

Vote 11

Co-operative Governance and Traditional Affairs

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	1 677 104	1 723 387		46 283
MEC remuneration ¹	1 978	1 978		
Total amount to be appropriated	1 679 082	1 725 365		46 283
<i>of which:</i>				
Current payments	1 557 515	1 454 560	(102 955)	
Transfers and subsidies	29 231	123 237		94 006
Payments for capital assets	92 336	147 568		55 232
Payments for financial assets	-	-		
Responsible MEC	MEC for Co-operative Governance and Traditional Affairs			
Administering department	Co-operative Governance and Traditional Affairs			
Accounting Officer	Head: Co-operative Governance and Traditional Affairs			

1. Vision and mission

Vision

The vision of the Department of Co-operative Governance and Traditional Affairs (COGTA) is: *People centred sustainable co-operative governance.*

Mission statement

The department's mission statement is: *"To co-ordinate and foster co-operation among governance institutions and build capacity to accelerate delivery of high quality services to communities".*

2. Strategic objectives

The department has five main *strategic policy directions*, namely five key priorities of government including the creation of sustainable livelihood, skills development, healthy communities, rural development, and the fight against corruption; KZN provincial government integrated programme of action; national outcome relating to a responsive, accountable, effective and efficient local government system; and the mandate ranging from the co-ordination of organs of state to ensure maximum impact of co-operative governance to clarifying the role of the private sector and of state-owned enterprises in the new dispensation. The strategic goals of the department are as follows:

- *Improved co-operative governance.* The strategic objective supporting this goal is:
 - Improved functionality of Inter-Governmental Relations (IGRs).
- *Strengthened governance.* The strategic objectives supporting this goal are:
 - Improved capacity of political and administrative governance (local government and traditional institutions).
 - Strengthened accountability of governance institutions (local government and traditional Institutions).
 - Improved decision making through citizen participation.
- *Increased economic opportunities.* The strategic objectives supporting this goal are:
 - Strengthened sectoral development.
 - Improved government led job creation programmes.

¹ At the time of going to print, the proclamation determining the 2018 salary adjustment relating to public office bearers had not been signed, hence this amount remains unchanged from the 2018/19 EPRE.

- *Strengthened delivery of basic services.* The strategic objective supporting this goal is:
 - o Improved co-ordination of service delivery.
- *Well integrated spatial planning system.* The strategic objective supporting this goal is:
 - o Improved spatial hierarchy of services.
- *Adaptation to climate change.* The strategic objectives supporting this goal are:
 - o Increased adaptation to climate change impacts.
 - o Improved disaster management.

3. Summary of adjusted estimates for the 2018/19 financial year

The main appropriation of COGTA was R1.679 billion in 2018/19. During the year, the department's budget increased by R46.283 million to R1.725 billion, which is the amount that is to be appropriated in the 2018/19 Adjustments Estimate. The main reasons for this increase, as well as other adjustments, are summarised below, and explained in detail in Section 4.

- *Roll-overs:* An amount of R29.955 million was rolled over from 2017/18, as explained below:
 - o R2.535 million was allocated to *Machinery and equipment* under Programme 1: Administration (R2.457 million), Programme 2: Local Governance (R62 000) and Programme 4: Traditional Institutional Management (R16 000). This relates to orders placed for the replacement of vehicles, furniture and office equipment, and laptops, respectively, which were ordered but not delivered before the end of 2017/18, and thus had to be paid for in 2018/19.
 - o R27.420 million was allocated to Programme 3: Development and Planning, as follows:
 - R16.369 million was allocated against *Goods and services* for the procurement, supply and installation of lightning protection systems in communities across the province to mitigate fatal lightning strikes (R10.350 million), as well as the purchase of static water tanks (R6.019 million). The procurement processes were delayed due to outstanding documents that were not supplied by the service providers by the end of 2017/18 and these are therefore being paid for in 2018/19.
 - R11.051 million was allocated to *Transfers and subsidies to: Provinces and municipalities* for transfer to uMngeni Municipality for the completion of the Nelson Mandela Exhibition Centre.
- *Virement between programmes:* The following virements were undertaken between programmes:
 - o Savings of R40.597 million were identified under Programme 1, as follows:
 - R15 million was realised against *Compensation of employees* due to slower than anticipated filling of critical vacant posts for which approval was given by the Office of the Premier and Provincial Treasury, as well as in-year resignations. The vacant posts include Deputy Director-General: Chief Operating Officer, Director: Head of Ministry, Director: Operations, Deputy Director: Business Architect, Deputy Director: Risk Management, Deputy Director: Integrity Management, Deputy Director: Monitoring, Deputy Director: Financial Monitoring, Deputy Director: Skills Development, Budget Analysts, etc.
 - R25.597 million was realised against *Machinery and equipment* due to slow processes in the procurement of an IT server for the department to assist with the capacity of the current server for the Microsoft Migration project currently being undertaken. The savings resulted from the late commencement of the project, which is now anticipated to be completed in 2019/20.
 - o Savings of R31.914 million were identified under Programme 4, as follows:
 - R18.010 million was identified against *Compensation of employees* as a result slower than anticipated filling of critical vacant posts for which approval was given, as well as in-year resignations. The vacant posts include Director: Provincial House of Traditional Leaders, Deputy Directors: Research, Deputy Director: Dispute Resolution, Deputy Director: Local Houses of Traditional Leaders, among others.

- R10.584 million was realised against *Goods and services*, and this relates to the department's portion of the stipends paid to *Izinduna*, while the amount from the provincial fiscus was fully spent at mid-year. The savings are largely due to fluctuations in the number of *Izinduna* paid.
- R3.235 million was identified against *Machinery and equipment* due to delays in the procurement of computers and office equipment for Traditional Councils (TCs), as well as new departmental appointments.
- R85 000 was identified against *Software and other intangible assets* due to the postponement of the procurement of various software packages including the Adobe Acrobat Pro, Survey Maker software and Google Earth Pro. The purchase of these software packages has been postponed to 2019/20 as they are no longer needed at this stage, as per the department's IT maintenance cycle.

These savings totalling R72.511 million were moved, as follows:

- o R68.646 million was moved to Programme 3, against *Machinery and equipment*, as follows:
 - R40.274 million for the purchase of equipment consisting of three fire trucks (R13.500 million), three graders (R9 million), three tractor-loader-backhoes (TLBs) (R9 million), four water tankers (R6 million), five waste trucks (R15 million), three excavators (R9 million) and three rollers (R9 million), among others to maintain roads and improve infrastructure in municipalities. This is because there are a number of small municipalities that do not have the equipment required for road upgrades and then fail to upgrade gravel roads, leading to community complaints. The equipment will be owned and kept in various municipalities and will be used in joint projects of the department and municipalities such as Operation Mbo (initiative aimed at addressing crimes) and Thuma Mina campaigns (aimed at improving lives through improved service delivery by municipalities).
 - R27.837 million for the procurement of a variety of vehicles, namely an articulated bus fitted with work stations to respond to any disaster crisis (R10 million), Wi-Fi and media equipment for the Provincial Disaster Management Centre (PDMC), and one long ladder fire engine (R13 million) for high rise buildings for effective support to municipalities, among others. The equipment will be kept at the PDMC in Mkondeni, and will assist in building capacity at the PDMC to respond to disasters that are beyond the capabilities of municipalities.
 - R535 000 for the procurement of laptops/desktops for new appointees within the Community Service Centres (CSCs).
- o R3.865 million was moved to Programme 2, against *Machinery and equipment*, the procurement of laptops for the Community Development Workers (CDWs), as well as the purchase of one branded mobile stage and sound trucks to be owned by the department for community outreach events such as community dialogues. By procuring this equipment, the department anticipates to save from hiring of sound systems and stages to conduct community outreach events.

The department undertook further virements between sub-programmes and economic categories within programmes, and details are provided under Section 4 below. All of these virements are permissible in terms of Section 43 of the PFMA, Section 6.3 of the Treasury Regulations, as well as the National Treasury guidelines. The reduction in *Payments for capital assets* against *Buildings and other fixed structures* does not require Legislature approval as the decrease is within *Payments for capital assets*, and the capital allocation for the Vote as a whole has not decrease. The increases in *Transfers and subsidies to: Provinces and municipalities* was approved by Provincial Treasury in line with Section 6.3.1(b).

It is noted that the virements undertaken from Programme 1, and the virements undertaken to Programme 3, require Legislature approval, as these exceed the 8 per cent threshold in terms of Section 43(2) of the PFMA.

- *Shifts*: No shifts were undertaken across programmes. However, major shifts were undertaken between economic classifications within Programmes 2, 3 and 4, as explained in Section 4.

Vote 11: Co-operative Governance and Traditional Affairs

- *Other adjustments:* The following adjustments were made to the department's budget resulting in a net increase of R16.328 million:
 - R11.328 million is allocated to Programme 3, against *Buildings and other fixed structures* for disaster relief relating to the flood disaster which occurred in the province on 10 October 2017. These funds are allocated through a new grant, namely the Provincial Disaster Recovery grant, and will be used to re-construct nine CSCs including the Khabazela, Isimahla, Thoyana, Vumazonke Umuzi Wesizwe, Ximba, Ximba Umuzi Wesizwe, Maphumulo, Umnini Trust and Cele P, around the areas of eThekweni and Ugu, which were damaged during the flood disaster. The allocation was based on a costing submitted by the department to the National Disaster Management Centre (NDMC).
 - R40 million, which was specifically and exclusively allocated funding given to the department in 2017/18 in respect of the TC elections under Programme 4 against *Goods and services* was suspended from the department's 2017/18 budget, as requested by the department, and was to be allocated back in 2018/19 for the same purpose. The elections, which were planned to take place in February/March 2018, were later postponed to May/June 2018. However, the TC elections have once again been postponed to December 2019 and, in this regard, an amount of R35 million of the R40 million is thus now being suspended to 2019/20 for this purpose.
 - The balance of R5 million was allocated to Programme 4, against *Goods and services* for voter education programmes. This constitutes a change in purpose, which requires Legislature approval.

Legislature approval is required for the R5 million moved from R40 million specifically and exclusively allocated funding given to the department in 2017/18 in respect of the TC elections, as this constitutes a change in purpose in terms of Section 43(4)(a) of the PFMA.

Tables 11.1 and 11.2 reflect a summary of the 2018/19 adjusted appropriation of the department, summarised according to programme and economic classification. Details of the economic classification are given in *Annexure – Vote 11: COGTA*.

