack of budgetary input into the budgetary council meetings in respect of Local Government complicates monitoring and assessment of economical viability of municipal programmes and projects. Furthermore, the lack of Provincial involvement precludes Departmental input into support and capacity building programmes for the

local government sphere. Municipalities also exploit this situation by requesting additional funding from various sources available.

Fragmentation of legislation in the development and planning sphere meant that the Department had to establish additional administrative processes to ensure that the various pieces of legislation were applied correctly.

Due to the fact that legislation does not clearly spell out the distinctive roles, there have been fragmented and duplicated support efforts by various levels of government. The lack of co-ordinated effort, and especially direct liaison between DPLG and municipalities, make it extremely difficult to monitor and report on municipal service delivery efforts. In the Province there is a lack of understanding amongst Provincial Departments on their role vis-à-vis that of the municipalities.

1.15.2 Environmental factors and emerging challenges

The Department firmly believes that the provision of development projects stimulates economic growth, promotes equity and supports sustainable development, if it is purposefully managed and financed to deliver affordable services to communities. However, the existence of substantial backlogs in rural areas, a stringent economic environment, and scarce human and financial resources call for the Department to devise a systematic and structured approach to institutional provision of rural service deliveries.

Against this background, the Department crafted strategies of mobilizing government Departments and other financial agencies to assist traditional authorities to play a meaningful role in the development process.

The Rural Development Facilitation sub-programme was assigned among other functions to expand its role in assisting traditional authorities in promoting economic growth and development in rural communities, facilitating functional interface between municipalities and traditional authorities and strengthen rural areas appeal as investment opportunity. Strategic partnerships are being established with relevant statutory bodies on initiatives that are destined to empower communities and institutions at a grass-root level, in collaboration with non- governmental organizations and local governments.

Boundary disputes between traditional authorities, as well as conflict on the areas of jurisdiction of traditional authorities also pose challenges to the department's service delivery objectives and could delay the updating of the Ingonyama Trust Board's inventory and capturing of basic spatial and photographic data of commercial, social and institutional facilities on Ingonyama Trust land.

The Department played a pivotal role in the establishment of 61 municipalities (of which 17 local councils and 4 district councils were newly created institutions).

Although admin facilities and funding of R53 million were presented to the newly established municipalities, these local government institutions are still faced with a severe lack of capacity in terms of human and financial resources, experience and facilities, resulting in them not being able to meet their service delivery obligations. The Department has therefore established and implemented a broad range of support and capacity building programmes, including extensive skills transfer programmes to assist municipalities in the provision of these services to the communities.

The Department has also established systems and procedures to address the non-compliance with the legislative framework and lack of transparent, accountable governance by municipalities in the Province.

The slow economic growth, high unemployment rate and the resultant rise in poverty also decrease communities' ability to pay for services, which contributes to degenerating financial viability of municipalities. The Department has assisted municipalities to develop adequate credit control and indigent support mechanisms and structures, and renders support in the process of debt collection where appropriate.

The incidence of HIV/AIDS and related diseases, and the increased death toll, poses a challenge to the local government sphere in so far the availability of land for cemeteries is concerned. The Department

has commissioned a study to investigate and recommend programmes to address enhancing existing infrastructure for this purpose.

The geographic terrain in KwaZulu-Natal hampers municipalities' task to comply with National norms and standards set for access to water. The Department has launched two pilot studies to look into alternative sources of water, including rain water harvesting.

Although the Province is prone to natural disaster incidents, municipalities, due to other pressing needs, are reluctant to set aside adequate funding for contingencies. The Department has therefore established appropriate disaster management structures and processes at District Council level in accordance with the Disaster Management Act.

1.15.3 Evaluation of current implementation performance

The strategic objectives of the programme of Traditional Institutional Management were set from the perspectives of the Department's corporate strategy. The objectives are aimed at maximising the impact of the Department's budget in improving the lives of the communities within traditional areas. These objectives were concerned with institutional capacity, economic development, transformation of courts to administrative centres, environmental sustainability and impact. They form the basis of the strategic framework within which the Department's management convert each objective to specific measures, targets and key activities on an operational level and seeing that they cascade down to business units.

The sustainability index specifies specific key performance indicators (KPI's) and is continuously used to assess performance of each outlined objective. The monitoring and evaluation of activities relevant to the achievement of objectives showed that the Department needs improvement on achieving financial sustainability of funded projects and needs to optimise resource allocation on areas where adding value through in-depth market knowledge can be achieved. Another area of required improvement was on the need for implementing systems that enable service delivery to integrate TA's competitive advantage into all aspects of the Department's business.

Based on the third quarterly report, the Department seems to be making good progress in terms of the targets set for the year 2002/03.

Although the strategic implementation programme of the Chief Directorate: Rural Development Facilitation was crafted within the perspectives of the Traditional Institutional Management corporate strategy, the requirement stipulated by Parliament and Provincial Treasury relating to new financial controls meant that this business unit's budget was only approved on 01 September 2003. The most affected area of performance was the programme of construction and rehabilitation of traditional administrative centers. Hence the expenditure and key performance targets that were set in the beginning of the financial year had to be shifted.

Despite this however, the process of securing IT Equipment (computers, fax, photocopier, printer & accompanying stationary) for 54 Traditional Authorities has been completed. A Maintenance contract was formalised with SITA to service 96 traditional authorities. The Department sealed a partnership with Eskom to wire 59 Traditional courts, and negotiated with Telkom to enable 65 Traditional Authorities to receive incoming calls.

