

Vote 07

Co-operative Governance and Traditional Affairs

Adjusted budget summary

Table 1: Summary of adjustments to departmental allocation

R' 000	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to appropriated	876 196	887 339	-	11 143
of which:				
Current payments	814 298	819 532	-	5 234
Transfers and subsidies	31 421	34 871	-	3 450
Payments for capital assets	30 477	32 936	-	2 459
Payments for financial assets	-	-	-	-
Direct charge against the Provincial Revenue Fund	-	-	-	-
Executive authority	MEC for Co-operative Governance & Traditional Affairs			
Accounting officer	Head of Department			
Website address	www.eclgta.gov.za			

Vision

An integrated, capable, responsive and accountable co-operative governance and traditional institution system focusing on the needs of communities.

Mission

To promote a developmental local state and traditional institutions that are accountable, focused on citizen's priorities, capable of delivering high-quality services consistently and sustainably through co-operative governance and participatory democracy.

Changes to programme purposes, objectives and measures

None.

Changes to indicators and targets published in the 2014 EPRE

None.

Adjusted Estimates of Departmental Expenditure 2014

Table 2: Summary of the departmental expenditure

Programmes R' 000	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Inforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	
Administration	206 587	643	-	4 848	-	500	5 991
Local Governance	242 065	-	-	(5 376)	-	10 000	4 624
Development & Planning	128 946	-	-	504	-	-	504
Traditional Institutional Management	274 196	-	-	(600)	-	-	(600)
House of Traditional Leaders	24 403	-	-	624	-	-	624
	-	-	-	-	-	-	-
Total	876 196	643	-	-	-	10 500	11 143
Economic classification							
Current payments	814 298	-	-	(4 766)	-	10 000	5 234
Compensation of employees	677 525	-	-	(2 950)	-	10 000	7 050
Goods and services	136 773	-	-	(1 816)	-	-	(1 816)
Interest and rent on land	-	-	-	-	-	-	-
Transfers and subsidies to:	31 421	-	-	3 450	-	-	3 450
Local government	23 064	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	8 357	-	-	3 450	-	-	3 450
Payments for capital assets	30 477	643	-	1 316	-	500	2 459
Buildings and other fixed structures	21 769	-	-	885	-	-	885
Machinery and equipment	8 708	429	-	331	-	500	1 260
Software and other intangible assets	-	214	-	100	-	-	314
Payments for financial assets	-	-	-	-	-	-	-
Total	876 196	643	-	-	-	10 500	11 143
Amount to be voted							11 143

Programmes

Programme 1: Administration

Programmes R' 000	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Office of the MEC	9 246			760			760	10 006
Corporate Services	197 340	643		4 088		500	5 231	202 571
							-	-
Total	206 587	643	-	4 848	-	500	5 991	212 578
Economic classification								
Current payments	195 307	-	-	1 692	-	-	1 692	196 999
Compensation of employees	132 613			(1 000)			(1 000)	131 613
Goods and services	62 694			2 692			2 692	65 386
Interest and rent on land							-	-
Transfers and subsidies to:	2 951	-	-	3 050	-	-	3 050	6 001
Local government							-	-
Departmental agencies and accounts							-	-
Non-profit institutions							-	-
Households	2 951			3 050			3 050	6 001
Payments for capital assets	8 328	643	-	106	-	500	1 249	9 577
Buildings and other fixed structures							-	-
Machinery and equipment	8 328	429		6		500	935	9 263
Software and other intangible assets		214		100			314	314
Payments for financial assets							-	-
Total	206 587	643	-	4 848	-	500	5 991	212 578
Amount to be voted								5 991

Programme 2: Local Governance

R' 000	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Municipal Administration	24 191			(3 668)		10 000	6 332	30 523
Municipal Finance	22 766			(705)			(705)	22 061
Municipal Public Participation	135 944			1 618			1 618	137 562
Capacity Building	7 988			(600)			(600)	7 388
Municipal Performance Monitoring, Reporting and	51 176			(2 021)			(2 021)	49 155
							-	-
Total	242 065	-	-	(5 376)	-	10 000	4 624	246 689
Economic classification								
Current payments	224 222	-	-	(5 476)	-	10 000	4 524	228 746
Compensation of employees	193 300			(1 700)		10 000	8 300	201 600
Goods and services	30 922			(3 776)			(3 776)	27 146
Interest and rent on land							-	-
Transfers and subsidies to:	17 843	-	-	-	-	-	-	17 843
Provinces and municipalities	17 843						-	17 843
Departmental agencies and accounts							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	-	-	-	100	-	-	100	100
Buildings and other fixed structures							-	-
Machinery and equipment				100			100	100
Software and other intangible assets							-	-
Payments for financial assets								
Total	242 065	-	-	(5 376)	-	10 000	4 624	246 689
Amount to be voted								4 624