Table 11.1 : Summary by programmes

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
1. Administration	454 952	2 457	-	(40 597)	-	(38 140)	416 812
2. Local Governance	300 739	62	-	3 865	-	3 927	304 666
3. Development and Planning	350 598	27 420	-	68 646	-	11 328	457 992
4. Traditional Institutional Management	572 793	16	-	(31 914)	-	5 000	545 895
Total	1 679 082	29 955	-	-	-	16 328	1 725 365
Amount to be voted							46 283

Table 11.2 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	1 557 515	16 369	-	(83 724)	(40 600)	5 000	(102 955)	1 454 560
Compensation of employees	766 189	-	-	(83 661)	-	-	(83 661)	682 528
Goods and services	791 326	16 369	-	(80)	(40 600)	5 000	(19 311)	772 015
Interest and rent on land	-	-	-	17	-	-	17	17
Transfers and subsidies to:	29 231	11 051	-	30 355	52 600	-	94 006	123 237
Provinces and municipalities	14 147	11 051	-	15 305	52 500	-	78 856	93 003
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	15 000	-	-	15 000	15 000
Non-profit institutions	-	-	-	-	100	-	100	100
Households	15 084	-	-	50	-	-	50	15 134
Payments for capital assets	92 336	2 535	-	53 369	(12 000)	11 328	55 232	147 568
Buildings and other fixed structures	43 054	-	-	(20 068)	(12 000)	11 328	(20 740)	22 314
Machinery and equipment	49 035	2 535	-	71 684	-	-	74 219	123 254
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	247	-	-	1 753	-	-	1 753	2 000
Payments for financial assets	-	-	-	-	-	-	-	-
Total	1 679 082	29 955	-	-	-	16 328	46 283	1 725 365
Amount to be voted							46 283	

4. Changes to programme purposes and service delivery measures

The department has not changed the purpose of any of its programmes, which conform to the sector specific programme and budget structure for the COGTA sector for 2018/19. However, it should be noted that the department obtained approval from National Treasury on 22 June 2018 to deviate from the said structure from 2019/20 onward.

The non financial information currently reflected in the 2018/19 *EPRE* largely corresponds to the department's 2018/19 APP with a few discrepancies between the *EPRE* and the APP. According to the department, when the *EPRE* was finalised, it was still in the process of finalising the APP. As such, a few of the targets were amended and these changes were not brought into the *EPRE*. The department is now aligning the non financial information in the 2018/19 *EPRE* to the information in the APP.

4.1 Programme 1: Administration

This programme is dedicated to all support services within the department, the Office of the MEC and all special projects. Tables 11.3 and 11.4 reflect a summary of the 2018/19 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R38.140 million, are provided in the paragraphs after the tables.

Table 11.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Office of the MEC	22 147			(1 605)			(1 605)	20 542
2. Corporate Services	432 805	2 457		(38 992)			(36 535)	396 270
Total	454 952	2 457	-	(40 597)	-	-	(38 140)	416 812
Amount to be voted								(38 140)

Table 11.4 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	407 821	-	-	(15 120)	-	-	(15 120)	392 701
Compensation of employees	210 244			(26 871)			(26 871)	183 373
Goods and services	197 577			11 751			11 751	209 328
Interest and rent on land							-	-
Transfers and subsidies to:	13 911	-	-	(1 188)	-	-	(1 188)	12 723
Provinces and municipalities	497			(195)			(195)	302
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	13 414			(993)			(993)	12 421
Payments for capital assets	33 220	2 457	-	(24 289)	-	-	(21 832)	11 388
Buildings and other fixed structures							-	-
Machinery and equipment	33 220	2 457		(26 289)			(23 832)	9 388
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets				2 000			2 000	2 000
Payments for financial assets							-	-
Total	454 952	2 457	-	(40 597)	-	-	(38 140)	416 812
Amount to be voted								(38 140)

Roll-overs – Programme 1: Administration: R2.457 million

The main appropriation of Programme 1 increased by R2.457 million due to roll-overs from 2017/18, which increased the sub-programme: Corporate Services, as follows:

- R2.457 million was allocated to *Machinery and equipment* for the purchase of replacement vehicles (R2.260 million) and furniture and office equipment (R197 000), which were ordered but not delivered before the end of 2017/18.

Virement – Programme 1: Administration: (R40.597 million)

The main appropriation of Programme 1 was decreased by R40.597 million as a result of the following virements, which affected the two sub-programmes: Office of the MEC and Corporate Services:

- Savings of R40.597 million were identified under sub-programmes: Office of the MEC and Corporate Services, as follows:
 - R15 million was realised against *Compensation of employees* due to slower than anticipated filling of critical vacant posts, as explained.
 - R25.597 million was realised against *Machinery and equipment* due to slow processes with the procurement of an IT server for the department to assist with the capacity of the current server for the Microsoft Migration project currently being undertaken, as discussed.
- The total savings of R40.597 million were moved to Programme 3, against *Machinery and equipment* for the purchase of equipment consisting of fire engines/trucks, graders, TLBs, water tankers, waste trucks, excavators and rollers, to maintain roads and improve infrastructure in municipalities.

In addition to the above virements from Programme 1, virements were undertaken across economic categories within the programme, which affected the sub-programme: Corporate Services, as follows:

- Savings of R11.871 million were realised against *Compensation of employees* due to slower than anticipated filling of critical vacant posts, as explained.
- Savings of R195 000 were realised against *Transfers and subsidies to: Provinces and municipalities* due to lower than budgeted motor vehicle licence fees.
- Savings of R993 000 were identified against *Transfers and subsidies to: Households* due to late lower than budgeted external bursary costs.
- Savings of R692 000 were identified against *Machinery and equipment* due to delays with the procurement of an IT server for the department to assist with the capacity of the current server for the Microsoft Migration project currently being undertaken, as discussed.

The total savings of R13.751 million were moved within Programme 1, as follows:

- R11.751 million was moved to *Goods and services* to provide for higher than budgeted marketing costs in respect of SABC airtime sales (for MEC's radio slots), community outreach programmes relating to winter and summer awareness campaigns, women dialogue, MEC's Christmas message, installation of an integrated telephone system for departmental offices in various buildings, the development of the Monitoring and Evaluation Compliance system for the capturing of APP targets to keep track of achievements, as well as the development of an electronic compliance management system used by the department to monitor or measure various pieces of binding legislation and policies of the department.
- R2 million was moved to *Software and other intangible assets* for the implementation of an integrated financial management and internal control system for TCs across the province, to assist them with the preparation of their financial statements. This function resides in Programme 1, as Programme 1 deals with all financial management aspects of the department, including the financial management of TCs, hence this software is being purchased under this programme.

These virements are permissible in terms of the PFMA and Treasury Regulations. The reduction in *Payments for capital assets* against *Machinery and equipment* does not require Legislature approval as the capital allocation for the Vote as a whole does not decrease.

The decrease against *Transfers and subsidies to: Provinces and municipalities* in respect of motor vehicle licence fees and *Transfers and subsidies to: Households* in respect of external bursaries does not require Legislature approval as the amounts are not gazetted to any municipality or institution in terms of Section 43(4)(c) of the PFMA.

The virements from Programme 1 require Legislature approval, as they exceed the 8 per cent threshold in terms of Section 43(2) of the PFMA.

4.2 Programme 2: Local Governance

The purpose of this programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government.

Tables 11.5 and 11.6 reflect a summary of the 2018/19 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R3.927 million, are provided in the paragraphs after the tables.

Table 11.5 : Programme 2: Local Governance

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Municipal Administration	56 286			(3 097)			(3 097)	53 189
2. Municipal Finance	26 378			(504)			(504)	25 874
3. Public Participation	180 987	62		24 101			24 163	205 150
4. Capacity Development	19 717			(7 891)			(7 891)	11 826
5. Municipal Perf. Monitoring, Reporting and Evaluation	17 371			(8 744)			(8 744)	8 627
Total	300 739	62	-	3 865	-	-	3 927	304 666
Amount to be voted								3 927

Table 11.6 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	299 539	-	-	(5 638)	(3 000)	-	(8 638)	290 901
Compensation of employees	237 462			(27 785)			(27 785)	209 677
Goods and services	62 077			22 147	(3 000)		19 147	81 224
Interest and rent on land							-	-
Transfers and subsidies to:	70	-	-	166	3 000	-	3 166	3 236
Provinces and municipalities					3 000		3 000	3 000
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	70			166			166	236
Payments for capital assets	1 130	62	-	9 337	-	-	9 399	10 529
Buildings and other fixed structures							-	-
Machinery and equipment	1 130	62		9 337			9 399	10 529
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	300 739	62	-	3 865	-	-	3 927	304 666
Amount to be voted								3 927

Roll-overs – Programme 2: Local Governance: R62 000

The main appropriation of Programme 2 increased by R62 000 due to a roll-over from 2017/18, which increased the sub-programme: Public Participation, as follows:

- R62 000 was allocated to *Machinery and equipment* for the purchase of laptops which were ordered in 2017/18 but were not delivered by year-end.

Virement – Programme 2: Local Governance: R3.865 million

The main appropriation of Programme 2 was increased by R3.865 million as a result of the following virements, which affected the sub-programme: Public Participation:

- Savings of R3.865 million were realised under Programme 4, against *Compensation of employees* resulting from in-year resignations, as well as the slower than anticipated filling of critical vacant posts for which approval was given, as discussed.

Vote 11: Co-operative Governance and Traditional Affairs

- The total savings of R3.865 million were moved to Programme 2, under the sub-programme: Public Participation, against *Machinery and equipment* for the procurement of laptops for CDWs, as well as the purchase of one branded sound truck with a mobile stage, as explained.
- In addition to the above virement to Programme 2, the following virements were undertaken within Programme 2 across economic categories which affected all sub-programmes:
 - Savings of R27.785 million were identified under all sub-programmes against *Compensation of employees*, with the exception of the Public Participation sub-programme. This is due to slow progress with the filling of approved critical vacant posts as a result of lengthy internal recruitment processes. These posts include Director: Municipal Performance, Director: Public Participation, Deputy Director: Municipal Performance, Deputy Director: Capacity Building, Assistant Director: Municipal Finance, Deputy Director: Ward Committee, Deputy Director: Forensic Auditing, among others.
 - The total savings of R27.785 million were moved to the Public Participation sub-programme, as follows:
 - R22.147 million was moved to *Goods and services* for the harvesting of addresses (by ensuring that voters' addresses are verified and confirmed on the voters' roll), voter mobilisation and identity (ID) campaigns for the 2019 general elections, Back to Basics campaigns, the Thuma Mina communication action plan intended to mobilise communities to partner in turning their municipal challenges around, as well as other related service delivery projects.
 - R166 000 was moved to *Transfers and subsidies to: Households* to cater for higher than budgeted staff exit costs.
 - R5.472 million was moved to *Machinery and equipment* for the procurement of laptops for CDWs, as well as the purchase of one branded sound truck with a mobile stage.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in transfers is in respect of *Households* for staff exit costs does not require Legislature approval.

