

# Vote 07

## Cooperative Governance and Traditional Affairs

### Adjusted budget summary

Table 1: Summary of adjustments to departmental allocation

R' 000	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 010 156</b>	<b>1 008 477</b>	<b>(10 168)</b>	<b>8 489</b>
<i>of which:</i>				
Current payments	875 576	869 337	(6 239)	-
Transfers and subsidies	106 926	115 415	-	8 489
Payments for capital assets	27 655	23 726	(3 929)	-
Payments for financial assets	-	-	-	-
<b>Direct charge against the Provincial Revenue Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Executive authority	MEC for Cooperative Governance and Traditional Affairs			
Accounting officer	Acting Head of Department			
Website address	<a href="http://www.ecgta.gov.za">www.ecgta.gov.za</a>			

### Vision

An integrated, capable, responsive and accountable local government and traditional institution system focusing on the needs of the community.

### 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 local government and participatory democracy.

### Changes to programme names, purposes, objectives and measures

None.

### Changes to indicators and targets published in the 2016 EPRE

None.

## **Mid-year performance status**

The department focused on 16 municipalities to assess compliance to relevant legislation and Back to Basics (B2B) action plan. The municipalities required intensive support on all the B2B key performance areas which are Basic services, Good Governance, Public Participation, Financial Management and Institutional Capacity. The impact of the back to basics support is evidenced by the improved audit outcomes in Umzimvubu Municipality, which is one of the sixteen prioritised municipalities and the two metros that are currently running their own service delivery projects without the assistance of the department. To ensure engagement between municipalities and the communities they serve, these municipalities were supported to have functional public participation units and ward committees to strengthen community participation and ensure community needs are met.

Due to the decision by the Municipal Demarcations Board (MDB) to amalgamate non-functional municipalities into the healthy ones, the Department facilitated the establishment of Change Management Committee (Political and Technical) to oversee the transfer of staff, asset and liabilities as part of the transitional arrangement towards the amalgamation of ten municipalities into four new municipalities in line with the target set. Lukhanji, Tsolwana and Nkwanca were amalgamated into Enoch Mgijima; Nxuba and Nkonkobe were amalgamated into Raymond Mhlaba; Camdeboo, Ikhwezi and Bavians were amalgamated into Dr Beyers Naude and Maletswai and Gariep were amalgamated into Walter Sisulu Municipality as outlined in the Provincial Gazette No. 3717. The Department will continue to monitor the finalization of the outstanding matters and the implementation of section 154 in six identified municipalities.

To ensure stability and harmony in post-elections in the local government sphere within the province, of the 2 698 annual target, 1 340 or 50 per cent of the elected councillors were offered training under the Councillor Induction Programme in collaboration with critical stakeholders and partners. The induction programme focused on municipal councils' rules, governance, financial management and local government legislation.

In terms of Spatial Planning and Land Use Management Act (SPLUMA) implementation, the department supported six district municipalities against the focus of one and recording an over-achievement, in the implementation of the Geographical Information System (GIS). Furthermore, the department has prepared a draft green paper and after its discussions, further amendments or clarifications will be submitted to the Legislature for further processing i.e. White Paper, Bill and finally an Act.

Amalgamated municipalities were supported to develop two set of IDPs, eight were tabled by affected municipalities and further three IDPs developed for new municipalities.

The following Local Economic Development (LED) initiatives were under-taken:

- 7 out of 8 targeted municipalities for the year were supported to develop and implement LED strategies;
- All the 6 targeted municipalities received assistance to supplement LED capacity;
- 40 530 work opportunities were created through the Community Works Programme (CWP), as opposed to the target of 38 991 due to over recruitment that is done to maintain the annual target participation rate; and
- Towns were supported to promote the revitalisation programme, in line with the set target (Port St Johns, Alice, Mount Fletcher, Mount Ayliff, Bizana and Ntabankulu).

The department tabled the Initiation Bill to protect and safeguard the lives of initiates, as planned. It is expected that the death toll of initiates will decline rapidly as the bill gives powers to the public to lay criminal charges against non-complying traditional surgeons. Awareness sessions will be conducted in this regard. The Department has developed a draft Dispute and Claims Strategy to minimise case of disputes and claims taking into account the utilization of the Jongilizwe Institute.

Seven access roads leading to voting stations were completed before elections date and communities were able to access voting stations on the day of municipal elections. Construction on the other six roads which are part of the same project continued until after elections due to condition of these roads before the beginning of the construction.

Of the ten amalgamated municipalities, the four struggling ones (Nxuba, Ikwezi, Maletswai and Gariep) continued to be assisted in the current year to pay their ESKOM debts before amalgamation. This is to prevent disconnection of electricity to the communities and avoid crowding the new entities with a huge historical debt.