54 Traditional Authorities are in the process of being renovated, 40 received office infrastructure and 51 Traditional Authorities have been identified for sanitation and fencing.

A rural connectivity programme involving the installation of Internet Cafe sites was introduced to 9 Traditional Authorities as nodal points for piloting the project. A total of 29 economic feasibility studies covering various projects aimed at establishing economic catalysts within Traditional Authorities have been identified and reports will be ready for submission to the ITB meeting by February 2003.

Funding for the preparation of the Administrative Justice Module was successfully secured from the Independent Projects Trust and training is to be implemented as from January 2003.

Forty five cases of succession for appointment of Amakhosi have been researched. Five cases of succession for appointment of Amakhosi have been approved by Cabinet, and nine are awaiting cabinet approval for appointment. Funeral arrangements were made for 10 Amakhosi. In an effort to promote vital registrations in traditional rural areas, pilot projects have been launched in each district.

Annual financial statements for the years 1998 to 2002 were prepared and submitted to the Auditor General for Traditional Authorities for 27 districts.

New check list for residential, commercial and institutional PTO's have been compiled and 1287 occupational rights have been issued. A database for landless Amakhosi has also been developed, and negotiations with the Department of Land Affairs are underway.

By December 2002, the Department had received and assessed 60 municipal IDP's, completed 3 Land Use Management System pilots successfully and signed a business plan with the Development Bank of South Africa to fund the roll-out of municipal land use management systems throughout the Province. The Department has also put in place appropriate structures to manage the Integrated Sustainable Rural Development and Urban Renewal Programmes in respect of four rural nodes and one urban renewal node.

Other achievements include the development and implementation of an Application Filing system to track all development applications and conversion of all GIS information into ARC SDE format. An electronic data request system has been established and all municipal integrated development plans can be accessed via the internet.

The Department has been involved in researching the feasibility of establishing a body (referred to as ProvTradLog) to strengthen and enhance functional relationships between Provincial Government, Traditional and Local Government.

The first phase of the municipal financial monitoring system has been finalised, and funding has been secured for the second phase of the financial monitoring, and the first phase of a comprehensive general municipal monitoring systems.

The Department also secured DBSA funding for ward committee training, and conducted 20 management audits and 11 forensic audits in municipalities in terms of its compliance governance mandate.

The Department also prepared a Service Level Agreement with the Department of Water Affairs and Forestry, in terms of which it will monitor municipal performance and spending on bulk infrastructure provision in terms of the Provincial obligations in terms of the Water Services Act. A water and sanitation (WATSAN) committee, with participation from 10 task teams at District Council level has been established to regulate the provision of basic services.

Disaster Management structures have been implemented at provincial and District Council level and a web-enabled disaster management information system has been developed.

The allocation of powers and functions to all municipalities have been finalised and the Department will support municipalities in the implementation of the allocations made. The Department's wholly owned provincial public entity, Umsekeli, has provided substantial support to municipalities internally and in the rendering of services. The concept of shared service centres was researched and appropriate needs, in accordance with allocation of powers and functions have been identified for inclusion.

As at December 2002, all Departmental capacity building programmes (internal and externally focussed) were well under way and have reached the targets set for the third quarter.

With regard to the internal environment, the Department rolled out a new performance management system, and implemented its Employment Equity and Workplace Skills Plans. 228 employees attended various training courses to better equip them for their specific jobs, and 30 learners attended ABET classes.

A new filing system for the Department was approved and implemented, the fuel/repair cost ratio was improved to 74:26 and a Departmental job evaluation committee and panel were established to evaluate all jobs under salary level 13. 90% of all Senior Management posts have been evaluated.

1.15.4 Service Delivery Improvement Programme

It has been realised that in order to bring about continuous improvement in key areas of business performance, the Department has to focus on an internal business perspective that is aiming at encouraging a culture of creativity and innovation. This would require a knowledge-based organisation premised on strategic objectives such as improved competency levels, achieved organisational objectives through performance management and a developed strategic capability that give rise to competitive advantage. The implementation of these objectives will ensure functionary systems that would enable service delivery to be delivered in an efficient and effective manner.

The transformation agenda of the government has taken the form of various processes for change, all of them born from the need to introduce inclusive, equitable, modern and efficient mechanisms in Public Service Delivery.

The Public Service Regulations and the White Paper on Transformation of the Public Service provide a framework for service delivery improvements. The Department commits itself to the implementation of service delivery improvement by:

1. CONSULTATION
Participation in National forums Monthly meetings with municipalities and traditional authorities Consult on a one on one basis with municipalities and traditional authorities Update information on monitoring system on a monthly basis Assessment questionnaires to all clients and assessment thereof on a quarterly basis Regular capacity building workshops with all municipalities and traditional authorities Regular visits and courtesy calls to municipalities and traditional authorities to facilitate two way communication Dissemination of service commitment charters to all interested parties Promote services on intranet/internet Availability of policies on intranet/internet
2. SERVICE STANDARDS
Review standards in service commitment charters Develop work plans (performance agreements) with performance standards for functional units Uniform standards through development of procedural manuals both internal and external Assess national norms and standards and set Departmental standards within such standards Standards to be reflected in Job Descriptions Standards monitored by way of Performance Assessment Assessment of achievement of standards set in business plans by way of Directors' quarterly reports
3. ACCESS
Improve and extend inter/intranet web site Regular interaction with municipalities and traditional authorities Conduct road shows Geographic alignment and streamlining of organisational structures Conduct of capacity building workshops in both English and Zulu Course material in respect of capacity building translated into both English and Zulu Staff attending computer courses to address computer illiteracy One on one training both internally with staff and externally with municipal and traditional authority staff and councilors