Shifts – Programme 2: Local Governance

The following shifts were undertaken within Programme 2, for which the original purpose of the funds remains unchanged. These shifts were within sub-programmes, hence there are not visible in Table 11.5. It is noted that at the time of preparing the 2018/19 budget, the department had not finalised the recipient municipalities, hence these projects were budgeted for under *Goods and services*. The department has now finalised the recipient municipalities and, thus the shifts undertaken:

- R3 million was shifted from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* within the sub-programme: Municipal Administration toward the implementation of a Shared Legal Services, where municipalities will establish Shared Legal Services units (R2 million) and within the sub-programme: Public Participation for the hosting of an Integrated Youth Development Summit in eThekweni (R1 million). The department is co-hosting the event with the Metro, and the contribution of R1 million is toward the provision of meals and transport for the 2 500 youth attending the event.

Service delivery measures – Programme 2: Local Governance

Table 11.7 shows the service delivery information for Programme 2 as per the APP of COGTA, as well as the actual achievement for the first six months of the year.

A number of new outputs were added to the department's APP, which were not reported on in the 2018/19 EPRE. These outputs are shown as "New" in the 2018/19 Original target column. Some targets are not reported on at mid-year, as the department projects to undertake them in the fourth quarter.

Table 11.7 : Service delivery measures – Programme 2: Local Governance

Outputs	Performance indicators	Performance targets		
		2018/19 Original target	2018/19 Mid-year actual	2018/19 Revised target
2.1. Municipal Governance and Administration				
2.1.1. Implement Municipal Strategic Planning through co-ordination of sector departments and municipalities. Measure performance on the implementation of IDP, Back to Basics (B2B) support plans and institutionalise PMS	<ul style="list-style-type: none"> Percentage of service delivery issues co-ordinated Report on the implementation of B2B action plans by municipalities 	100% 4	- -	
2.1.2. Improve functionality of IGR Structures and systems	<ul style="list-style-type: none"> No. of IGR structures functional in accordance with the IGR framework No. of SALGA partnerships maintained 	10 1	- -	
2.1.3. Support municipalities to enhance the functionality of oversight structures	<ul style="list-style-type: none"> No. of municipalities with functional oversight structures 	54	54	
2.1.4. Strengthen the institutional capacity of municipalities by monitoring compliance with local government legislation and policies	<ul style="list-style-type: none"> No. of municipalities supported to comply with local government legislation No. of municipalities complying with local government policies No. of draft standard by-laws developed to support the municipalities with their legislative competency No. of municipalities supported to complying with MSA regulations on the appointment of senior managers No. of municipalities supported to achieve 50/50 representation of women in Section 56 posts 	54 54 5 54 54	54 54 5 54 54	
2.1.5. Support municipalities in improving participation of traditional leaders at municipal level. (Section 81). Create a mechanism for Traditional Institutions to engage with IGR structures	<ul style="list-style-type: none"> No. of municipalities with the participation of traditional leaders 	52	52	
2.1.6. Eradicate the incidences of fraud within municipalities	<ul style="list-style-type: none"> No. of municipalities monitored on the extent to which anti-corruption measures are implemented Percentage of fraud, corruption and maladministration cases investigated (including NACH cases) No. of municipalities supported with the review of fraud risk registers Percentage of COGTA forensic investigation recommendations monitored 	54 100% 54 100%	54 - - -	
2.2. Municipal Finance				
2.2.1. Capacitate municipalities with expenditure on capital infrastructure	<ul style="list-style-type: none"> No. of municipalities assessed on budget allocated to capital infrastructure (new construction, maintenance and operations) No. of municipalities assessed on expenditure allocated to capital infrastructure spent (new construction, maintenance and operations) 	54 54	- 54	
2.2.2. Assist municipalities to implement revenue raising strategy	<ul style="list-style-type: none"> Percentage government debt in municipalities No. of municipalities guided to comply with MPRA 	<5% 44	<5% 44	
2.2.3. Section 81 and 131 (corrective actions based on the reports)	<ul style="list-style-type: none"> No. of reports submitted on state of Municipal Finance in terms of section 131 of the MFMA 	1	1	
2.2.4. Ensure municipalities address all issues highlighted in the audit outcomes	<ul style="list-style-type: none"> No. of municipalities supported toward achievement of clean audits No. of municipalities with functional audit committees 	54 54	54 54	
2.3. Public Participation				
2.3.1. Support municipalities in improving functionality of ward committees as per Municipal Structures/Systems Act	<ul style="list-style-type: none"> No. of municipalities supported to maintain functional ward committees No. of municipalities supported on the implementation of ward operational plans 	44 44	44 44	
2.3.2. Assist municipalities to enhance engagement of stakeholders and constant feedback in order to reduce service delivery protests	<ul style="list-style-type: none"> Percentage of Sectoral Parliament COGTA resolutions implemented No. of municipalities supported to respond to community concerns No. of municipalities with functional rapid response teams in line with the Rapid Response Strategy 	100% 44 54	100% 44 54	
2.4. Capacity Building				
2.4.1. Alignment of IDP with Sector department budgets	<ul style="list-style-type: none"> No. of provincial capacity building strategies co-ordinated No. of capacity interventions conducted in municipalities 	1 3	1 3	
2.5. IDP Co-ordination				
2.5.1. Alignment of IDP with Sector department budgets	<ul style="list-style-type: none"> No. of municipalities support with development of IDP 	New	54	54
2.5.2. Implement an Integrated Provincial Service Delivery Plan based on MTEF of provincial and national departments and municipal IDPs	<ul style="list-style-type: none"> Percentage of IDP implementation issues facilitated via the Joint Provincial Service Delivery Forum 	New	100%	100%
2.5.3. Coordinate the establishment of a joint provincial forum addressing integrated development planning	<ul style="list-style-type: none"> No. of provincial service delivery IGR forums functional and maintained 	New	22	44

Table 11.7 : Service delivery measures – Programme 2: Local Governance

Outputs	Performance indicators	Performance targets		
		2018/19 Original target	2018/19 Mid-year actual	2018/19 Revised target
2.5.4. Extend shared services to include local government	• No. of district shared services implemented	New	10	10
2.6. Municipal Performance, Monitoring, Reporting and Evaluation				
2.6.1. Support municipalities to establish an effective performance management to ensure value for money	• No. of municipalities supported to institutionalise performance management system	54	54	
2.6.2. Report on progress of performance made by municipalities	• No. of Section 47 reports compiled as prescribed by the MSA	1	1	
2.6.3. Support municipalities to enhance the oversight role of councillors in assessing the performance of administration	• No. of evaluations conducted	1	1	
	• No. of municipalities complying with single reporting mechanism	54	54	
2.6.4. Develop an electronic dashboard that reflects the current status of municipalities	• No. of electronic dashboards implemented	10	10	

4.3 Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. Tables 11.8 and 11.9 reflect a summary of the 2018/19 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall increase of R107.394 million, are given in the paragraphs below the tables.

Table 11.8 : Programme 3: Development and Planning

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Spatial Planning	52 032			(5 284)			(5 284)	46 748
2. Land Use Management	21 949			1 908			1 908	23 857
3. Local Economic Development	140 605	11 051		(20 581)		11 328	1 798	142 403
4. Municipal Infrastructure	75 689	6 019		66 851			72 870	148 559
5. Disaster Management	44 882	10 350		26 744			37 094	81 976
6. IDP Co-ordination	15 441			(992)			(992)	14 449
Total	350 598	27 420	-	68 646	-	11 328	107 394	457 992
Amount to be voted								107 394

Table 11.9 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	286 074	16 369	-	(33 822)	(37 500)	-	(54 953)	231 121
Compensation of employees	121 927			(10 445)			(10 445)	111 482
Goods and services	164 147	16 369		(23 394)	(37 500)		(44 525)	119 622
Interest and rent on land				17			17	17
Transfers and subsidies to:	14 100	11 051	-	30 827	49 500	-	91 378	105 478
Provinces and municipalities	13 650	11 051		15 500	49 500		76 051	89 701
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises				15 000			15 000	15 000
Non-profit institutions							-	-
Households	450			327			327	777
Payments for capital assets	50 424	-	-	71 641	(12 000)	11 328	70 969	121 393
Buildings and other fixed structures	43 054			(20 068)	(12 000)	11 328	(20 740)	22 314
Machinery and equipment	7 208			91 871			91 871	99 079
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	162			(162)			(162)	-
Payments for financial assets							-	-
Total	350 598	27 420	-	68 646	-	11 328	107 394	457 992
Amount to be voted								107 394

Roll-overs – Programme 3: Development and Planning: R27.420 million

The main appropriation of Programme 3 increased by R27.420 million due to roll-overs from 2017/18, which affected the sub-programmes: Local Economic Development, Municipal Infrastructure and Disaster Management, as follows:

- R16.369 million was allocated to *Goods and services* under the sub-programmes: Municipal Infrastructure (R6.019 million) and Disaster Management (R10.350 million). This relates to the procurement, supply and installation of lightning protection systems in communities across the province to mitigate fatal lightning strikes, as well as the purchase of static water tanks.
- R11.051 million was allocated to the sub-programme: Local Economic Development against *Transfers and subsidies to: Provinces and municipalities* to be transferred to the nMngeni Municipality for the completion of the Nelson Mandela Exhibition Centre.

Virement – Programme 3: Development and Planning: R68.646 million

The main appropriation for Programme 3 was increased by R68.646 million due to the following virements from Programmes 1 and 4, which affected the sub-programmes: Municipal Infrastructure and Disaster Management, as follows:

- Savings of R40.597 million were identified under Programme 1, as follows:
 - R15 million was realised against *Compensation of employees* due to slower than anticipated filling of critical vacant posts, as explained.
 - R25.597 million was realised against *Machinery and equipment* due to delays with the procurement of an IT server for the department to assist with the capacity of the current server for the Microsoft Migration project currently being undertaken, as discussed.
- Savings of R28.049 million were identified under Programme 4, as follows:
 - R14.145 million was identified against *Compensation of employees* as a result slower than anticipated filling of critical vacant posts, as explained.
 - R10.584 million was realised against *Goods and services*, and this relates to the department's portion of the stipends to *Izinduna* largely due to fluctuations in the number of *Izinduna* paid.
 - R85 000 was identified against *Software and other intangible assets* due to the postponement of the procurement of the software packages relating to Adobe Acrobat, Survey Markers software and Google Earth for engineers and surveyors to 2019/20 as they are no longer needed at this stage, as per the department's IT maintenance cycle.
 - R3.235 million was identified against *Machinery and equipment* due to delays in the procurement of computers and office equipment for TCs, as well as new departmental appointments.
- The total savings of R68.646 million were moved to Programme 3 mainly under the sub-programmes: Municipal Infrastructure and Disaster Management, against *Machinery and equipment*, as follows:
 - R40.274 million for the purchase of equipment consisting of three fire trucks (R13.500 million), three graders (R9 million), three TLBs (R9 million), four water tankers (R6 million), five waste trucks (R15 million), three excavators (R9 million) and three rollers (R9 million), among others to maintain roads and improve infrastructure in municipalities.
 - R27.837 million toward the procurement of an articulated bus fitted with work stations (R10 million), Wi-Fi and media equipment for the PDMC, and one long ladder fire engine (R13 million) for high rise buildings for effective support to municipalities, among others.
 - R535 000 for the procurement of laptops/desktops for new appointees within CSCs.