## Adjusted Estimates of Departmental Expenditure 2016

Table 2: Summary of the departmental expenditure

Programmes	2016/17						Total additional appropriation	Adjusted appropriation
	Main appropriation	Adjustments appropriation				Other adjustments		
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds			
<b>R' 000</b>								
Administration	232 771	1 400	-	12 243	-	-	13 643	246 414
Local Governance	295 658	-	-	(17 270)	(4 000)	8 000	(13 270)	282 388
Development & Planning	156 906	2 574	-	(63)	(10 000)	-	(7 489)	149 417
Traditional Institutional Management	299 510	347	-	3 090	-	-	3 437	302 947
House of Traditional Leaders	25 312	-	-	2 000	-	-	2 000	27 312
<b>Total</b>	<b>1 010 156</b>	<b>4 321</b>	<b>-</b>	<b>-</b>	<b>(14 000)</b>	<b>8 000</b>	<b>(1 679)</b>	<b>1 008 477</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>875 576</b>	<b>422</b>	<b>-</b>	<b>(10 779)</b>	<b>(3 000)</b>	<b>7 118</b>	<b>(6 239)</b>	<b>869 337</b>
Compensation of employees	756 366	-	-	(19 750)	(3 000)	6 800	(15 950)	740 416
Goods and services	119 210	422	-	8 971	-	318	9 711	128 921
Administrative fees	113	-	-	(27)	-	-	(27)	86
Advertising	2 212	-	-	(506)	-	-	(506)	1 706
Minor Assets	949	408	-	137	-	120	665	1 614
Audit cost: External	5 944	-	-	1 500	-	-	1 500	7 444
Bursaries: Employees	600	-	-	170	-	-	170	770
Catering: Departmental activities	2 996	-	-	(162)	-	-	(162)	2 834
Communication (G&S)	11 777	-	-	8 005	-	53	8 058	19 836
Computer services	5 990	-	-	4 050	-	-	4 050	10 040
Consultants and professional services: Business and advisory services	23 047	-	-	(15 150)	-	-	(15 150)	7 898
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	4 848	-	-	6 201	-	-	6 201	11 049
Contractors	2 702	-	-	362	-	-	362	3 064
Agency and support / outsourced services	109	-	-	(39)	-	-	(39)	70
Entertainment	162	-	-	79	-	-	79	241
Fleet services (including government motor transport)	(0)	-	-	100	-	-	100	100
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1	-	-	21	-	-	21	22
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	0	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-
Consumable supplies	5 466	-	-	60	-	125	185	5 651
Consumable: Stationery, printing and office supplies	2 374	14	-	405	-	20	439	2 813
Operating leases	4 920	-	-	-	-	-	-	4 920
Property payments	2 509	-	-	(779)	-	-	(779)	1 730
Transport provided: Departmental activity	-	-	-	5	-	-	5	5
Travel and subsistence	26 514	-	-	5 789	-	-	5 789	32 303
Training and development	5 583	-	-	(3 501)	-	-	(3 501)	2 082
Operating payments	4 540	-	-	398	-	-	398	4 938
Venues and facilities	4 579	-	-	1 694	-	-	1 694	6 273
Rental and hiring	1 274	-	-	158	-	-	158	1 432
Interest and rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>106 926</b>	<b>1 761</b>	<b>-</b>	<b>17 728</b>	<b>(11 000)</b>	<b>-</b>	<b>8 489</b>	<b>115 415</b>
Local government	97 106	1 761	-	13 000	(11 000)	-	3 761	100 867
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Foreign govt. and international organisations	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	9 820	-	-	4 728	-	-	4 728	14 548
<b>Payments for capital assets</b>	<b>27 655</b>	<b>2 138</b>	<b>-</b>	<b>(6 949)</b>	<b>-</b>	<b>882</b>	<b>(3 929)</b>	<b>23 726</b>
Buildings and other fixed structures	10 004	1 160	-	(813)	-	-	347	10 351
Machinery and equipment	17 601	978	-	(6 136)	-	882	(4 276)	13 325
Heritage sites	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	50	-	-	-	-	-	-	50
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 010 156</b>	<b>4 321</b>	<b>-</b>	<b>-</b>	<b>(14 000)</b>	<b>8 000</b>	<b>(1 679)</b>	<b>1 008 478</b>
<b>Amount to be voted</b>								<b>(1 679)</b>