4. COURTESY
<p>Training on customer care Monitor customer care conduct Train staff on protocol Review customer friendliness and amendment of application forms Develop specific code of conduct to include inter alia: -Style and tone of written communication -Greeting and dealing with customers -Team building -Transparency -Feedback to customers -Identification of staff by name Development of simplified and customer friendly questionnaires Create respect for other cultures Ensure dissemination of code of conduct and monitor compliance</p>
5. PROVIDING MORE AND BETTER INFORMATION
<p>Prepare and distribute flyers on functions Train staff on presentation skills Improve and extend inter/intranet web site Improve quality of development information rendered to municipalities and traditional authorities Use of intranet/internet Quarterly newsletter to all municipalities and traditional institutions Information provided in variety of media and languages Conduct capacity building workshops to municipalities and traditional authorities</p>
6. INCREASING OPENNESS AND TRANSPARENCY
<p>Publish results of the customer questionnaire on a quarterly basis Provide input to annual report Report to Portfolio Committee and SCOPA Develop and maintain EE plan</p>
7. REDRESS
<p>Provide contact details of Management teams via brochures One to one contact with each complainant Provide feedback on progress in dealing with complaints Empower staff to deal with complaints Provide comments page on website Feedback on capacity building workshops by way of evaluation forms</p>
8. PROVIDING BEST VALUE
<p>Improve business acumen Align budget with business Encourage establishment of Shared Service Centers Monitor S & T and vehicle claims Monitoring of funding in respect of project specific grants Implement Service Delivery Improvement Plan Outsource non-core functions Risk assessment completed Risk status to be reviewed on a quarterly basis Partnerships with other Departments and NGO's</p>
9. ENCOURAGING INNOVATION AND REWARDING EXCELLENCE
<p>Implementing performance management system Team building Encourage attendance to training and conference opportunities Establish reward systems Implementation of Performance Agreements and Job Descriptions Provide opportunity for sharing of innovative ideas at meetings</p>

10. CUSTOMER IMPACT

Create awareness of service delivery principles through forums

Raise awareness of Batho Pele principles at internal management meetings

Promotion of Batho Pele (and service delivery improvement initiatives) by way of biannual questionnaires to clients

1.16 APPENDIX TWO: ORGANISATIONAL INFORMATION AND THE INSTITUTIONAL ENVIRONMENT

1.16.1 Organisational design

The Department consists of two Branches namely, the Traditional Affairs Branch which deals with all aspects of Traditional Authorities, the Local Government Branch which deals with all aspects of Municipalities and the Chief Directorate: Corporate Services which deals with all support functions to the Department.

The Department functions on a regional basis and the Province has been split into 3 regions, namely the Northern Region based in Ulundi, Coastal Region based in Durban (Mayville) and Inland Region based in Pietermaritzburg, satellite or district offices where required have also been established. A map indicating these organisational boundaries is attached.

The organisational structure down to Deputy Directorate level is attached for ease of reference.

1.16.2 Delegations

Delegations for efficient and effective functioning of the Department are in place and are discussed briefly.

The Personnel and General Delegations were recently reviewed to ensure compliance with the new Public Service Regulations, PFMA and Financial Regulations.

Powers of authority are delegated to appropriate levels which were duly approved by both the Executing Authority and the Head of Department. Activities/actions authorized in terms of these delegated powers are strictly controlled by way of report and both internal and external audits.

In addition to working within the framework of delegations of an administrative nature, the Department also works with a number of line function delegations. These provide the framework for determining the level at which decisions will be made, with main reference to the Minister, Head of Department, Deputy Director-General, Chief Director, Director, and Deputy Director levels.

The measures to monitor and manage delegations include monthly reporting on high risk areas, whereas delegations in low risk areas are monitored and reported on via Audit reports.

1.16.3 Capital investments, maintenance and assets management plan.

The Department maintains an Assets Register and Inventory Officers have been appointed in each Directorate. Stocktaking is undertaken annually, as prescribed.

Redundant and/or obsolete assets are dealt with by way of Boards of Survey, which are held on a regular basis at the various offices.

The vehicle fleet is in a good condition as a result of the adherence to the Provincial policy which prescribes that the fleet should be kept as young as possible in order to obviate maintenance costs. Vehicles are replaced every three to four years, or every 150 000 km (petrol driven), or 250 000km (diesel driven).

The Department has made provision for R1,616 million towards medium term maintenance of buildings. This amount includes major and routine maintenance expenditure, adaptation and renovation of buildings to better suit the accommodation needs of the Department, as well as the construction of a park home for ABET. An additional amount of R180 000 to construct a guard house at the SB Borquin Building has been budgeted for.