In addition to the above virements to Programme 3, the following virements were undertaken across economic categories within all sub-programmes:

Vote 11: Co-operative Governance and Traditional Affairs

- Savings of R10.445 million were realised against *Compensation of employees* resulting from the slower than anticipated filling of critical vacant posts for which approval was given, as well as in-year resignations, as discussed.
- Savings of R23.394 million were realised against *Goods and services* resulting from slow procurement process for several projects including municipal norms and standards, implementation of a social cohesion programme, development of manuals for *Amakhosi* projects, fire and rescue services, as well as maintenance projects relating to CSCs that were considered capital, among others.
- Savings of R20.068 million were realised against *Buildings and other fixed structures* due to delays with the procurement of a communication system for the PDMC and the Ntshangase CSC, the construction of houses for *Amakhosi*, and late commencement of construction, refurbishment and rehabilitation of CSCs. The delayed procurement processes were due to the late appointment of the professional team required to perform a technical assessment and prepare the bill of quantities.
- Savings of R162 000 were realised against *Software and other intangible assets* due to the postponement of the purchase of the Adobe Creative Suite 6 Design and Web Premium software to create and maintain a comprehensive, accessible and user-friendly Geographical Information System (GIS) database and website to 2019/20 as they are no longer needed at this stage, as per the department's IT maintenance cycle.

The total savings of R54.069 million were moved within Programme 3, as follows:

- R17 000 was moved to *Interest and rent on land* relating to interest pertaining to the late payment made by the department to consultants responsible for the design, management and supervision of electricity projects within the Municipal Infrastructure unit. This is in line with a court order dated 2 August 2018.
- R15.500 million was moved to *Transfers and subsidies to: Provinces and municipalities* in respect of projects under the Small Town Rehabilitation (R6 million) and the Corridor Development (R1.200 million) programmes, Operational Support for TSCs (R1.300 million), the Radical Agrarian Social Economic Transformation (RASET) programme (R8 million), and GIS functionality (R500 000), among others.
- R15 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* to be transferred to the Municipal Infrastructure Support Agent (MISA) in respect of water and sanitation infrastructure study to be undertaken across all municipalities in KZN to assess backlogs in municipal infrastructure such as, abstraction works, treatment plants, bulk pump stations, bulk/reticulation pipes network and all other similar works including reservoirs, reticulation pump stations, valves, etc. MISA supports municipalities to conduct effective infrastructure planning to achieve sustainable service delivery, as well as to assist municipalities with the implementation of infrastructure projects as determined by the municipal Integrated Development Plans (IDPs), among other. MISA will undertake the study in conjunction with the department, and will factor in possible co-funding into its 2019/20 budget process, as the R15 million allocation might not be adequate to carry out the project. The scope of work requires specialist knowledge in multi-disciplinary fields of engineering (civil, structural, electrical, mechanical, hydrology, etc.), as well as specialists in human resource management and development. This implies a multi-disciplinary team of consultants will be needed to undertake the assessment.
- R327 000 was moved to *Transfers and subsidies to: Households* in respect of higher than budgeted staff exist costs.
- R23.225 million was moved to *Machinery and equipment* for the procurement of an articulated bus fitted with work stations, Wi-Fi and media equipment for the PDMC, and a long ladder fire engine for high rise buildings for effective support to municipalities.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in *Transfers and subsidies to: Provinces and municipalities* and *Transfers and subsidies to: Public corporations and private enterprises* was approved by Provincial Treasury in line with Section 6.3.1(b) of the Treasury Regulations. The decrease against *Buildings and other fixed structures* does not require

Legislature approval, as there is no reduction in *Payments for capital assets* for the Vote as a whole. The increase in transfers is in respect of *Households* for staff exit costs does not require Treasury approval.

The virements to Programme 3 require Legislature approval, as they exceed the 8 per cent threshold in terms of Section 43(2) of the PFMA.

Shifts – Programme 3: Development and Planning

The following shifts were undertaken within Programme 3, for which the original purpose of the funds remains unchanged. These shifts were within sub-programmes, hence they are not visible in Table 11.9. It is noted that at the time of preparing the 2018/19 budget, the department had not finalised the recipient municipalities, hence these projects were budgeted for under *Goods and services*. The department has now finalised the recipient municipalities and, thus the shifts undertaken:

- Funds of R49.500 million were shifted from *Goods and services* and *Buildings and other fixed structures* to *Transfers and subsidies to: Provinces and municipalities*, as follows:
 - R37.500 million was moved from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities*, as follows:
 - R33.700 million in respect of projects under the Small Town Rehabilitation (R13.400 million), Corridor Development (R2 million) and Massification (R18.300 million) programmes.
 - R3 million for the Ubhlebezwe Disaster Management Centre.
 - R800 000 for the Geospatial Database Development for the Municipal Land Information Management System.
 - R12 million was shifted from *Buildings and other fixed structures* as follows:
 - R7 million was shifted to *Goods and services* in respect of municipal projects. It is noted that, in the preparation of the 2018/19 budget, the department inadvertently allocated this to *Buildings and other fixed structures* instead of *Goods and services*. As such, this shift is merely to move the funds to the correct category. Thus, Legislature approval is not required for the reduction in capital. This R7 million was shifted from *Goods and services* to *Transfers and subsidies to: Provinces and municipalities* in respect of the Nodal Plans for municipalities (R5 million) and a Building Plans Information Management system (R2 million).
 - R5 million was shifted to *Transfers and subsidies to: Provinces and municipalities* for the provision of CSCs Infrastructure Support in municipalities. This was budgeted for under this category as the department’s Project Management unit (PMU) was going to undertake these projects on behalf of the municipalities. However, the department later decided that the recipient municipalities have the capacity to undertake these projects themselves.

Other adjustments – Programme 3: Development and Planning: R11.328 million

An amount of R11.328 million was allocated to the sub-programme: Local Economic Development, against *Buildings and other fixed structures* for disaster relief relating to the flood disaster which occurred in the province on 10 October 2017. These funds are allocated through the Provincial Disaster Recovery grant, and will be used to re-construct nine CSCs in the eThekweni and Ugu areas, which were damaged during the flood disaster, as explained earlier.

Service delivery measures – Programme 3: Development and Planning

Table 11.10 shows the service delivery information for Programme 3 as per the APP and *EPRE* of COGTA, as well as the actual achievements for the first six months of the year. Some targets are not reported on at mid-year, as the department projects to undertake them in fourth quarters. Also, some targets are no longer valid and are shown in the table as “n/a” in the 2018/19 Revised target column. One new output was added to the department’s APP, which was not reported on in the 2018/19 *EPRE*. This output is shown as “New” in the 2018/19 Original target column.

Table 11.10 : Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Performance targets		
		2018/19 Original target	2018/19 Mid-year Actual	2018/19 Revised target
3.1. Spatial Planning				
3.1.1. Align SDFs of municipalities with Spatial Planning Guidelines including (Sustainable Development Goal Strategies (SDGS), Vision 2063, NDP, Integrated Urban Development Framework (IUDF) and PGDP)	<ul style="list-style-type: none"> No. of municipal SDFs complaint with SPLUMA provisions No. of Provincial Spatial Development Frameworks reviewed No. of provincial spatial planning norms and standards on spatial equity implemented 	54 1 1	54 1 1	
3.1.2. Assist municipalities in implementing Land Use Management Schemes and systems	<ul style="list-style-type: none"> No. of municipalities supported to implement Land Use Schemes 	44	44	
3.1.3. Development of a suite of plans	<ul style="list-style-type: none"> No. of Traditional Master Settlement Plans developed No. of nodal development plans developed to promote growth of small towns 	8 5	8 5	
3.1.4. Development and implementation of key corridor development plans	<ul style="list-style-type: none"> No. of Corridor Development Plans developed 	1	1	
3.2. Development Information Services				
3.2.1. Disaster monitoring (GIS to plot early warning and effectiveness, response, impact, frequency of disasters)	<ul style="list-style-type: none"> % of incidents data mapped % of incidents, where early warning messages were disseminated mapped 	100% 100%	100% 100%	
3.2.2. Assist municipalities in implementing Land Use Management Schemes and systems	<ul style="list-style-type: none"> % of adopted municipal schemes in the province mapped % of PGDP projects mapped 	100% 100%	100% 100%	
3.2.3. Source, produce and disseminate updated municipal property registers (i.e. cadastral layer with ownership information), and analysis municipal rate data for revenue gaps (where applicable)	<ul style="list-style-type: none"> No. of municipalities supported with MPRA implementation 	38	38	
3.3. Land Use Management				
3.3.1. Support municipalities to meet the time norms for processing of development applications	<ul style="list-style-type: none"> Percentage of development applications that meet time norms for processing 	80%	100%	
3.3.2. Assist municipalities in implementing Land Use Management Schemes	<ul style="list-style-type: none"> No. of municipalities supported with implementation of SPLUMA No. of municipalities capacitated on Development Administration No. of municipalities supported with formalisation of towns 	44 44 15	24 44 15	
3.3.3. Align SDFs of municipalities with Spatial Planning Guidelines including (SDGS, Vision 2063, NDP, IUDP and PGDP)	<ul style="list-style-type: none"> No. of provincial development norms and standards developed 	1	2	
3.3.4. Undertake cadastral survey work for the provision and maintenance of property descriptions of the areas of jurisdiction of Traditional Institutions	<ul style="list-style-type: none"> % of received boundary description requests attended to No. of <i>Izigodi</i> mapped 	100% 240	- -	
3.4.1 Local Economic Development (Special initiatives)				
3.4.1.1 Establish district agencies to drive LED and Investment	<ul style="list-style-type: none"> No. of district agencies supported to effectively drive LED 	10	10	
3.4.1.2 Implementation of LED projects in line with municipal LED strategies	<ul style="list-style-type: none"> No. of municipalities supported to implement LED projects in line with updated municipal LED strategies No. of municipalities supported to implement the Red Tape Reduction programme No. of social cohesion and nation building programmes supported 	54 54 1	54 54 1	
3.4.2 Local Economic Development (CSCs)				
3.4.2.1 Establishment of CSCs in Key Nodes aligned to Provincial Framework	<ul style="list-style-type: none"> No. of CSC construction programmes implemented No. of CSC rehabilitation programmes implemented No. of municipalities supported with Grade 1 CSCs functionality No. of Traditional Councils supported with Grade 2 CSCs functionality 	1 1 21 30	1 1 21 30	
3.4.3 Community Works Programme (CWP)				
3.4.3.1 Maintain EPWP and CWP employment opportunities	<ul style="list-style-type: none"> No. of employment opportunities created through the CWP in municipalities 	40 500	Annual	
3.4.4 Local Economic Development (EPWP)				
3.4.4.1 Maintain EPWP and CWP employment opportunities	<ul style="list-style-type: none"> No. of employment opportunities created through EPWP inclusive of all sectors (Food For Waste (FFW), Corridor, Small Town, CSC construction) No. of municipalities supported to comply with EPWP principles 	1 500 54	Annual 54	