2014 Adjusted Estimates of Provincial Revenue and Expenditure

Programme 3: Development & Planning

R' 000	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Spatial Planning	12 362			(115)			(115)	12 247
Development Admin/Land Use Management	26 095			(185)			(185)	25 910
Integrated Development Planning	7 250			(744)			(744)	6 506
LED & Planning	27 924			(70)			(70)	27 854
Municipal Infrastructure	25 400			(167)			(167)	25 233
Disaster Management	29 916			1 785			1 785	31 701
							-	-
Total	128 946	-	-	504	-	-	504	129 450
Economic classification								
Current payments	109 252	-	-	(1 791)	-	-	(1 791)	107 461
Compensation of employees	87 524						-	87 524
Goods and services	21 728			(1 791)			(1 791)	19 937
Interest and rent on land							-	-
Transfers and subsidies to:	5 222	-	-	-	-	-	-	5 222
Provinces and municipalities	5 222						-	5 222
Departmental agencies and accounts							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	14 473	-	-	2 295	-	-	2 295	16 768
Buildings and other fixed structures	14 473			2 085			2 085	16 558
Machinery and equipment				210			210	210
Software and other intangible assets							-	-
Payments for financial assets								
Total	128 946	-	-	504	-	-	504	129 450
Amount to be voted								504

Programme 4: Traditional Institutional Management

R' 000	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Traditional Resource Administration	265 283			(600)			(600)	264 683
Rural Development Facilitation	8 913						-	8 913
							-	-
Total	274 196	-	-	(600)	-	-	(600)	273 596
Economic classification								
Current payments	261 494	-	-	185	-	-	185	261 679
Compensation of employees	248 785			(250)			(250)	248 535
Goods and services	12 709			435			435	13 144
Interest and rent on land							-	-
Transfers and subsidies to:	5 406	-	-	400	-	-	400	5 806
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Non-profit institutions							-	-
Households	5 406			400			400	5 806
Payments for capital assets	7 296	-	-	(1 185)	-	-	(1 185)	6 111
Buildings and other fixed structures	7 296			(1 200)			(1 200)	6 096
Machinery and equipment				15			15	15
Software and other intangible assets							-	-
Payments for financial assets								
Total	274 196	-	-	(600)	-	-	(600)	273 596
Amount to be voted								(600)

Vote 07: Department of Co-operative Government and Traditional Affairs

Programme 5: House of Traditional Leaders

R' 000	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
House of Traditional Leaders	24 403			624			624	25 027
							-	-
Total	24 403	-	-	624	-	-	624	25 027
Economic classification								
Current payments	24 023	-	-	624	-	-	624	24 647
Compensation of employees	15 303						-	15 303
Goods and services	8 720			624			624	9 344
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	380	-	-	-	-	-	-	380
Buildings and other fixed structures							-	-
Machinery and equipment	380						-	380
Software and other intangible assets							-	-
Payments for financial assets								
Total	24 403	-	-	624	-	-	624	25 027
Amount to be voted								624

Details of adjustments to Departmental Expenditure 2014

Roll-overs – R643 thousand

Programme 1: Administration- R643 thousand

R643 thousand was rolled over for the procurement of equipment for the newly appointed officials; replacement of old, lost and faulty laptops; and the development and implementation of the internal audit software.

Unforeseeable and unavoidable expenditure

None.

Virements and shifts

Table 3: Virements by programme and economic classification

Programmes					
Administration					
Local Governance					
Development & Planning					
Traditional Institutional Management					
House of Traditional Leaders					
FROM:			TO:		
Programme by economic classification	Motivation	R '000	Programme by economic classification	Motivation	R '000
Administration		(1 450)	Administration		1 450
Compensation of employees	Savings realised under CoE due to attritions.	(1 000)	Goods and services	Funds have been utilised to fund Venues & Facilities for training of departmental staff and also to fund the advertising of replacement posts.	444
Households	Savings as a result of less than anticipated number of external bursary applications awarded.	(450)	Machinery and equipment	Funding made available to Procure a Projector for the department.	6
			Software and other intangible assets	Funds to be utilised for the payment of accruals for the Audit software procured in 2013/14.	100
			Households	Funding from CoE utilised to pay long outstanding leave gratuities for employees who have resigned or retired.	900
Shift within the programme as a percentage of the programme budget		0.7%			
Virements to other programmes as a percentage of the programme budget		0%			