Under programme 2 a strategic assets investment programme has been developed and an assets register has been compiled accordingly for the transformation of traditional administrative centers. A summary of the capital associated with this assets investment programme is as follows:

YEAR	IT		NEW CONSTRUCTION		RENOVATION		SANITATION		FENCING		FURNITURE		TELKOM		ELECTRICITY	
	No	R 000	No	R 000	No	R 000	No	R 000	No	R 000	No	R 000	No	R 000	No	R 000
2000/2001	99	5 200	13	2 247	21	1 510	0	0	1	1	4	155	0	0	2	11
2001/2002	8	480	26	16 027	18	3 079	30	1 305	8	240	1	52	0	0	30	1 237
2002/2003	53	2 745	0	0	40	8 328	38	1 760	18	860	41	2 646	53	221	58	3 101
Back Log	32	1 888	12	13 700	45	9 121	46	3 180	64	3 800	61	4 220	58	172	42	2 930
Total	192	10 313	51	31 974	124	22 038	114	6 245	91	4 901	107	7 073	111	393	132	7 279

The following IT projects are currently in progress.

Web Management and Content Filtering – This will enable the department to filter all email messages for profanity and image attachments. Web Management will deny access to all unauthorized web sites. The aim is to reduce exorbitant email and internet costs to the Department. The Informatics Sub-Directorate is in the process of procuring the software and hardware.

Internet Server – The Department is presently hosting its internet site on the same server as the Intranet. This poses a security risk as the intranet server has access to departmental servers. An internet server is in the process of being procured and SITA will be requested to implement.

Memory Upgrade – The Department's minimum specification is that of 128 Megs RAM for all desktop computers. Desktop computers that have a lower specification will be upgraded accordingly. Additional memory has been procured and SITA is in the process of installing these.

Butterworths – The Department is utilizing Butterworths Legal Libraries for all its queries. Presently, the Department receives updates on a regular basis but has to distribute these updates to various regions and then request SITA to implement. This process has unacceptable time delays. There are continuous problems with renewal of subscriptions. An Intranet solution was recommended and this solution is in the process of being procured.

Data projector – A data projector is being procured for the SB Borquin Board Room. The projector will be permanently installed allowing for easy access for presentations

Future projects over the next five years, include the compilation of the Master Systems Plan, replacements of Departmental File Servers, replacement of backup devices, upgrading of Departmental IT Network Infrastructure, implementation of Document Imaging and Workflow Management System throughout the Department, investigation into the implementation of Open Source Software and introduction of Portal Services Technology, allowing only html (Web) access to all services.

1.16.4 Personnel

To ensure that service delivery is not being hindered by the increasing incidence of employees affected by HIV/AIDS, funds have been made available to employ temporary staff when the need arises.

The Department has 291 supernumerary staff members who were not transferred to municipalities. At present, these staff members are paid by National, but they may place a burden on the Department's financial resources if the Department has to pay out severance packages to the staff concerned.

The Department is also well on its way to meet its representivity targets. This may impact negatively on service delivery as will need to employ people with potential, not necessarily skills. Additional funding required for physical environment or assistive devices for disabled persons.

An employee assistance programme is available for all staff members whose performance is adversely affected by personal problems. Wellness programmes and stress management workshops have been conducted to ensure a healthy, happy workforce

1.16.5 IT Systems

The Department makes use of various software packages for day to day use, above this E-Works is being tested within one of the Chief Directorates. This programme/system is used for workflow purposes and if proven will be implemented within the rest of the Department.

An Application Filing System has also been implemented in the Department to record and track all development planning applications.

The technical and operational IT functions have been outsourced to SITA and the Department has signed service level agreements with SITA to provide these services. To sustain other remaining IT functions within the Department an Informatics component has been created and focuses on strategic IT objectives and the management and coordination of all IT matters

1.16.6 Performance Management

The Department's Performance Management System encompasses planning, observing performance, provision of feedback to employees, performance evaluation, career and personal development planning.

It is consultative, supportive and non-discriminatory, and is aimed at minimizing administrative burden on supervisors, while maintaining administrative justice. The process is therefore a continuous interaction between supervisors and subordinates which includes giving recognition, initiating corrective action and providing moral support and encouragement.

The strategic planning process is being utilized to monitor and manage overall corporate performance. The Department still needs to develop a performance management tool for clients to assess and make recommendations in terms of its performance.

1.16.7 Financial Management

Summary of expenditure and estimates – Vote 11: Traditional & Local Government Affairs: 1999/2000

Programmes R 000	1999/2000 Budget	1999/2000 Adjusted Budget	1999/2000 Actual	1999/2000 Variance against Budget	1999/2000 Variance against Adjusted Budget
1. Administration	86285	48378	43898	42387	4480
2. Traditional Institutional	57166	57319	49428	7738	7891
3. Local Government and Planning	234715	287286	286669	-51954	617
4. Auxiliary and Associated	2436	3258	1285	1151	1973
Sub-total: Programmes	380602	396241	381280	-678	14961
Total: Statutory payment	405	421	438	-33	-17
Total:	381007	396662	381718	-711	14944

Rollovers

Programmes	1999/2000 Rollovers	Purpose of rollovers
1. Administration 2. Traditional Institutional 3. Local Government & Planning	13000	Financial assistance to municipalities.
4. Auxiliary and Associated		
Sub-total: Programmes		
Total: Statutory payment		
Total:	13000	

Summary of expenditure and estimates – Vote 11: Traditional & Local Government Affairs : 2000/2001