## Programmes

## Programme 1: Administration

Programmes	2016/17					Total additional appropriation	Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds		
<b>R' 000</b>							
Office of the MEC	7 880	-	-	650	-	-	8 530
Corporate Services	224 891	1 400	-	11 593	-	-	237 884
<b>Total</b>	<b>232 771</b>	<b>1 400</b>	<b>-</b>	<b>12 243</b>	<b>-</b>	<b>-</b>	<b>246 414</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>211 816</b>	<b>422</b>	<b>-</b>	<b>14 191</b>	<b>-</b>	<b>-</b>	<b>226 429</b>
Compensation of employees	150 636	-	-	(7 680)	-	-	142 956
Goods and services	61 180	422	-	21 871	-	-	83 473
Administrative fees	67	-	-	(6)	-	-	61
Advertising	1 718	-	-	(346)	-	-	1 372
Minor Assets	668	408	-	146	-	-	1 222
Audit cost: External	5 944	-	-	1 500	-	-	7 444
Bursaries: Employees	600	-	-	-	-	-	600
Catering: Departmental activities	700	-	-	(64)	-	-	636
Communication (G&S)	11 597	-	-	7 693	-	-	19 290
Computer services	5 640	-	-	4 400	-	-	10 040
Consultants and professional services: Business and advisory services	1 000	-	-	482	-	-	1 482
Legal costs	4 848	-	-	6 201	-	-	11 049
Contractors	652	-	-	470	-	-	1 122
Agency and support / outsourced services	70	-	-	-	-	-	70
Entertainment	92	-	-	56	-	-	148
Inventory: Clothing material and accessories	0	-	-	21	-	-	21
Inventory: Medicine	0	-	-	-	-	-	-
Consumable supplies	4 852	-	-	126	-	-	4 978
Consumable: Stationery, printing and office supplies	1 356	14	-	(64)	-	-	1 306
Operating leases	4 920	-	-	-	-	-	4 920
Property payments	1 999	-	-	(723)	-	-	1 276
Travel and subsistence	7 600	-	-	2 974	-	-	10 574
Training and development	1 626	-	-	(349)	-	-	1 277
Operating payments	3 391	-	-	(288)	-	-	3 103
Venues and facilities	1 770	-	-	(358)	-	-	1 412
Rental and hiring	72	-	-	-	-	-	72
Interest and rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>4 464</b>	<b>-</b>	<b>-</b>	<b>4 228</b>	<b>-</b>	<b>-</b>	<b>8 692</b>
Local government	-	-	-	-	-	-	-
Households	4 464	-	-	4 228	-	-	8 692
<b>Payments for capital assets</b>	<b>16 491</b>	<b>978</b>	<b>-</b>	<b>(6 176)</b>	<b>-</b>	<b>-</b>	<b>11 293</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	16 491	978	-	(6 176)	-	-	11 293
<b>Payments for financial assets</b>							
<b>Total</b>	<b>232 771</b>	<b>1 400</b>	<b>-</b>	<b>12 243</b>	<b>-</b>	<b>-</b>	<b>246 414</b>
<b>Amount to be voted</b>							<b>13 643</b>

2016 Adjusted Estimates of Provincial Revenue and Expenditure

Programme 2: Local Governance

Programmes	Main appropriation	2016/17 Adjustments appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds		
<b>R' 000</b>							
Municipal Administration	31 138	-	-	(2 300)	-	(2 300)	28 838
Municipal Finance	57 561	-	-	143	-	143	57 704
Municipal Public Participation	162 270	-	-	-	(4 000)	8 000	166 270
Capacity Building	9 648	-	-	887	-	-	10 535
Municipal Performance, Monitoring & Evaluation	35 041	-	-	(16 000)	-	(16 000)	19 041
<b>Total</b>	<b>295 658</b>	<b>-</b>	<b>-</b>	<b>(17 270)</b>	<b>(4 000)</b>	<b>8 000</b>	<b>282 388</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>238 552</b>	<b>-</b>	<b>-</b>	<b>(30 270)</b>	<b>(3 000)</b>	<b>7 118</b>	<b>212 400</b>
Compensation of employees	212 154	-	-	(16 070)	(3 000)	6 800	199 884
Goods and services	26 398	-	-	(14 200)	-	318	12 516
Advertising	25	-	-	(10)	-	-	15
Minor Assets	30	-	-	-	-	120	150
Audit cost: External	0	-	-	-	-	-	0
Bursaries: Employees	-	-	-	170	-	-	170
Catering: Departmental activities	444	-	-	193	-	-	637
Communication (G&S)	0	-	-	-	-	53	53
Computer services	0	-	-	-	-	-	-
Consultants and professional services: Business and advisory services	15 717	-	-	(15 717)	-	-	-
Contractors	(0)	-	-	-	-	-	(0)
Entertainment	22	-	-	-	-	-	22
Consumable supplies	0	-	-	-	-	125	125
Consumable: Stationery, printing and office supplies	176	-	-	35	-	20	231
Operating leases	0	-	-	-	-	-	0
Travel and subsistence	4 938	-	-	1 734	-	-	6 672
Training and development	3 233	-	-	(3 152)	-	-	81
Operating payments	381	-	-	30	-	-	411
Venues and facilities	1 433	-	-	2 407	-	-	3 840
Rental and hiring	(0)	-	-	110	-	-	110
Interest and rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>57 106</b>	<b>-</b>	<b>-</b>	<b>13 000</b>	<b>(1 000)</b>	<b>-</b>	<b>69 106</b>
Local government	57 106	-	-	13 000	(1 000)	-	69 106
Households	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>882</b>	<b>882</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	882	882
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>295 658</b>	<b>-</b>	<b>-</b>	<b>(17 270)</b>	<b>(4 000)</b>	<b>8 000</b>	<b>282 388</b>
<b>Amount to be voted</b>							<b>(13 270)</b>