Table 11.10 : Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Performance targets		
		2018/19 Original target	2018/19 Mid-year Actual	2018/19 Revised target
3.5 Municipal Infrastructure				
3.5.1	Functionality of IGR forums to promote the co-ordination of service delivery	<ul style="list-style-type: none"> No. of functional co-ordinating structures for infrastructure development and service delivery No. of municipalities monitored on the implementation of infrastructure delivery programmes No. of municipalities supported to implement indigent policies 	11 53 53	4 - -
3.5.2	Support municipalities on the delivery of basic services	<ul style="list-style-type: none"> No. of municipalities supported with increasing yard water connections No. of municipalities supported in provision of basic level of sanitation services 	13 13	13 13
3.5.3	Municipalities with the supply of energy	<ul style="list-style-type: none"> No. of municipalities supported with increasing households with a source of electrical supply 	3	3
3.5.4	Support municipalities in implementing operations and maintenance plans	<ul style="list-style-type: none"> No. of municipalities supported to implement operation and maintenance plans 	53	53
3.6 Disaster Management				
3.6.1	Disseminate early warning systems, impact, frequency and response plan	<ul style="list-style-type: none"> % of disaster incidents where prior warning was disseminated % of disaster events responded to within 6 hours No. of integrated communication system projects installed 	100% 100% New	100% 100% -
3.6.2	Provincial and District Disaster Management IGR structures operational	<ul style="list-style-type: none"> No. of Disaster Management Advisory Forums supported 	12	12
3.6.3	Capacitate municipalities on Disaster Risk Management	<ul style="list-style-type: none"> No. of municipalities supported on fire brigade services 	11	4
3.6.4	Monitor the implementation of Disaster Risk Reduction Legislation by municipalities, sector departments and stakeholders	<ul style="list-style-type: none"> No. of districts and Metro monitored on the implementation of Disaster Risk Management Legislation No. of sector departments and stakeholders monitored on the implementation of Disaster Risk Management Legislation No. of municipalities supported to maintain functional Disaster Management Centres 	10 districts & metro 7 depts & 3 stakeholder 10 districts & metro	10 districts & metro 7 depts & 3 stakeholder 10 districts & metro
3.7 IDP Co-ordination				
3.7.1	Implement an Integrated Provincial Service Delivery Plan based on MTEF of provincial and national departments and municipal IDPs	<ul style="list-style-type: none"> No. of municipalities support with development of IDP 	54	n/a
3.7.2	Co-ordinate the establishment of a joint provincial forum addressing integrated development planning	<ul style="list-style-type: none"> % of IDP implementation issues facilitated via the Joint Provincial Service Delivery Forum 	100%	n/a
3.7.3	Assist municipalities align budget with community needs	<ul style="list-style-type: none"> No. of municipalities with ward based plans aligned to the IDP 	44	n/a
3.7.4	Build capacity of critical skills in district municipalities (pool of skills) Extend shared services to include local government	<ul style="list-style-type: none"> No. of district shared services implemented 	10	n/a

4.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to support and enhance the capacity of traditional councils. Tables 11.11 and 11.12 reflect a summary of the 2018/19 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R26.898 million, are provided in the paragraphs following the tables.

Table 11.11 : Programme 4: Traditional Institutional Management

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
1. Traditional Institutional Administration	447 679	16		(22 112)		5 000	(17 096)	430 583
2. Traditional Resource Administration	82 878			(7 519)			(7 519)	75 359
3. Rural Development Facilitation	21 443			(4 711)			(4 711)	16 732
4. Traditional Land Administration	20 793			2 428			2 428	23 221
Total	572 793	16	-	(31 914)	-	5 000	(26 898)	545 895
Amount to be voted							(26 898)	

Table 11.12 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	564 081	-	-	(29 144)	(100)	5 000	(24 244)	539 837
Compensation of employees	196 556			(18 560)			(18 560)	177 996
Goods and services	367 525			(10 584)	(100)	5 000	(5 684)	361 841
Interest and rent on land							-	-
Transfers and subsidies to:	1 150	-	-	550	100	-	650	1 800
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions					100		100	100
Households	1 150			550			550	1 700
Payments for capital assets	7 562	16	-	(3 320)	-	-	(3 304)	4 258
Buildings and other fixed structures							-	-
Machinery and equipment	7 477	16		(3 235)			(3 219)	4 258
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	85			(85)			(85)	-
Payments for financial assets							-	-
Total	572 793	16	-	(31 914)	-	5 000	(26 898)	545 895
Amount to be voted								(26 898)

Roll-overs – Programme 4: Traditional Institutional Management: R16 000

The main appropriation of Programme 4 increased by R16 000 due to roll-overs from 2017/18, which increased the sub-programme: Traditional Institutional Administration, as follows:

- R16 000 was allocated to *Machinery and equipment* for the purchase of laptops for staff which were ordered in 2017/18 but were not delivered by year-end.

Virement – Programme 4: Traditional Institutional Management: (R31.914 million)

The main appropriation of Programme 4 was decreased by R31.914 million as a result of the following virements, which affected all sub-programmes:

- Savings of R31.914 million were identified under Traditional Institutional Administration, Traditional Resource Administration and Rural Development Facilitation, as follows:
 - o R18.010 million was identified from *Compensation of employees* due to slower than anticipated filling of approved vacant posts.
 - o R10.584 million was realised against *Goods and services*, and this relates to the department's portion of the remuneration in respect of stipend to *Izinduna*, largely due to fluctuations in the number of *Izinduna* being paid.
 - o R85 000 was identified against *Software and other intangible assets* due to the postponement of the procurement of various software packages including Adobe Acrobat, Survey Markers software and Google Earth for engineers and surveyors to 2019/20 in line with their maintenance cycle.
 - o R3.235 million was identified against *Machinery and equipment* due to delays in the procurement of computers and office equipment for TCs, as well as new departmental appointments.

The total savings of R31.914 million were moved to Programmes 2 and 3, as follows:

- o R3.865 million was moved to Programme 2, against *Machinery and equipment* for the procurement of laptops for CDWs, and toward the purchase of one branded sound trucks with a mobile stage, as explained.
- o R28.049 million was moved to Programme 3, against *Machinery and equipment* for the purchase of an articulated bus fitted with work stations, Wi-Fi and media equipment for the PDMC, and one long ladder fire engine for high rise buildings for effective support to municipalities.

In addition to the above virements from Programme 4, the following virements were undertaken across economic categories within the sub-programme: Traditional Land Administration:

- Savings of R550 000 were realised against *Compensation of employees* due to slower than anticipated filling of approved vacant posts. These savings were moved to *Transfers and subsidies to: Households* in respect of higher than budgeted staff exit costs.

These virements are permissible in terms of the PFMA and Treasury Regulations. The decrease against *Machinery and equipment* and *Software and other intangible assets* does not require Legislature approval, as it is within a programme and there is no reduction in *Payments for capital assets* for the Vote as a whole. The increase in transfers in respect of *Households* for staff exit costs does not require Treasury approval.

Shifts – Programme 4: Traditional Institutional Management

An amount of R100 000 was shifted from *Goods and services* to *Transfers and subsidies to: Non-profit institutions* within the sub-programme: Traditional Land Administration, as a transfer to the Tembe Trust Account in support of the Umthayi Amarula festival. The purpose of the event is to celebrate the first fruits with respect to the marula fruits, which are then brewed into a traditional beer by all households within the Tembe Traditional Community, and this is presented to the *Inkosi* at his residence in the form of a colourful festival. This donation made to the Tembe Trust Account does not require Legislature approval as the amount does not exceed the R100 000 threshold. The department budgeted for this under *Goods and services* to procure refreshments (such as fruits and juice) for 45 000 people expected to attend the event. However, after reviewing the request from the Trust at R2 million, the department took the decision to transfer R100 000 toward the event as it was more cost effective. Hence, the shift undertaken.

Other adjustments – Programme 4: Traditional Institutional Management: R5 million

The following adjustments were made to the budget resulting in a net increase of R5 million, as follows:

- R40 million, which was specifically and exclusively funding allocated to the sub-programme: Traditional Institutional Administration in 2017/18 in respect of the TC elections against *Goods and services*, was suspended from the department's 2017/18 budget, and allocated back in 2018/19 for the same purpose. The elections, which were planned to take place in February/March 2018, were later postponed to May/June 2018. However, the TC elections have once again been postponed to December 2019 and, in this regard, an amount of R35 million of the R40 million is now being suspended to 2019/20 for this purpose.
- The balance of R5 million is allocated to the sub-programme: Traditional Institutional Administration against *Goods and services* to be used for voter education programmes, and this constitutes a change in purpose.

Legislature approval is required for the R5 million reduced from the R40 million specifically and exclusively allocated funding given to the department in 2017/18 in respect of the TC elections, as this constitutes a change in purpose in terms of Section 43(4)(a) of the PFMA.

Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.13 shows the service delivery for Programme 4 as per the APP and EPRE of COGTA, as well as the actual achievement for the first six months of the year.

Table 11.13 : Service delivery measures – Programme 4: Traditional Institutional Management

Outputs	Performance indicators	Performance targets		
		2018/19 Original target	2018/19 Mid-year actual	2018/19 Revised Target
4.1. Traditional Institutional Administration				
4.1.1. To enhance traditional institutional governance by supporting traditional institutions in the application of appropriate legislation, policies and frameworks	<ul style="list-style-type: none"> No. of programmes undertaken to support the finalisation of the Bill on Traditional Leadership 	1	2	
4.1.2. To enhance traditional institutional governance by supporting traditional institutions in the application of appropriate legislation, policies and frameworks	<ul style="list-style-type: none"> Percentage of succession claims/disputes processed 	100%	100%	
4.1.3. Support platforms for sharing traditional cultures and indigenous knowledge at provincial and district levels	<ul style="list-style-type: none"> Percentage of approved cultural platforms supported 	100%	100%	
	<ul style="list-style-type: none"> No. of <i>Izizwe</i> with updated family trees 	300	75	
4.2. Traditional Resource Administration				
4.2.1. Audit skills levels of traditional leadership institutions	<ul style="list-style-type: none"> No. of Local Houses of Traditional Leaders supported with functionality 	11	11	
	<ul style="list-style-type: none"> No. of Traditional Councils supported to perform their duties 	257	257	
	<ul style="list-style-type: none"> No. of head counts conducted on <i>Izinduna</i> 	4	1	

5. Specifically and exclusively appropriated allocations

Table 11.14 shows the amounts that are specifically and exclusively appropriated for specific purposes in terms of the KZN Adjustments Appropriation Act, 2018. Note that conditional grants, as well as transfers to local government (which are also specifically and exclusively appropriated funds) are not included here, as these are discussed in Sections 8 and 9 below. No changes were made to the specifically and exclusively appropriated funds.