Programmes R 000	2000/2001 Budget	2000/2001 Adjusted Budget	2000/2001 Actual	2000/2001 Variance against Budget	2000/2001 Variance against Adjusted Budget
1. Administration	54490	50587	49.878	4608	705
2. Traditional Institutional	81195	80498	75.431	5764	5067
3. Local Government and Planning	267675	306248	292,045	-24370	14230
4. Auxiliary and Associated	4200	5480	3.975	225	1505
Sub-total: Programmes	407560	442813	421.329	-13773	21480
Total: Statutory payment	421	487	513	-92	-26
Total:	407981	443300	421.842	-13865	21454

Rollovers

Programmes R 000	2000/2001 Rollovers (to)	Purpose of rollovers
1. Administration		
2. Traditional Institutional		
3. Local Government and Planning	9200	Management Support Programme
	6300	Leave pay for R 293 staff
4. Auxiliary and Associated	1500	Purchase of vehicles for Departmental fleet
Sub-total: Programmes		
Total: Statutory payment		
Total:		

**Summary of expenditure and estimates – Vote 11: Traditional & Local Government Affairs:
2001/2002**

Programmes R 000	2001/2002 Budget	2001/2002 Adjusted Budget	2001/2002 Actual	2001/2002 Variance against Budget	2001/2002 Variance against Adjusted Budget
1. Administration	77862	73942	65.874	11988	8068
2. Traditional Institutional	100378	102668	97222	3156	5446
3. Local Government and Planning	173104	220272	203.884	-30780	-16388
4. Auxiliary and Associated	4463	5963	5.779	-1316	184
Sub-total: Programmes	255807	402845	372.759	-16952	30086
Total: Statutory payment	487	526	525	-38	1
Total:	356294	403371	373.284	-16990	30087

Rollovers

Programmes R 000	2001/2002 Rollovers	Purpose of rollovers
1. Administration	150	Computer Equipment
2. Traditional Institutional	1200	Backpay of increase in salaries of Amakhosi
	569	Payment of consultants
3. Local Government and Planning	11,100	Severance packages to be negotiated for R 293
4. Auxiliary and Associated Services		
Sub-total: Programmes	13019	
Total: Statutory payment		
Total:	13019	

1.16.8 Audit queries

Issues raised in the Auditor-Generals Report for the past three years were:

1999/2000

The main issues during this year were:

Allocation of expenditure the 1/3 and 2/3 split

It was agreed with the new Department of Housing that as there was a ratio of 2:1 staff in the Chief Directorates Local Government and Planning to the Chief Directorate: Housing, the staff at that time in the Chief Directorate: Administration would be split along the same ratio. Approximately two thirds of the posts (filled and vacant) as well as the budget of the Chief Directorate: Administration were retained in the Chief Directorate Administration of the new Department of Traditional and Local Government Affairs to provide services to Local Government and Planning whilst one third was transferred to the new Department of Housing to form the basis of the Chief Directorate: Administration in the new Department.

Expenditure Vouchers

A Verification Section was established to verify financial vouchers in terms of Departmental policies, procedures and legislation before capturing and a Checking Section to scrutinize all processed vouchers.

Payment of Goods and Services

A circular was distributed to all individuals in the Department, reminding them of the Departmental Procedure Manual on the completion of FMS forms as well as the Voucher Control Procedure of the Department.

Payroll Control

New pay points were created, paymasters appointed and comprehensive training conducted.

Subsistence and Travel

An overseas Policy has been done.

Subsistence and Travel Advances

The Department has designed a certificate with an undertaking that all S+T advances taken has been paid in full before a second advance is issued to an official.

2000/2001

The main issues during this year were:

Revenue

Housing rent recoveries: Currently PERSAL and FMS Reports are drawn and reconciled monthly.
Subsidised motor scheme: A subsidised vehicle may only be withdrawn upon settlement of the outstanding debt on the vehicle.

Rental: Consultants were appointed to perform an audit on official housing which has now been completed.

Internal Controls

Subsistence and Travel claims: Meals taken at hotels where officials stay that exceed the costs stipulated in the Departmental Policy on Subsistence Allowance, may be claimed if taken at the set rate of the hotel.

Assets (vehicles): Each month's transaction report is filed in a lever arch file according to the relevant month.

Leave: All leave queries have been responded to.

Transfer of staff to municipalities

There were 381 officers who were not transferred to Municipalities. The number of surplus staff decreased to 271 (It has since increased to 291).

The following steps taken by the Department to regularise the situation are as follows:

- (i) The Department of Public Service and Administration has been approached to introduce a mechanism similar to the Voluntary Severance Package to offer these officials.
- (i) Officials who have attained the age of 60 years have been addressed on the option to retire from the Public Service in terms of Section 16(1) of the Public Service Act, 103 of 1994, without reduced pension benefits.
- (iii) An embargo was placed on the filling of posts within the Department, until these officials are absorbed. Attempts are also being made to transfer officials to other Departments within the Province of KwaZulu-Natal.

Approval was granted for the Department to offer these officials a Mutually Accepted Severance package during September 2001. Officials were subsequently work-shopped and a number accepted and their services terminated on these grounds.

Cabinet Resolution 74, dated 17 April 2002 (copy attached) granted approval for the Department to liaise with Local Authorities and to guarantee the funds in respect of officials accepted on transfer for the 2002/2003 and 2003/2004 financial years. The Department is presently in the process of negotiating with Local Authorities for the transfer of the officials concerned.