## Programme 3: Development and Planning

Programmes	2016/17							Total additional appropriation	Adjusted appropriation
	Main appropriation	Adjustments appropriation				Other adjustments			
		Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds				
<b>R' 000</b>									
Spatial Planning	19 933	-	-	(1 630)	-	-	(1 630)	18 303	
Development Admin/Land Use Management	24 935	-	-	130	-	-	130	25 065	
IDP Co-ordination	6 290	-	-	1 400	-	-	1 400	7 690	
LED and Planning	22 648	-	-	500	-	-	500	23 148	
Municipal Infrastructure	61 591	1 761	-	350	(10 000)	-	(7 889)	53 702	
Disaster Management	21 508	813	-	( 813)	-	-	-	21 508	
<b>Total</b>	<b>156 906</b>	<b>2 574</b>	<b>-</b>	<b>( 63)</b>	<b>(10 000)</b>	<b>-</b>	<b>(7 489)</b>	<b>149 417</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>110 556</b>	<b>-</b>	<b>-</b>	<b>930</b>	<b>-</b>	<b>-</b>	<b>930</b>	<b>111 486</b>	
Compensation of employees	98 565	-	-	-	-	-	-	98 565	
Goods and services	11 991	-	-	930	-	-	930	12 921	
Administrative fees	40	-	-	( 25)	-	-	( 25)	15	
Advertising	33	-	-	-	-	-	-	33	
Minor Assets	52	-	-	( 19)	-	-	( 19)	33	
Catering: Departmental activities	190	-	-	( 39)	-	-	( 39)	151	
Computer services	( 0)	-	-	-	-	-	-	( 0)	
Consultants and professional services: Business and advisory services	2 428	-	-	50	-	-	50	2 478	
Contractors	2 000	-	-	( 88)	-	-	( 88)	1 912	
Entertainment	19	-	-	3	-	-	3	22	
Consumable supplies	20	-	-	69	-	-	69	89	
Consumable: Stationery, printing and office supplies	253	-	-	( 84)	-	-	( 84)	169	
Operating leases	0	-	-	-	-	-	-	0	
Property payments	160	-	-	( 56)	-	-	( 56)	104	
Travel and subsistence	6 215	-	-	410	-	-	410	6 625	
Training and development	( 0)	-	-	-	-	-	-	( 0)	
Operating payments	95	-	-	626	-	-	626	721	
Venues and facilities	486	-	-	84	-	-	84	570	
Rental and hiring	( 0)	-	-	-	-	-	-	( 0)	
Interest and rent on land	-	-	-	-	-	-	-	-	
Transfers and subsidies to:	40 000	1 761	-	-	(10 000)	-	(8 239)	31 761	
Local government	40 000	1 761	-	-	(10 000)	-	(8 239)	31 761	
Payments for capital assets	6 350	813	-	( 993)	-	-	( 180)	6 170	
Buildings and other fixed structures	5 500	813	-	( 813)	-	-	-	5 500	
Machinery and equipment	800	-	-	( 180)	-	-	( 180)	620	
Software and other intangible assets	50	-	-	-	-	-	-	50	
Payments for financial assets	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>156 906</b>	<b>2 574</b>	<b>-</b>	<b>( 63)</b>	<b>(10 000)</b>	<b>-</b>	<b>(7 489)</b>	<b>149 417</b>	
<b>Amount to be voted</b>								<b>(7 489)</b>	

2016 Adjusted Estimates of Provincial Revenue and Expenditure

Programme 4: Traditional Institutional Management

Programmes	2016/17							Total additional appropriation	Adjusted appropriation
	Main appropriation	Adjustments appropriation							
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
<b>R' 000</b>									
Traditional Resource Administration	267 889	347	-	3 090	-	-	3 437	271 326	
Rural Development Facilitation	10 151	-	-	-	-	-	-	10 151	
Traditional Institutional Administration	21 470	-	-	-	-	-	-	21 470	
<b>Total</b>	<b>299 510</b>	<b>347</b>	<b>-</b>	<b>3 090</b>	<b>-</b>	<b>-</b>	<b>3 437</b>	<b>302 947</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>289 650</b>	<b>-</b>	<b>-</b>	<b>2 590</b>	<b>-</b>	<b>-</b>	<b>2 590</b>	<b>292 240</b>	
Compensation of employees	278 270	-	-	2 500	-	-	2 500	280 770	
Goods and services	11 380	-	-	90	-	-	90	11 470	
Advertising	0	-	-	-	-	-	-	0	
Minor Assets	200	-	-	(20)	-	-	(20)	180	
Catering: Departmental activities	571	-	-	15	-	-	15	586	
Communication (G&S)	40	-	-	-	-	-	-	40	
Consultants and professional services: Business and advisory services	2 418	-	-	-	-	-	-	2 418	
Contractors	30	-	-	-	-	-	-	30	
Agency and support / outsourced services	0	-	-	-	-	-	-	0	
Entertainment	18	-	-	-	-	-	-	18	
Fleet services (including government motor transport)	(0)	-	-	-	-	-	-	(0)	
Consumable supplies	268	-	-	(150)	-	-	(150)	118	
Consumable: Stationery, printing and office supplies	476	-	-	90	-	-	90	566	
Operating leases	0	-	-	-	-	-	-	0	
Property payments	350	-	-	-	-	-	-	350	
Travel and subsistence	4 362	-	-	180	-	-	180	4 542	
Training and development	725	-	-	-	-	-	-	725	
Operating payments	403	-	-	(50)	-	-	(50)	353	
Venues and facilities	516	-	-	(75)	-	-	(75)	441	
Rental and hiring	1 002	-	-	100	-	-	100	1 102	
Interest and rent on land	-	-	-	-	-	-	-	-	
Transfers and subsidies to:	5 356	-	-	500	-	-	500	5 856	
Households	5 356	-	-	500	-	-	500	5 856	
Payments for capital assets	4 504	347	-	-	-	-	347	4 851	
Buildings and other fixed structures	4 504	347	-	-	-	-	347	4 851	
Payments for financial assets	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>299 510</b>	<b>347</b>	<b>-</b>	<b>3 090</b>	<b>-</b>	<b>-</b>	<b>3 437</b>	<b>302 947</b>	
<b>Amount to be voted</b>								<b>3 437</b>	