Although not included in Table 11.14, it should be noted that the R40 million, which was specifically and exclusively allocated to Programme 4 in 2017/18 in respect of the TC elections against *Goods and services*, was suspended from the department's 2017/18 budget, and allocated back in 2018/19 for the same purpose. The elections have been postponed to December 2019 and, in this regard, and an amount of R35 million of the R40 million is now being suspended to 2019/20 for this purpose. However, the balance of R5 million is allocated against *Goods and services* to be used for voter education programmes, and this constitutes a change in purpose.

Table 11.14 : Summary of specifically and exclusively appropriated funding

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
1. Prog. 3: Mandela Day Marathon event	1 500					-	1 500
2. Prog. 4: Remuneration of <i>Izinduna</i>	133 103					-	133 103
Total	134 603	-	-	-	-	-	134 603
Amount to be voted							-

6. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorship in excess of R100 000 during the current financial year.

7. Infrastructure

Table 11.15 shows the summary of infrastructure payments per main category.

It should be noted that the columns Main appropriation, Shifts and Total adjustments appropriation in Table 11.15 do not balance to the same columns in Table 11.2 due to an error of allocating R7 million against *Buildings and other fixed structures* instead of *Goods and services* in Table 11.2 during the preparation of the 2018/19 Main appropriation. The error only affected Table 11.2, and this is being

corrected by undertaking a shift from *Buildings and other fixed structures* in Table 11.2 to *Goods and services* in the same table. Hence, the above-mentioned columns are not balancing.

Details of the main adjustments, which resulted in an overall decrease of R17.777 million, are provided in the paragraphs following the table.

Table 11.15 : Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/		Other				
		Roll-overs	unavoidable	Virement	Shifts	adjustments		
Existing infrastructure assets	15 450	-	-	(7 867)	(4 500)	11 328	(1 039)	14 411
Maintenance and repair: Current	7 000			(4 037)			(4 037)	2 963
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital	8 450			(3 830)	(4 500)	11 328	2 998	11 448
New infrastructure assets: Capital	27 604			(16 238)	(500)		(16 738)	10 866
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital							-	-
Infrastructure transfers: Current							-	-
Infrastructure: Payments for financial assets							-	-
Infrastructure: Leases							-	-
Non infrastructure							-	-
Capital infrastructure	36 054	-	-	(20 068)	(5 000)	11 328	(13 740)	22 314
Current infrastructure	7 000	-	-	(4 037)	-	-	(4 037)	2 963
Total	43 054	-	-	(24 105)	(5 000)	11 328	(17 777)	25 277
Amount to be voted								(17 777)

- *Virement*: The infrastructure budget was decreased by R24.105 million as follows:
 - Savings of R4.037 million were realised under *Maintenance and repair: Current* due to maintenance projects relating to CSCs that were considered capital.
 - Savings of R3.830 million were realised under *Refurbishment and rehabilitation: Capital* attributed to the late commencement of refurbishment and rehabilitation of the Matimatole and Ngwenya CSCs.
 - Savings of R16.238 million were identified against *New infrastructure assets: Capital* due to slow commencement of the procurement process for the communication system for the PDMC and the Ntshangase CSC.
 - The total savings of R24.105 million were moved to *Machinery and equipment* for the procurement of an articulated bus fitted with work stations, Wi-Fi and media equipment for the PDMC, and a long ladder fire engine for high rise buildings for effective support to municipalities.

The above virements are permissible in terms of the PFMA and Treasury Regulations. The decrease against *Capital infrastructure* does not require Legislature approval, as there is no reduction in capital for the Vote as a whole.

- *Shifts*: An amount of R5 million was shifted within Programme 3 from *Refurbishment and rehabilitation: Capital* (R4.500 million) and *New infrastructure assets: Capital* (R500 000) to *Transfers and subsidies to: Provinces and municipalities* for CSCs Infrastructure Support in municipalities. As explained, this was budgeted for under these categories as the department's PMU was going to undertake these projects on behalf of the recipient municipalities. However, the department later decided that the recipient municipalities have the capacity to undertake the projects themselves.
- *Other adjustments*: An amount of R11.328 million was allocated to Programme 3, and against *Refurbishment and rehabilitation: Capital* for disaster relief relating to the flood disaster which occurred in the province on 10 October 2017. These funds are allocated through a new grant namely, the Provincial Disaster Recovery grant, and will be used to re-construct nine CSCs in eThekweni and Ugu, which were damaged during the flood disaster.

8. Conditional grants

Tables 11.16 and 11.17 provide a summary of conditional grants per main category. Details of the main adjustments, which resulted in an overall increase of R11.328 million, are provided in the paragraphs following the table.

Table 11.16 : Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
3. Development and Planning	4 552	-	-	-	-	11 328	11 328	15 880
EPWP Integrated Grant for Provinces	4 552						-	4 552
Provincial Disaster Recovery grant						11 328	11 328	11 328
Total	4 552	-	-	-	-	11 328	11 328	15 880
Amount to be voted								11 328

Table 11.17 : Summary of conditional grants by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	4 552	-	-	-	-	-	-	4 552
Compensation of employees							-	-
Goods and services	4 552						-	4 552
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	-	-	-	-	-	11 328	11 328	11 328
Buildings and other fixed structures						11 328	11 328	11 328
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	4 552	-	-	-	-	11 328	11 328	15 880
Amount to be voted								11 328

It is noted that the department received a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces, which the department uses for their Food for Waste programme in communities, where the members neediest collect domestic waste from households and in public places and, in return, they receive food parcels.

Also, the department receives a new grant, namely the Provincial Disaster Recovery grant allocated for the first time in the 2018/19 Adjustments Estimate for disaster relief relating to the flood disaster, as explained previously.

- *Other adjustments:* An amount of R11.328 million is allocated to Programme 3, and against *Refurbishment and rehabilitation: Capital* for disaster relief relating to the flood disaster which occurred in the province on 10 October 2017. These funds are allocated through a new grant, namely the Provincial Disaster Recovery grant, and will be used to re-construct nine CSCs in the eThekweni and Ugu areas, which were damaged during the flood disaster.

9. Transfers and subsidies

Table 11.18 shows the summary of transfers and subsidies by programme and main category.

Details of the main adjustments, which resulted in an overall increase of R94.006 million, are provided in the paragraphs after the table.

Table 11.18 : Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Administration	13 911	-	-	(1 188)	-	-	(1 188)	12 723
Provinces and municipalities	497	-	-	(195)	-	-	(195)	302
Motor vehicle licences	497	-	-	(195)	-	-	(195)	302
Households	13 414	-	-	(993)	-	-	(993)	12 421
Staff exit costs	2 542	-	-	664	-	-	664	3 206
Bursaries and claims against the state	10 872	-	-	(1 657)	-	-	(1 657)	9 215
2. Local Governance	70	-	-	166	3 000	-	3 166	3 236
Provinces and municipalities	-	-	-	-	3 000	-	3 000	3 000
Integrated Youth Development summit	-	-	-	-	1 000	-	1 000	1 000
Shared Legal Services	-	-	-	-	2 000	-	2 000	2 000
Households	70	-	-	166	-	-	166	236
Staff exit costs	70	-	-	166	-	-	166	236
3. Development and Planning	14 100	11 051	-	30 827	49 500	-	91 378	105 478
Provinces and municipalities	13 650	11 051	-	15 500	49 500	-	76 051	89 701
Building Plans Information Management system	-	-	-	-	2 000	-	2 000	2 000
Corridor Development programme	-	-	-	1 200	2 000	-	3 200	3 200
CSC Infrastructure Support	-	-	-	-	5 000	-	5 000	5 000
Development Planning and Shared Services	2 650	-	-	-	-	-	-	2 650
Geospatial Database Development	-	-	-	-	800	-	800	800
GIS functionality	-	-	-	500	-	-	500	500
Massification prog (incl. elec. projects)	-	-	-	-	18 300	-	18 300	18 300
Nelson Mandela Exhibition Centre	-	11 051	-	-	-	-	11 051	11 051
Nodal Plans	-	-	-	-	5 000	-	5 000	5 000
Operational Support for TSCs	-	-	-	1 300	-	-	1 300	1 300
RASET	-	-	-	8 000	-	-	8 000	8 000
Schemes Support programme	4 500	-	-	-	-	-	-	4 500
Small Town Rehabilitation programme	-	-	-	6 000	13 400	-	19 400	19 400
Spatial Dev. Framework Support	5 000	-	-	-	-	-	-	5 000
Sustainable Living Exhibition	1 500	-	-	(1 500)	-	-	(1 500)	-
Ubuhlebezwe Disaster Management Centre	-	-	-	-	3 000	-	3 000	3 000
Public corporations and private enterprises	-	-	-	15 000	-	-	15 000	15 000
Municipal Infrastructure Support Agent	-	-	-	15 000	-	-	15 000	15 000
Households	450	-	-	327	-	-	327	777
Staff exit costs	450	-	-	327	-	-	327	777
4. Traditional Institutional Management	1 150	-	-	550	100	-	650	1 800
Non-profit institutions	-	-	-	-	100	-	100	100
Tembe Trust account	-	-	-	-	100	-	100	100
Households	1 150	-	-	550	-	-	550	1 700
Staff exit costs	1 150	-	-	550	-	-	550	1 700
Total	29 231	11 051	-	30 355	52 600	-	94 006	123 237
Amount to be voted								94 006

- *Roll-overs*: R11.051 million was rolled over to Programme 3, *Provinces and municipalities* as transfer to the uMngeni Municipality for the completion of the Nelson Mandela Exhibition Centre.
- *Virement*: The department undertook virements in respect of *Transfers and subsidies*. These virements, which resulted in a net increase of R30.355 million, are summarised as follows:
 - o In Programme 1, savings of R1.188 million were as follows:
 - *Provinces and municipalities* decreased by R195 000 due to lower than budgeted motor vehicle licence fees.
 - *Households* decreased by a net amount of R993 000 due to lower than budgeted external bursary costs (R1.657 million). This was offset by higher than budgeted staff exit costs (R664 000).
 - The net savings of R1.188 million were moved to *Software and other intangible assets* for the implementation of an integrated financial management and internal control system for TCs across the province.
 - o With regard to Programme 2, savings of R166 000 were realised under *Compensation of employees* resulting from the slower than anticipated filling of critical vacant posts for which approval was given, as well as in-year resignations, as discussed. These savings were moved to *Transfers and subsidies to: Households* in respect of higher than budgeted staff exit costs.
 - o In Programme 3, the following virements were undertaken:
 - Savings of R10.445 million were realised against *Compensation of employees* resulting from the slower than anticipated filling of critical vacant posts for which approval was given, as well as in-year resignations, as discussed.