A meeting was held on 30 May 2002, where a task team was set up to deal with such transfers. After this meeting, negotiations with the various Municipalities commenced regarding this matter.

Transfer Payments

An amount of R 6 508 107, 61 was received during the financial year 00/01. Provincial Treasury advised that the amount was not transferred to the Departments exchequer grant account due to the fact that it had invested the funds to maximise the Province's revenue. They also advised that in the event that funds are needed, it would be transferred to the Department. Otherwise the funds would be retained in the exchequer account.

The current status is that a letter was done on 11 March 2002 to Provincial Treasury requesting the payment of this funding to this Department. Up until 27 June 2002 no response was received from Provincial Treasury. A reminder letter was compiled on the 28 June 2002 of which a response was received on 11 September 2002.

Tribal and Trust Fund

Financial Statements and Bank Reconciliations have been completed.

Revenue

Regarding the R1200, 00 cash shortage, a hearing was held on 3 April 2002 and the officer was found guilty of theft. A sanction of "Termination of Service" was imposed on 29 April 2002.

Regarding the monies collected, the District Offices supply the individual Tribal Authorities with receipt books, which are used to record the fines collected.

Expenditure

Regarding the payments in excess of R5000, 00 an internal case file has been registered and is currently under investigation with a view to implement a disciplinary hearing. The financial signing powers of the two officers have been withdrawn and they are not permitted to handle financial transactions or documentation.

Duplicate payments were made in respect of salaries for the months of October 2000 and November 2000.

2001/2002

The main issues during this year were:

Assets Register

A fixed asset register has been created and is presently being run on an Excel software programme. Stock takes were undertaken in all offices under the control of this Department and all moveable assets (excluding vehicles) have been recorded.

The Department is constantly endeavoring to improve its services by using the most up to date technology and is currently consulting with various other Departments with regard to an all-encompassing system for recording assets.

Officials on suspension

A report in respect of the disciplinary hearing is available for scrutiny.

Salaries and wages

An audit on rental of housing was conducted by the firm Volker, Wattrus and De Wit. This audit is now completed and the report is available for scrutiny.

Supernumerary staff

Approval was granted for the Department to offer these officials a Mutually Accepted Severance package during September 2001. Officials were subsequently work-shopped and a number accepted and their services have been terminated on these grounds.

Cabinet Resolution 74 dated 17 April 2002 (copy attached) granted approval for the Department to liaise with Local Authorities and to guarantee the funds in respect of officials accepted on transfer for the 2002/2003 and 2003/2004 financial years. The Department is presently in the process of negotiating with Local Authorities for the transfer of the officials concerned.

Theft and Losses

Stringent control measures have been instituted on the timeous compilation of the Z102 Pension Forms to ensure that there is no recurrence of this sort.

Tribal and Trust Fund

The present status is that the Department has been successful in submitting the arrear financial statements of the Tribal Levies and Trust Accounts for the financial years ended 31 March 1999, 31 March 2000, 31 March 2001, and 31 March 2002.

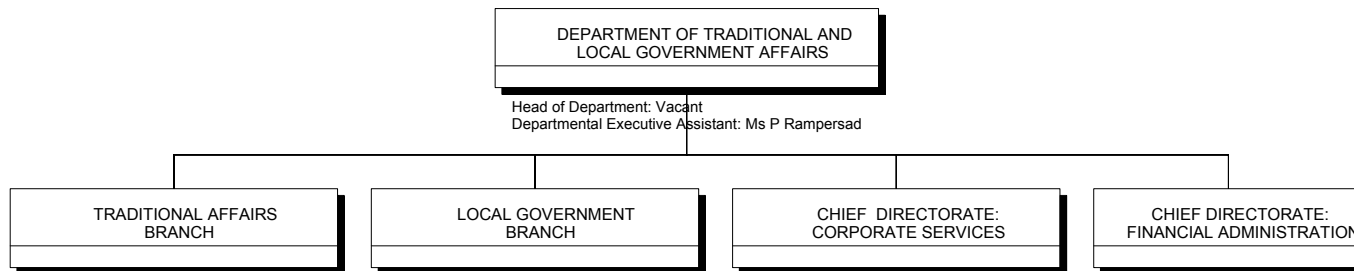
1.16.9 Implementation of PFMA

1. Provincial Treasury has allocated a financial consultant to our Department for the past two years. The consultant's tasks included the transfer of financial skills and expertise in areas such as the reporting, accountability, risk assessment and management of working capital, assets and liabilities.
2. All senior managers have attended the PFMA training course offered by National Treasury.
3. The Department's strategic plan has been developed using the guidelines, regulations and responsibilities contained in the PFMA.
4. An annual risk assessment analysis has been conducted for the Department during the Departmental Strategic Planning Session.