## Programme 5: House of Traditional Leaders

Programmes	2016/17						Total additional appropriation	Adjusted appropriation
	Main appropriation	Adjustments appropriation				Other adjustments		
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds			
<b>R' 000</b>								
Administration of House of Traditional Leaders	10 986	-	-	2 000	-	-	2 000	12 986
Committees and Local Houses of Traditional Leaders	14 326	-	-	-	-	-	-	14 326
<b>Total</b>	<b>25 312</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>27 312</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>25 002</b>	<b>-</b>	<b>-</b>	<b>1 780</b>	<b>-</b>	<b>-</b>	<b>1 780</b>	<b>26 782</b>
Compensation of employees	16 741	-	-	1 500	-	-	1 500	18 241
Goods and services	8 261	-	-	280	-	-	280	8 541
Administrative fees	6	-	-	4	-	-	4	10
Advertising	436	-	-	(150)	-	-	(150)	286
Minor Assets	-	-	-	30	-	-	30	30
Catering: Departmental activities	1 090	-	-	(267)	-	-	(267)	824
Communication (G&S)	141	-	-	312	-	-	312	453
Computer services	350	-	-	(350)	-	-	(350)	-
Consultants and professional services: Business and advisory services	1 485	-	-	35	-	-	35	1 520
Contractors	20	-	-	(20)	-	-	(20)	-
Agency and support / outsourced services	39	-	-	(39)	-	-	(39)	-
Entertainment	10	-	-	20	-	-	20	31
Fleet services (including government motor transport)	-	-	-	100	-	-	100	100
Inventory: Clothing material and accessories	0	-	-	-	-	-	-	0
Consumable supplies	327	-	-	15	-	-	15	342
Consumable: Stationery, printing and office supplies	113	-	-	428	-	-	428	541
Transport provided: Departmental activity	-	-	-	5	-	-	5	5
Travel and subsistence	3 400	-	-	491	-	-	491	3 891
Training and development	-	-	-	-	-	-	-	-
Operating payments	270	-	-	80	-	-	80	350
Venues and facilities	375	-	-	(364)	-	-	(364)	11
Rental and hiring	200	-	-	(52)	-	-	(52)	148
Interest and rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Local government	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>310</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>530</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	310	-	-	220	-	-	220	530
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>25 312</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>27 312</b>
<b>Amount to be voted</b>								<b>2 000</b>

## Details of adjustments to Departmental Expenditure 2016

## Roll-overs – R4.321 million

## Programme 1: Administration – R1.400 million

R1.400 million has been rolled over to fund office furniture, equipment and public address system which payments were not effected due to delivery delays.

## Programme 3: Development and Planning – R2.574 million

R1.761 million has been rolled over for the outstanding payments on the Water Intervention Projects in the Chris Hani District Municipality. These payments were in respect of Engcobo invoices that were not paid but committed at year end as the work was done on the project.

R813 thousand is for the completion of the Provincial Disaster Management Centre construction not paid in the previous year due to Information Connection Technology connections that needed to be made on the building.

**Programme 4: Traditional Institutional Management – R347 thousand**

R347 thousand has been rolled over for the finalisation and retention of Amabhele Traditional Councils construction.

**Unforeseeable and unavoidable expenditure**

None.

**Virements and shifts**

**Table 3: Virements by programme and economic classification**

<b>Programmes</b>					
Administration					
Local Governace					
Dev elopment & Planning					
Traditional Institutional Management					
House of Traditional Leaders					
<b>FROM: R'000</b>		<b>(15 255)</b>	<b>TO: R'000</b>		<b>15 255</b>
<b>Programme by economic classification</b>	<b>Motivation</b>		<b>Programme by economic classification</b>	<b>Motivation</b>	
<b>Administration</b>		<b>(15 255)</b>	<b>Administration</b>		<b>14 755</b>
Compensation of employees	Funds were shifted to cover Legal fees and communications.	(7 900)	Goods and services	Funds to be utilized for contractual obligations relating to communications, payments of legal fees, Auditor General and other operational costs.	14 716
Goods and services	Funds not utilized for the branding of the department.	(30)	Machinery and equipment	Funds are earmarked for the purchase of a public address system.	30
Households	Funds not utilized for external bursary holders due to unexpected high number of internal applicants.	(272)		Funds are earmarked for the purchase of a shredding machine.	9
			<b>Development &amp; Planning</b>		<b>500</b>
Machinery and equipment	Funds will not be utilised to purchase machinery and equipment due to the centralisation made by National Treasury and for the hosting of the IDP processes.	(7 053)	Goods and services	Savings to be utilised for IDP processes.	500
<b>Shift within the programme as a percentage of the programme budget</b>		<b>6.3%</b>			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.2%</b>			