- Savings of R6.555 million were realised against *Goods and services* resulting from slow procurement process for several projects including municipal norms and standards, implementation of a social cohesion programme, development of manuals for *Amakhosi* projects, fire and rescue services, among others.
- The total savings of R17 million were moved to *Provinces and municipalities* within Programme 3, in respect of projects under the Small Town Rehabilitation (R6 million) and the Corridor Development (R1.200 million) programmes, Operational Support for TSCs (R1.300 million), the RASET programme (R8 million), and the GIS functionality (R500 000). However, the increase was offset by a decrease of R1.500 million in respect of the Sustainable Living Exhibition which will not be transferred to the recipient municipality due to non-submission of the required signed MOA. These amendments are shown in Tables 11.28, 11.22, 11.29, 11.34, 11.35 and 11.21.
- Savings of R15 million were realised against *Compensation of employees* due to slower than anticipated filling of critical vacant posts and *Goods and services* resulting from slow procurement process for several projects, as explained. These funds were moved within Programme 3, against *Public corporations and private enterprises* to be transferred to MISA in respect of a study to be undertaken across all municipalities in KZN to assess backlogs in municipal infrastructure, as discussed.
- Savings of R327 000 were realised against *Goods and services* within Programme 3 due to the department's portion of stipends to *Izinduna* being lower than budgeted largely due to fluctuations in the number of *Izinduna* paid. The total savings were moved to *Households* in respect of higher than budgeted staff exist costs.
- o In Programme 4, savings of R550 000 were realised under *Compensation of employees* due to slower than anticipated filling of approved vacant posts, and were moved to *Households* for higher than budgeted staff exit costs.

All these virements are permissible in terms of the PFMA and Treasury Regulations, and Treasury approval was granted where transfers were increased. The decrease against *Transfers and subsidies to: Households* in respect of external bursaries does not require Legislature approval, as the funds were not appropriated for transfer to other institutions in terms of Section 43(4)(c) of the PFMA.

The decrease against Sustainable Living Exhibition requires Legislature approval, as the funds were appropriated and gazetted for transfer to another institution in terms of the PFMA.

- *Shifts*: The following shifts, which resulted in an increase of R52.600 million, were undertaken against the *Transfers and subsidies* budget, for which the purpose of the funds remains unchanged:
 - o In Programme 2, an amount of R3 million was shifted from *Goods and services* to *Provinces and municipalities* toward the implementation of Shared Legal Services, where municipalities will establish Shared Legal Services units (R2 million) and for the hosting of an Integrated Youth Development Summit in eThekweni (R1 million), as shown in Tables 11.32 and 11.23.
 - o In Programme 3, R49.500 million was shifted from *Goods and services* (R44.500 million) and *Buildings and other fixed structures* (R5 million) to *Provinces and municipalities*, as follows:
 - R13.400 million for the Small Town Rehabilitation programme, as shown in Table 11.28.
 - R2 million for the Corridor Development programme, as shown in Table 11.22.
 - R18.300 million for the Massification programme (including electrification projects), as shown in Table 11.31.
 - R5 million for the CSC Infrastructure Support, as shown in Table 11.30.
 - R3 million for the Ubuhlebezwe Disaster Management Centre, as shown in Table 11.36.
 - R5 million for the Nodal Plans, as shown in Table 11.24.
 - R800 000 for the Geospatial Database Development for the Municipal Land Information Management System, as shown in Table 11.26.

- R2 million for a Building Plans Information Management system, as shown in Table 11.33.
- o In Programme 4, R100 000 was shifted from *Goods and services* to *Non-profit institutions*, as a donation to the Tembe Trust Account in support of the Umthayi Amarula festival, as explained.

10. Transfers to local government

Tables 11.19 to 11.37 show the details of transfers to local government, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act, 2018. It is noted that the amount against *Provinces and municipalities* in Table 11.17 includes provision for motor vehicle licences. This amount is excluded from the transfers to local government table, as these funds will not be transferred to any municipality. It is further noted that allocations to specific municipalities will be gazetted following the tabling of the Adjustments Estimate, in line with DORA requirements. Details of the main adjustments, which resulted in an overall increase of R79.051 million, are provided in the paragraphs below:

- *Roll-overs*: An amount of R11.051 million was allocated to the uMngeni Municipality for the completion of the Nelson Mandela Exhibition Centre.
- *Virement*: The department undertook the following virements affecting transfers to local government within Programme 3:
 - o Savings of R17 million were identified against *Compensation of employees* (R10.445 million) and *Goods and services* (R6.555 million) within Programme 3 and were moved to *Provinces and municipalities* for projects under the Small Town Rehabilitation and the Corridor Development programmes, Operational Support for TSCs, the RASET programme, and the GIS functionality, among others, as shown in Tables 11.28, 11.22, 11.29, 11.34 and 11.35.
 - o The increase in *Provinces and municipalities* was offset by a reduction of R1.500 million against eThekweni in respect of the Sustainable Living Exhibition due to non-submission of a signed MOA, as shown in Table 11.21.

All these virements are permissible in terms of the PFMA and Treasury Regulations, and Treasury approval was granted where transfers were increased.

Legislature approval is required for the decrease in transfers in respect of the Sustainable Living Exhibition, as the funds were gazetted for transfer to a municipality in terms of the PFMA.

- *Shifts*: The department undertook the following shifts affecting transfers to local government, for which the purpose of the funds remains unchanged:
 - o In Programme 2, an amount of R3 million was shifted from *Goods and services* to *Provinces and municipalities* toward the implementation of Shared Legal Services support, where the Ugu and King Cetshwayo District Municipalities will establish Shared Legal Services units (R2 million) and for the hosting of an Integrated Youth Development Summit in eThekweni (R1 million), as shown in Tables 11.32 and 11.23.
 - o In Programme 3, R49.500 million was shifted from *Goods and services* (R44.500 million) and *Buildings and other fixed structures* (R5 million) to *Provinces and municipalities*, as follows:
 - R13.400 million for the Small Town Rehabilitation programme, as shown in Table 11.28.
 - R2 million for the Corridor Development programme, as shown in Table 11.22.
 - R18.300 million for the Massification programme, as shown in Table 11.31.
 - R5 million for the CSCs Infrastructure Support, as shown in Table 11.30.
 - R3 million for the Ubuhlebezwe Disaster Management Centre, as shown in Table 11.36.
 - R5 million for the Nodal Plans, as shown in Table 11.24.
 - R800 000 for the Geospatial Database Development for the Municipal Land Information Management System, as shown in Table 11.26.
 - R2 million for a Building Plans Information Management system, as shown in Table 11.33.

Vote 11: Co-operative Governance and Traditional Affairs

Table 11.19: Summary of transfers to local government

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts			Other adjustments
A KZN2000 eThekweni	1 500	-	-	(1 500)	1 000	-	(500)	1 000
Total: Ugu Municipalities	1 400	-	-	-	1 000	-	1 000	2 400
B KZN212 uMdoni	1 000	-	-	-	-	-	-	1 000
C DC21 Ugu District Municipality	400	-	-	-	1 000	-	1 000	1 400
Total: uMgungundlovu Municipalities	1 000	11 051	-	1 700	3 800	-	16 551	17 551
B KZN222 uMngeni	500	11 051	-	1 200	1 000	-	13 251	13 751
B KZN227 Richmond	-	-	-	-	2 000	-	2 000	2 000
C DC22 uMgungundlovu District Municipality	500	-	-	500	800	-	1 300	1 800
Total: uThukela Municipalities	2 300	-	-	3 500	4 900	-	8 400	10 700
B KZN235 Okhahlamba	-	-	-	500	2 000	-	2 500	2 500
B KZN237 iNkosi Langalibalele	1 000	-	-	-	900	-	900	1 900
B KZN238 Alfred Duma	1 000	-	-	-	1 000	-	1 000	2 000
C DC23 uThukela District Municipality	300	-	-	3 000	1 000	-	4 000	4 300
Total: uMzinyathi Municipalities	450	-	-	-	500	-	500	950
B KZN241 eNdumeni	-	-	-	-	500	-	500	500
C DC24 uMzinyathi District Municipality	450	-	-	-	-	-	-	450
Total: Amajuba Municipalities	400	-	-	-	500	-	500	900
B KZN253 eMahlangueni	-	-	-	-	500	-	500	500
C DC25 Amajuba District Municipality	400	-	-	-	-	-	-	400
Total: Zululand Municipalities	2 300	-	-	-	3 500	-	3 500	5 800
B KZN261 eDumbe	-	-	-	-	3 000	-	3 000	3 000
B KZN262 uPhongolo	-	-	-	-	500	-	500	500
B KZN263 Abaqulusi	-	-	-	-	1 500	-	1 500	1 500
B KZN265 Nongoma	1 000	-	-	-	(1 000)	-	(1 000)	-
B KZN266 Ulundi	1 000	-	-	-	(500)	-	(500)	500
C DC26 Zululand District Municipality	300	-	-	-	-	-	-	300
Total: uMkhanyakude Municipalities	1 400	-	-	6 300	14 900	-	21 200	22 600
B KZN271 uMhlabuyalingana	-	-	-	6 000	2 000	-	8 000	8 000
B KZN272 Jozini	-	-	-	300	1 000	-	1 300	1 300
B KZN275 Mtubatuba	650	-	-	-	6 100	-	6 100	6 750
B KZN276 Big Five Hlabisa	750	-	-	-	5 800	-	5 800	6 550
Total: King Cetshwayo Municipalities	900	-	-	-	2 900	-	2 900	3 800
B KZN281 uMfolozi	600	-	-	-	(100)	-	(100)	500
B KZN284 uMlalazi	-	-	-	-	1 000	-	1 000	1 000
C DC28 King Cetshwayo District Municipality	300	-	-	-	2 000	-	2 000	2 300
Total: iLembe Municipalities	1 000	-	-	5 000	10 000	-	15 000	16 000
B KZN292 KwaDukuza	1 000	-	-	-	4 000	-	4 000	5 000
B KZN294 Maphumulo	-	-	-	-	5 000	-	5 000	5 000
C DC29 iLembe District Municipality	-	-	-	5 000	1 000	-	6 000	6 000
Total: Harry Gwala Municipalities	1 000	-	-	500	9 500	-	10 000	11 000
B KZN433 Greater Kokstad	-	-	-	-	5 000	-	5 000	5 000
B KZN434 uBuhlebezwe	1 000	-	-	-	4 000	-	4 000	5 000
B KZN435 uMzimkhulu	-	-	-	-	500	-	500	500
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	500	-	-	500	500
Total	13 650	11 051	-	15 500	52 500	-	79 051	92 701
Amount to be voted								79 051

Table 11.20: Transfers to local government - Development Planning and Shared Services