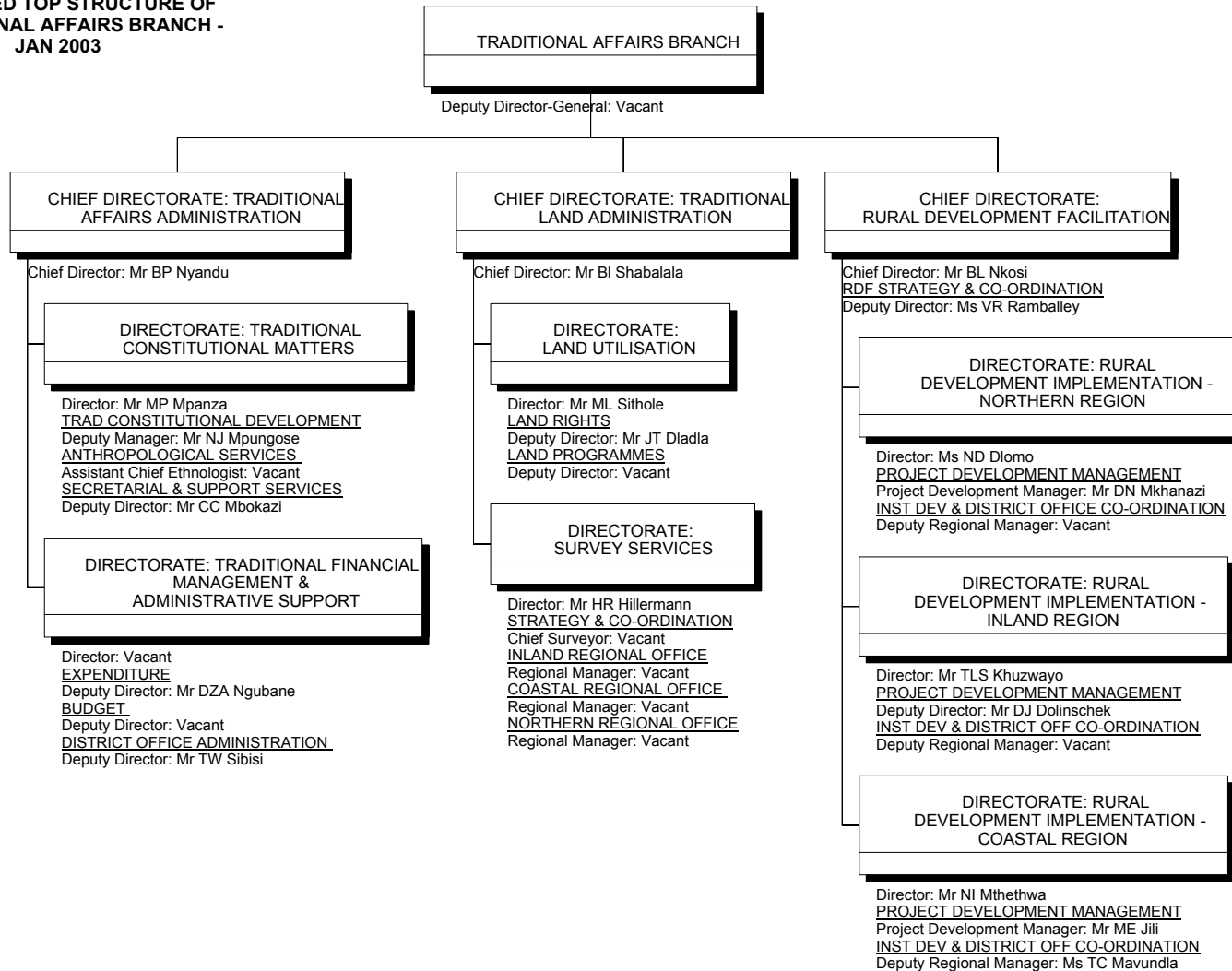
5. Funds have been budgeted for to ensure that adequate and necessary hardware, software and training needs are continuously being addressed.
6. Fraud Prevention Workshops in Zulu and English have been conducted in the Department.
7. A Fraud Prevention Plan and a Fraud Response Plan is in place.
8. The development of practice notes and policies will enhance the present methods/routines and meet the requirements of the PFMA for areas such as:
 - a. Procurement;
 - b. Human Resources;
 - c. Administration;
 - d. Reporting;
 - e. Financial Management;
 - f. Accounting and other record keeping;
 - g. Transfer payments;
 - h. Management of working capital, assets and liabilities; and
 - i. Delegations of authority.