**Vote 07: Cooperative Governance and Traditional Affairs**

FROM: R'000		(31 570)	TO: R'000		31 570	
Programme by economic classification	Motivation		Programme by economic classification	Motivation		
<b>Local Governace</b>		<b>(31 570)</b>	<b>Local Governace</b>		<b>14 300</b>	
Compensation of employees	Savings as a result of the expiry of contracts for Operation Clean Audit (OCA) project appointees.	(16 070)	Goods and services	Funds to be utilised for the operations relating to Back to Basics (B2B) programme.	1 300	
			Provinces and municipalities	To provide funding for the amalgamation and financial support to municipalities.	13 000	
			<b>Administration</b>			<b>11 930</b>
			Compensation of employees	To be used to cover anticipated over-expenditure in this programme.	220	
			Goods and services	Savings will be utilised for microsoft license , legal fees , upgrading of wireless access points and other operational costs.	7 185	
			Households	Funds from the OCA projects to be used for payment of Leave Gratuities for employees who left the department.	4 500	
			Machinery and equipment	For procurement of Audio Visual Equipment.	25	
			<b>Development &amp; Planning</b>			<b>250</b>
Goods and services	To provide funding for the amalgamation and financial support to struggling municipalities.	(15 500)	Goods and services	Savings are earmarked for the day to day running of the Municipal Infrastructure office for site visits on all infrastructure projects.	250	
			<b>Traditional Institutional Management</b>			<b>3 090</b>
			Compensation of employees	Funds to be utilised for the appointment of secretaries for Traditional Councils and cover costs relating to the increase and back pay implemented for existing secretaries.	2 500	
			Goods and services	Funds will be used for operations of the programme of engagements with Traditional Councils eg. venue hire, catering and travelling.	90	
			Households	Funds is earmarked for the gratuities of Traditional Leaders	500	
			<b>House of Traditional Leaders</b>			<b>2 000</b>
			Compensation of employees	Savings to be used to cover the anticipated over expenditure caused by inadequate funding.	1 500	
Goods and services	Funds will be utilised towards the initiation programme.	500				
<b>Shift within the programme as a percentage of the programme budget</b>		<b>4.8%</b>				
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>5.8%</b>				

**2016 Adjusted Estimates of Provincial Revenue and Expenditure**

FROM: R'000		(993)	TO: R'000		993
Programme by economic classification	Motivation		Programme by economic classification	Motivation	
<b>Development &amp; Planning</b>		<b>(993)</b>	<b>Administration</b>		<b>813</b>
Buildings and other fixed structures	Funds to be shifted due to the slow progress on the purchasing of ICT system for Provincial Disaster Management Centre (PDMC).	(813)	Machinery and equipment	Funds to be utilised for the purchasing of computer peripherals and network access.	813
Machinery and equipment	Funds to be shifted from machinery to goods & services.	(180)	<b>Development &amp; Planning</b>		<b>180</b>
			Goods and services	Funds will be utilised to offset the anticipated over expenditure on this classification.	180
<b>Shift within the programme as a percentage of the programme budget</b>		<b>0.1%</b>			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.5%</b>			
FROM: R'000		(220)	TO: R'000		220
Programme by economic classification	Motivation		Programme by economic classification	Motivation	
<b>House of Traditional Leaders</b>		<b>(220)</b>	<b>House of Traditional Leaders</b>		<b>220</b>
Goods and services	Funds shifted for the purchase of working tools.	(220)	Machinery and equipment	Funding provided for the purchase of working tools.	220
<b>Shift within the programme as a percentage of the programme budget</b>		<b>0.9%</b>			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.0%</b>			
<b>Total</b>		<b>(48 038)</b>			<b>48 038</b>

**Declared unspent funds – R14 million**

**Programme 2: Local Governance – R4 million**

R4 million is devoted from the R13 million received for the access roads to the voting stations for the 2016 Local Government Elections due to certain projects being funded by the Municipal Infrastructure Grant.

**Programme 3: Development and Planning – R10 million**

R10 million declared unspent from the R40 million that was allocated as transfers to the Chris Hani District Municipality for the Water Intervention due to slow progress in the implementation of the Lukhanji water projects.

**Other adjustments – R8 million**

**Programme 2: Local Governance – R8 million**

R8 million has been received as additional allocation for the appointment of 89 Community Development Workers to enhance Operation Masipathisane Programme as a mechanism to improve integration in the ward level.

***Expenditure already announced in the main Budget speech of the MEC for Finance but not allocated at that stage***

None.

***Adjustments due to significant and unforeseeable economic and financial events***

None.

***Use of funds in emergency situations***

None.

***Self-financing expenditure***

None.

***Function shifts between votes following a transfer of a function***

None.

***Funds shifted within a vote following a function shift within the same vote***

None.