Vote 07: Department of Co-operative Government and Traditional Affairs

FROM:			TO:		
Programme by economic classification	Motivation	R '000	Programme by economic classification	Motivation	R '000
Local Governance		(5 476)	Local Governance		100
Compensation of employees	Savings realised under COE due to attritions.	(1 700)	Machinery and equipment	Funding made available to procure laptops for Operation Clean Audit specialists.	100
Goods and services	An amount of R1500 realised as a saving was moved to programme 1 to fund long outstanding leave gratuities and also to procure laptops for Operation Clean Audit Specialists.	(3 776)			
			Administration		4 776
			Goods and services	Funds to be utilised for the payment of contractual obligations that the department must honour.	2 176
			Households	Funds to be utilised for the payment of long outstanding leave gratuities for employees who have resigned or retired.	2 600
			Traditional Institutional Management		600
			Goods and services	Funds to be utilised for the drafting of the initiation bill.	200
			Households	Funds to be utilised for the payment of leave gratuities for traditional leaders.	400
Shift within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		2%			
FROM:			TO:		
Programme by economic classification	Motivation	R '000	Programme by economic classification	Motivation	R '000
Development & Planning		(1 791)	Development & Planning		1 095
Goods and services	Reprioritisation conducted to fund the construction of the Provincial Disaster Management Centre and also for the Provincial summit on initiation.	(1 791)	Machinery and equipment	Funds made available to procure overhead projectors and laptops.	210
			Buildings and other fixed structures	Funding to be utilised for the construction of the Provincial Disaster Management Centre.	885
			House of Traditional Leaders		624
			Goods and services	Funding to replenish funds which were utilised for the summit.	624
			Administration		72
			Goods and services	Funds to be utilised for the operations at the district centre.	72
Shift within the programme as a percentage of the programme budget		0.8%			
Virements to other programmes as a percentage of the programme budget		1%			

2014 Adjusted Estimates of Provincial Revenue and Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R '000	Programme by economic classification	Motivation	R '000
Traditional Institutional Management		(1 465)	Traditional Institutional Management		265
Goods and services	Funding redirected from goods and services to pay for an overhead projector which was budgeted for 2013/14 financial year but was only paid in the 2014/15 financial year	(15)	Machinery and equipment	Funding made available to pay an accrual.	15
Buildings and other fixed structures	Funds redirected from the construction of Traditional Councils to fund the Provincial Disaster Management Centre construction.	(1 200)	Goods and services	Funds to be utilised for the drafting of the initiation bill.	250
Compensation of employees	Savings realised under COE will be utilised for the drafting of the initiation bill.	(250)	Development & Planning		1 200
Departmental agencies and accounts			Buildings and other fixed structures	Funds to be utilised for the construction of the Provincial Disaster Management Centre.	1 200
Shift within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0%			
Total		(10 182)			10 182

Other adjustments – R10.5 million

Programme 1: Administration

Insurance paid out of R500 thousand was refunded from the Provincial Revenue Fund to replace a vehicle for a Traditional Leader.

Programme 2: Local Governance

R10 million has been allocated for the intervention in the Makana, King Sabata Dalindyebo and Inkwanca Local Municipalities.

Expenditure already announced in the main budget speech of the MEC for Finance and Provincial Planning but not allocated at that stage

None.

Gifts, donations and sponsorships

None.

Direct charges against the Provincial Revenue Fund

None.

Expenditure for 2013/14 and preliminary expenditure for 2014/15

Table 4: Summary of expenditure trends by programme and economic classification

Programme	2013/14					2014/15			
	Expenditure Outcome					Preliminary Expenditure			
R'000	Adjusted Appropriation	Apr 13 - Sep 13	Apr 13 - Sep 13 % of Adjusted Estimate	Apr 13 - Mar 14	Apr 13 - Mar 14 % of Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation / total (%)	Apr 14 - Sep 14	Apr 14 - Sep 14 % of Adjusted Appropriation
Administration	192 139	91 445	47.6	193 714	100.8	212 578	10.6	106 478	50.1
Local Governance	454 068	116 340	25.6	404 325	89.0	246 689	(45.7)	119 395	48.4
Development & Planning	120 017	56 189	46.8	114 189	95.1	129 450	7.9	66 841	51.6
Traditional Institutional Management	263 955	128 993	48.9	264 110	100.1	273 596	3.7	133 351	48.7
House of Traditional Leaders	25 314	11 947	47.2	25 201	99.6	25 027	(1.1)	12 242	48.9
Total	1 055 493	404 913	38.4	1 001 539	94.9	887 339	(15.9)	438 307	49.4
Economic classification									
Current payments	802 871	380 333	47.4	786 542	98.0	819 532	2.1	393 981	48.1
Compensation of employees	648 929	316 144	48.7	642 331	99.0	684 575	5.5	327 922	47.9
Goods and services	153 942	64 189	41.7	144 208	93.7	134 957	(12.3)	66 059	48.9
Interest and rent on land				3		-			
Transfers and subsidies to:	233 646	17 455	7.5	195 729	83.8	34 871	(85.1)	28 862	82.8
Provinces and municipalities	223 078	11 875	5.3	183 078	82.1	23 064	(89.7)	21 152	91.7
Departmental agencies and accounts	70	-	-	-	-	-	(100.0)		
Public corporations and private enterprises						-			
Foreign govt. and international organisations						-			
Higher education institutions						-			
Non-profit institutions						-			
Households	10 498	5 580	53.2	12 651	120.5	11 807	12.5	7 710	65.3
Payments for capital assets	18 976	7 125	37.5	19 268	101.5	32 936	73.6	15 464	47.0
Buildings and other fixed structures	11 220	3 168	28.2	11 237	100.2	22 654	101.9	12 754	56.3
Machinery and equipment	6 986	3 957	56.6	7 894	113.0	9 968	42.7	2 710	27.2
Heritage sites	170	-	-	-	-	-	(100.0)		
Specialised military assets						-			
Biological assets						-			
Land and subsoil assets						-			
Software and other intangible assets	600	-	-	137	22.8	314	(47.7)		
Payments for financial assets						-			
Total	1 055 493	404 913	38.4	1 001 539	94.9	887 339	(15.9)	438 307	49.4