APPROVED ORGANISATION AND POST ESTABLISHMENT OF THE DEPARTMENT OF TRADITIONAL AND LOCAL GOVERNMENT AFFAIRS

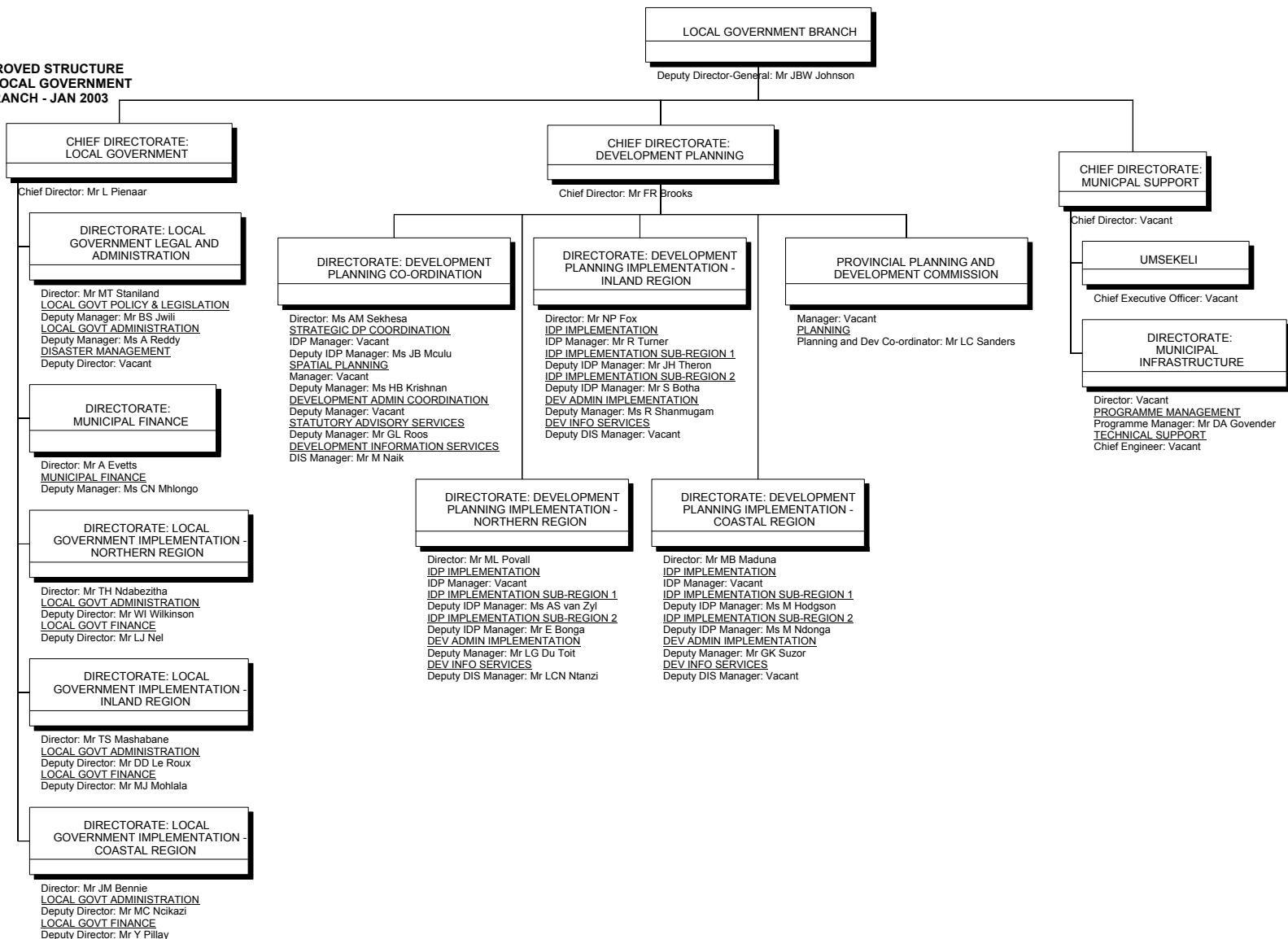
APPROVED STRUCTURE FOR DEPARTMENT OF TRADITIONAL AND LOCAL GOVERNMENT AFFAIRS - JAN 2003



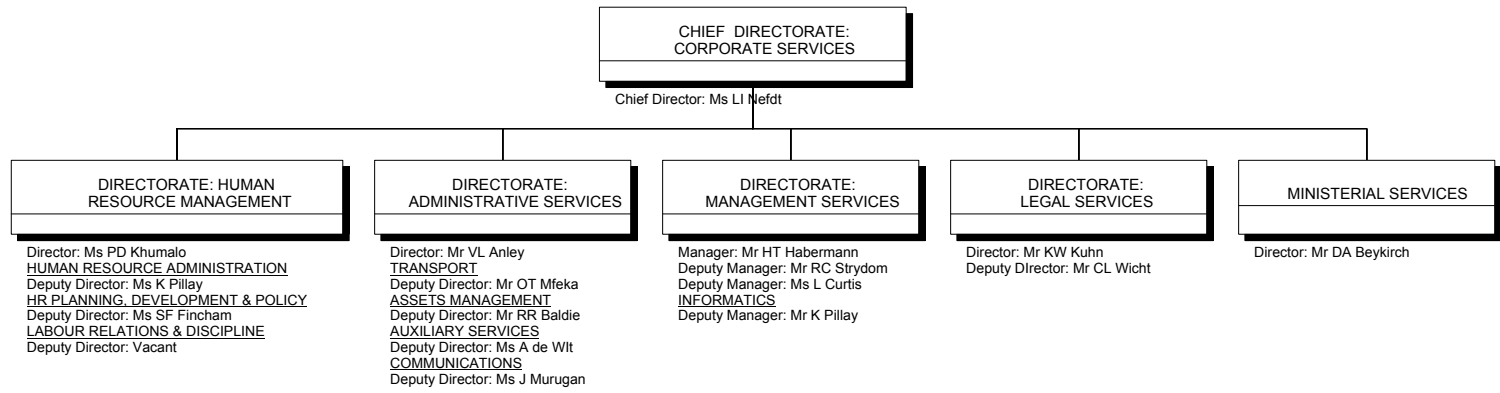
**APPROVED TOP STRUCTURE OF
TRADITIONAL AFFAIRS BRANCH -
JAN 2003**



**APPROVED STRUCTURE
FOR LOCAL GOVERNMENT
BRANCH - JAN 2003**



**APPROVED STRUCTURE FOR CHIEF DIRECTORATE: CORPORATE SERVICES-
JAN 2003**



**APPROVED STRUCTURE FOR CHIEF DIRECTORATE: FINANCIAL
ADMINISTRATION - JAN 2003**