***Provincial reprioritisation***

None.

***Surrenders of surplus funds from Public Entities***

None.

**Gifts, donations and sponsorships**

None.

**Direct charges against the Provincial Revenue Fund**

None.

## Expenditure for 2015/16 and preliminary expenditure for 2016/17

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

R'000	2015/16					2016/17				
	Audited Outcome					Actual Expenditure				
	Adjusted Appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 Adjusted Appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 Adjusted Appropriation	Adjusted Appropriation	Adjusted Appropriation / Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 Adjusted Appropriation	
Administration	209 305	102 213	48.8	207 341	99.1	246 414	17.7	119 635	48.6	
Local Government	324 486	161 354	49.7	321 142	99.0	282 388	(13.0)	158 639	56.2	
Development & Planning	128 298	54 852	42.8	122 258	95.3	149 417	16.5	53 314	35.7	
Traditional Institutional Management	287 548	140 559	48.9	291 128	101.2	302 947	5.4	153 957	50.8	
House of Traditional Leaders	26 165	11 609	44.4	26 650	101.9	27 312		13 735	50.3	
<b>Total</b>	<b>975 802</b>	<b>470 587</b>	<b>48.2</b>	<b>968 519</b>	<b>99.3</b>	<b>1 008 477</b>	<b>3.3</b>	<b>499 280</b>	<b>49.5</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>861 461</b>	<b>452 835</b>	<b>52.6</b>	<b>804 185</b>	<b>93.4</b>	<b>869 337</b>	<b>0.9</b>	<b>422 575</b>	<b>48.6</b>	
Compensation of employees	705 343	346 816	49.2	706 999	100.2	740 416	5.0	357 394	48.3	
Goods and services	156 118	106 019	67.9	97 109	62.2	128 920	(17.4)	65 075	50.5	
Interest and rent on land	-	-	-	77	-	-	-	106	-	
<b>Transfers and subsidies to:</b>	<b>89 169</b>	<b>4 688</b>	<b>5.3</b>	<b>141 110</b>	<b>158.3</b>	<b>115 415</b>	<b>29.4</b>	<b>70 543</b>	<b>61.1</b>	
Provinces and municipalities	78 012	1 012	1.3	130 586	167.4	100 867	29.3	62 300	61.8	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Foreign govt. and international organisations	-	-	-	-	-	-	-	-	-	
Higher education institutions	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	11 157	3 676	32.9	10 524	94.3	14 548	30.4	8 243	56.7	
<b>Payments for capital assets</b>	<b>25 172</b>	<b>13 064</b>	<b>51.9</b>	<b>22 836</b>	<b>90.7</b>	<b>23 726</b>	<b>(5.7)</b>	<b>6 161</b>	<b>26.0</b>	
Buildings and other fixed structures	14 078	9 621	68.3	12 896	91.6	10 351	(26.5)	2 410	23.3	
Machinery and equipment	11 064	3 443	31.1	9 917	89.6	13 505	22.1	3 751	27.8	
Heritage sites	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	30	-	-	22	73.3	(130)	(533.3)	-	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>975 802</b>	<b>470 587</b>	<b>48.2</b>	<b>968 519</b>	<b>99.3</b>	<b>1 008 477</b>	<b>3.3</b>	<b>499 280</b>	<b>49.5</b>	

### Main expenditure trends for the first half of 2016/17

The total Departmental spending for 2015/16 financial year amounted to R968.519 million or 99.3 per cent of the Adjusted Appropriation. Expenditure in the first half of the 2015/16 financial year was R470.587 million or 48.2 per cent of the total adjusted budget. Similarly the department has so far spent R499.280 million or 49.5 per cent of the budget during the first half of the 2016/17 financial year. The increase is mainly attributed to the once-off allocation for the 2016 Local Government Elections.

### Departmental receipts

Table 5: Summary of departmental own receipts trends

Programme	2015/16					2016/17				
	Audited Outcome					Actual receipts				
	Adjusted Estimate	Apr 15 - Sep 15	Apr 15 - Sep 15 % of Adjusted Estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of Adjusted Appropriation	Budget estimate	Adjusted estimate	Adjusted estimate / total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of Adjusted estimate
<b>R'000</b>										
<b>Tax receipts</b>	-	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-	-
<b>Non-tax receipts</b>	<b>1 939</b>	<b>744</b>	<b>38.4</b>	<b>1 557</b>	<b>80.3</b>	<b>2 055</b>	<b>2 055</b>	-	<b>1 221</b>	<b>59.4</b>
assets	1 939	424	21.9	866	-	2 055	2 055	-	446	-
Transfers received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	1	-	5	-	-	-	-	5	-
Sales of capital assets	-	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	319	-	686	-	-	-	-	770	-
<b>Total</b>	<b>1 939</b>	<b>744</b>	<b>38.4</b>	<b>1 557</b>	<b>80.3</b>	<b>2 055</b>	<b>2 055</b>	<b>-</b>	<b>1 221</b>	<b>59.4</b>

\* Adjusted figures are used in the 'Adjusted Estimate'

## Main departmental revenue trends for the first half of 2016/17

The department is not a revenue generating department; however, revenue collection in the first half of 2016/17 amounted to R1.221 million as compared to R744 thousand collected in the previous year around the same period. This shows an increase of 59.4 per cent as compared to previous year's collections. The increase is attributed to refunds received from Local Government Sector Education and Training Authority (LGSETA) for salaries of interns on their behalf.