Main expenditure trends for the first half of 2014/15

The total departmental spending for 2013/14 amounted to R1 billion or 94.9 per cent of the adjusted appropriation. Expenditure in the first half of 2013/14 was R404.913 million or 38.4 per cent of the total adjusted budget. The department has so far spent R438.307 million (or 49.4 per cent) of the adjusted appropriation budget of R887.339 million during the first half of 2014/15. The increase in expenditure is mainly attributed to the transfer of funds to municipalities earlier than was anticipated ahead of the elections as well as the more than was expected wage increment.

Departmental receipts

Table 5: Summary of departmental own receipts trends

Programme	2013/14					2014/15				
	Audited Outcome					Actual receipts				
	Adjusted Estimate	Apr 13 - Sep 13	Adjusted Estimate	Apr 13 - Mar 14	Adjusted Appropriation	Budget estimate	Adjusted estimate	Adjusted receipts	Apr 14 - Sep 14	Adjusted Appropriation
		% of	% of	% of	% of			estimate / total (%)	% of	% of
R'000										
Tax receipts	-	-	-	-	-	-	-	-	-	-
Casino taxes										
Horse racing taxes										
Liquor licences										
Motor vehicle licences										
Non-tax receipts	864	1 433	165.9	2 374	274.8	916	975	6.4	1 444	148.1
Sale of goods & services other than capital assets	619	376	60.7	754		656	730	11.3	402	55.1
Transfers received										
Fines, penalties and forfeits										
Interest, dividends and rent on land									2	
Sales of capital assets										
Financial transactions in assets and liabilities	245	1 057	431.4	1 620	661	260	245	(5.8)	1 040	424.5
Total	864	1 433	165.9	2 374	274.8	916	975	6.4	1 444	148.1

Main departmental revenue trends for the first half of 2014/15

The department is not a revenue generating department. However, revenue collection in the first half of 2014/15 amounted to R1.444 million or 165.9 per cent compared to the R1.433 million collected (or 148.1 per cent) in 2013/14 during the same period.

Changes to transfers and subsidies, including conditional grants

Table 6: Summary of changes to transfers and subsidies per programme

R000	Main appropriation	Additional appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unavoidable	Virements	Declared savings	Other adjustments		
Programme 1: Administration	2 951	-	-	3 050	-	-	3 050	6 001
Households	2 951	-	-	3 050	-	-	3 050	6 001
Leave Gratuity	2 951			3 050			3 050	6 001
Programme 2: Local Governance	17 842	-	-	-	-	-	-	17 842
Local government	17 842	-	-	-	-	-	-	17 842
Local government	17 842						-	17 842
Programme 3: Development & Planning	5 222	-	-	-	-	-	-	5 222
Local government	5 222	-	-	-	-	-	-	5 222
Local government	5 222						-	5 222
Programme 4: Traditional Institutional Managem	5 406	-	-	400	-	-	400	5 806
Households	5 406	-	-	400	-	-	400	5 806
Leave Gratuity	5 406			400			400	5 806
Total	31 421	-	-	3 450	-	-	3 450	34 871

2014 Adjusted Estimates of Provincial Revenue and Expenditure

Table 7: Summary of changes to conditional grants

Programmes R' 000	2014/15							
	Main appropriation	Adjustments appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared savings	Other adjustments		
LED & Planning	2 000	-	-	-	-	-	-	2 000
EPWP	2 000						-	2 000
							-	-
Total	2 000	-	-	-	-	-	-	2 000

◆ END OF VOTE ◆

Annexures

167