## Changes to transfers and subsidies, including conditional grants

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

Programmes	Main appropriation	2016/17 Adjustments appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings		
<b>R' 000</b>							
<b>Programme 1: Administration</b>	<b>4 464</b>	-	-	<b>4 228</b>	-	<b>4 228</b>	<b>8 692</b>
Local government	-	-	-	-	-	-	-
Households	4 464	-	-	4 228	-	4 228	8 692
Social Benefits	4 464	-	-	4 228	-	4 228	8 692
Name of transfer payment	-	-	-	-	-	-	-
<b>Local Governance</b>	<b>57 106</b>	-	-	<b>13 000</b>	<b>( 1 000)</b>	<b>12 000</b>	<b>69 106</b>
Local government	57 106	-	-	13 000	( 1 000)	12 000	69 106
Local government	57 106	-	-	13 000	( 1 000)	12 000	69 106
Departmental agencies and accounts	-	-	-	-	-	-	-
<b>Development &amp; Planning</b>	<b>40 000</b>	<b>1 761</b>	-	-	<b>( 10 000)</b>	<b>( 8 239)</b>	<b>31 761</b>
Local government	40 000	1 761	-	-	( 10 000)	( 8 239)	31 761
Local Government	40 000	1 761	-	-	( 10 000)	( 8 239)	31 761
Departmental agencies and accounts	-	-	-	-	-	-	-
<b>Traditional Institutional Management</b>	<b>5 356</b>	-	-	<b>500</b>	-	<b>500</b>	<b>5 856</b>
Local government	-	-	-	-	-	-	-
Households	5 356	-	-	500	-	500	5 856
Households	5 356	-	-	500	-	500	5 856
Name of transfer payment	-	-	-	-	-	-	-
<b>Total</b>	<b>106 926</b>	<b>1 761</b>	<b>-</b>	<b>17 728</b>	<b>( 11 000)</b>	<b>8 489</b>	<b>115 415</b>

Table 7: Summary of changes to conditional grants by programme and grant name

Programmes	Main appropriation	2016/17 Adjustments appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings		
<b>R' 000</b>							
<b>Development &amp; Planning</b>	<b>2 000</b>	-	-	-	-	-	<b>2 000</b>
EPWP Intergrated Grant for Provinces	2 000	-	-	-	-	-	2 000
<b>Total</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 000</b>

**Annexures**



## Adjusted 2016/17 Project list

No.	Project name	Municipality / Region	Type of infrastructure	Units (i.e. number of classrooms or facilities)	Project Duration		Budget Programme Name	Source Of Funding	EPWP Budget for the current year	Total project cost	Expenditure to date from previous years	MTEF Forward estimates MTEF 2016/17	Main Appropriation	Additional Appropriation				
					Date: Start	Date: Finish								Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total Additional Appropriation	Adjusted Appropriation
<b>R'000</b>																		
<b>1. New Infrastructure Assets</b>																		
1.	Amabhele Traditional Council	Bizana	Building	170	01 April 2016	30 March 2018	Traditional Institutional Management	Equitable Share		2 219	-	1 989	1 989	347			347	2 336
2.	Construction PDMC	Buffalo City Metro	Building	970	15 April 2012	17 March 2016	Development And Planning	Equitable Share		10 817	25 700	5 500	5 500	813		(813)	-	5 500
3.	Hala Traditional Council	King Sabatha Dalindyebo	Building	40	01 April 2017	01 April 2019	Traditional Institutional Management	Equitable Share		638	-	214	214				-	214
4.	Amandela Traditional Council	Bizana	Building	170	01 April 2013	30 April 2017	Traditional Institutional Management	Equitable Share		877	396	50	50				-	50
5.	Amanuzela Traditional Council	Maluti	Building	2500	01 April 2016	30 March 2017	Traditional Institutional Management	Equitable Share		2 219	-	1 989	1 989				-	1 989
6.																		
<b>Total</b>									-	<b>16 770</b>	<b>26 096</b>	<b>9 741</b>	<b>9 741</b>	<b>1 160</b>	<b>(813)</b>	<b>-</b>	<b>347</b>	<b>10 088</b>
<b>2. Rehabilitation, renovations and refurbishment</b>																		
1.	Amagunuk webe Traditional Council	Middledrift	Building	170	01 April 2013	30 April 2018	Traditional Institutional Management	Equitable Share		666	198	50	50				-	50
2.	Teko	Mquma	Building	70	01 April 2017	01 April 2019	Traditional Institutional Management	Equitable Share		638		214	214				-	214
3.																		
<b>Total</b>									-	<b>1 304</b>	<b>198</b>	<b>264</b>	<b>10 004</b>	<b>1 160</b>	<b>(813)</b>	<b>-</b>	<b>347</b>	<b>10 351</b>

🔹 **END OF VOTE** 🔹