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: Ugu Municipalities	400	-	-	-	-	-	400
C DC21 Ugu District Municipality	400	-	-	-	-	-	400
Total: uMgungundlovu Municipalities	500	-	-	-	-	-	500
C DC22 uMgungundlovu District Municipality	500	-	-	-	-	-	500
Total: uThukela Municipalities	300	-	-	-	-	-	300
C DC23 uThukela District Municipality	300	-	-	-	-	-	300
Total: uMzinyathi Municipalities	450	-	-	-	-	-	450
C DC24 uMzinyathi District Municipality	450	-	-	-	-	-	450
Total: Amajuba Municipalities	400	-	-	-	-	-	400
C DC25 Amajuba District Municipality	400	-	-	-	-	-	400
Total: Zululand Municipalities	300	-	-	-	-	-	300
C DC26 Zululand District Municipality	300	-	-	-	-	-	300
Total: King Cetshwayo Municipalities	300	-	-	-	-	-	300
C DC28 King Cetshwayo District Municipality	300	-	-	-	-	-	300
Total	2 650	-	-	-	-	-	2 650
Amount to be voted							-

Table 11.21 : Transfers to local government - Sustainable Living Exhibition

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
A KZN2000 eThekweni	1 500			(1 500)		(1 500)	-
Total	1 500	-	-	(1 500)	-	(1 500)	-
Amount to be voted							(1 500)

Table 11.22 : Transfers to local government - Corridor Development programme

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: uMgungundlovu Municipalities	-	-	-	1 200	-	1 200	1 200
B KZN222 uMngeni				1 200		1 200	1 200
Total: uMkhanyakude Municipalities	-	-	-	-	1 000	1 000	1 000
B KZN271 uMhlabuyalingana					1 000	1 000	1 000
Total: iLembe Municipalities	-	-	-	-	1 000	1 000	1 000
C DC29 iLembe District Municipality					1 000	1 000	1 000
Total	-	-	-	1 200	2 000	3 200	3 200
Amount to be voted							3 200

Table 11.23 : Transfers to local government - Integrated Youth Development summit

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
A KZN2000 eThekweni					1 000	1 000	1 000
Total	-	-	-	-	1 000	1 000	1 000
Amount to be voted							1 000

Table 11.24 : Transfers to local government - Nodal Plans

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: uMgungundlovu Municipalities	-	-	-	-	1 000	1 000	1 000
B KZN222 uMngeni					1 000	1 000	1 000
Total: uThukela Municipalities	-	-	-	-	2 000	2 000	2 000
B KZN238 Alfred Duma					1 000	1 000	1 000
C DC23 uThukela District Municipality					1 000	1 000	1 000
Total: uMkhanyakude Municipalities	-	-	-	-	1 000	1 000	1 000
B KZN271 uMhlabuyalingana					1 000	1 000	1 000
Total: King Cetshwayo Municipalities	-	-	-	-	1 000	1 000	1 000
C DC28 King Cetshwayo District Municipality					1 000	1 000	1 000
Total	-	-	-	-	5 000	5 000	5 000
Amount to be voted							5 000

Table 11.25 : Transfers to local government - Spatial Development Framework Support

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: Ugu Municipalities	1 000	-	-	-	-	-	1 000
B KZN212 uMdoni	1 000						1 000
Total: uThukela Municipalities	2 000	-	-	-	-	-	2 000
B KZN237 iNkosi Langalibalele	1 000						1 000
B KZN238 Alfred Duma	1 000						1 000
Total: Zululand Municipalities	-	-	-	-	1 000	1 000	1 000
B KZN261 eDumbe					1 000	1 000	1 000
Total: King Cetshwayo Municipalities	-	-	-	-	1 000	1 000	1 000
B KZN284 uMlalazi					1 000	1 000	1 000
Total: iLembe Municipalities	1 000	-	-	-	(1 000)	(1 000)	-
B KZN292 KwaDukuza	1 000				(1 000)	(1 000)	-
Total: Harry Gwala Municipalities	1 000	-	-	-	(1 000)	(1 000)	-
B KZN434 uBuhlebezwe	1 000				(1 000)	(1 000)	-
Total	5 000	-	-	-	-	-	5 000
Amount to be voted							-

Table 11.26 : Transfers to local government - Geospatial Database Development

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: uMgungundlovu Municipalities	-	-	-	-	800	800	800
C DC22 uMgungundlovu District Municipality					800	800	800
Total	-	-	-	-	800	800	800
Amount to be voted							800

Vote 11: Co-operative Governance and Traditional Affairs

Table 11.27 : Transfers to local government - Schemes Support programme

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: uMgungundlovu Municipalities	500	-	-	-	-	-	500
B KZN222 uMngeni	500						500
Total: Amajuba Municipalities	-	-	-	-	500	500	500
B KZN253 eMadlangeni					500	500	500
Total: Zululand Municipalities	2 000	-	-	-	(1 000)	(1 000)	1 000
B KZN262 uPhongolo					500	500	500
B KZN265 Nongoma	1 000				(1 000)	(1 000)	-
B KZN266 Ulundi	1 000				(500)	(500)	500
Total: uMkhanyakude Municipalities	1 400	-	-	-	600	600	2 000
B KZN272 Jozini					500	500	500
B KZN275 Mtubatuba	650				100	100	750
B KZN276 Big Five Hlabisa	750				-	-	750
Total: King Cetshwayo Municipalities	600	-	-	-	(100)	(100)	500
B KZN281 uMfolozi	600				(100)	(100)	500
Total	4 500	-	-	-	-	-	4 500
Amount to be voted							-

Table 11.28 : Transfers to local government - Small Town Rehabilitation programme

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: uMgungundlovu Municipalities	-	-	-	-	2 000	2 000	2 000
B KZN227 Richmond					2 000	2 000	2 000
Total: uThukela Municipalities	-	-	-	-	2 400	2 400	2 400
B KZN235 Okhahlamba					2 000	2 000	2 000
B KZN237 iNkosi Langalibalele					400	400	400
Total: Zululand Municipalities	-	-	-	-	2 000	2 000	2 000
B KZN261 eDumbe					2 000	2 000	2 000
Total: uMkhanyakude Municipalities	-	-	-	-	6 000	6 000	6 000
B KZN271 uMhlabuyalingana					6 000	6 000	6 000
Total: iLembe Municipalities	-	-	-	-	5 000	5 000	5 000
B KZN292 KwaDukuza					5 000	5 000	5 000
Total: Harry Gwala Municipalities	-	-	-	-	2 000	2 000	2 000
B KZN434 uBuhlebezwe					2 000	2 000	2 000
Total	-	-	-	-	6 000	13 400	19 400
Amount to be voted							19 400

Table 11.29 : Transfers to local government - Operational Support for TSCs

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: uThukela Municipalities	-	-	-	500	-	500	500
B KZN235 Okhahlamba				500		500	500
Total: uMkhanyakude Municipalities	-	-	-	300	-	300	300
B KZN272 Jozini				300		300	300
Total: Harry Gwala Municipalities	-	-	-	500	-	500	500
B KZN436 Dr Nkosazana Dlamini Zuma				500		500	500
Total	-	-	-	1 300	-	1 300	1 300
Amount to be voted							1 300

Table 11.30 : Transfers to local government - CSC Infrastructure Support

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Total: iLembe Municipalities	-	-	-	-	5 000	5 000	5 000
B KZN294 Maphumulo					5 000	5 000	5 000
Total	-	-	-	-	5 000	5 000	5 000
Amount to be voted							5 000

Table 11.31 : Transfers to local government - Massification programme (including electrification projects)

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Zululand Municipalities	-	-	-	-	1 500	-	1 500	1 500
B KZN263 Abaqulusi					1 500		1 500	1 500
Total: uMkhanyakude Municipalities	-	-	-	-	11 800	-	11 800	11 800
B KZN275 Mtubatuba					6 000		6 000	6 000
B KZN276 Big Five Hlabisa					5 800		5 800	5 800
Total: Harry Gwala Municipalities	-	-	-	-	5 000	-	5 000	5 000
B KZN433 Greater Kokstad					5 000		5 000	5 000
Total	-	-	-	-	18 300	-	18 300	18 300
Amount to be voted								18 300

Table 11.32 : Transfers to local government - Shared Legal Services

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Ugu Municipalities	-	-	-	-	1 000	-	1 000	1 000
C DC21 Ugu District Municipality					1 000		1 000	1 000
Total: King Cetshwayo Municipalities	-	-	-	-	1 000	-	1 000	1 000
C DC28 King Cetshwayo District Municipality					1 000		1 000	1 000
Total	-	-	-	-	2 000	-	2 000	2 000
Amount to be voted								2 000

Table 11.33 : Transfers to local government - Building Plans Information Management system

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: uThukela Municipalities	-	-	-	-	500	-	500	500
B KZN237 iNkosi Langalibalele					500		500	500
Total: uMzinyathi Municipalities	-	-	-	-	500	-	500	500
B KZN241 eNdumeni					500		500	500
Total: uMkhanyakude Municipalities	-	-	-	-	500	-	500	500
B KZN272 Jozini					500		500	500
Total: Harry Gwala Municipalities	-	-	-	-	500	-	500	500
B KZN435 uMzimkhulu					500		500	500
Total	-	-	-	-	2 000	-	2 000	2 000
Amount to be voted								2 000

Table 11.34 : Transfers to local government - RASET

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: uThukela Municipalities	-	-	-	3 000	-	-	3 000	3 000
C DC23 uThukela District Municipality				3 000			3 000	3 000
Total: iLembe Municipalities	-	-	-	5 000	-	-	5 000	5 000
C DC29 iLembe District Municipality				5 000			5 000	5 000
Total	-	-	-	8 000	-	-	8 000	8 000
Amount to be voted								8 000

Table 11.35 : Transfers to local government - GIS functionality

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: uMgungundlovu Municipalities	-	-	-	500	-	-	500	500
C DC22 uMgungundlovu District Municipality				500			500	500
Total	-	-	-	500	-	-	500	500
Amount to be voted								500

Table 11.36 : Transfers to local government - Ubhulebezwe Disaster Management Centre

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Total: Harry Gwala Municipalities	-	-	-	-	3 000	-	3 000	3 000
B KZN434 uBuhlebezwe					3 000		3 000	3 000
Total	-	-	-	-	3 000	-	3 000	3 000
Amount to be voted								3 000

Table 11.37 : Transfers to local government - Nelson Mandela Exhibition Centre

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
Total: uMgungundlovu Municipalities	-	11 051	-	-	-	11 051	11 051
B KZN222 uMngeni		11 051				11 051	11 051
Total	-	11 051	-	-	-	11 051	11 051
Amount to be voted							11 051

11. Actual payments and revised spending projections for the rest of 2018/19

Tables 11.38 and 11.39 reflect actual payments as at the end of September 2018 and projected payments for the rest of the financial year and the total revised spending in Rand value and as a percentage of the adjusted appropriation per programme and economic classification. The tables also show the 2017/18 Audited outcome.

Table 11.38 : Actual payments and revised spending projections by programme

R thousand	2017/18 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2018 - September 2018	% of budget	October 2018 - March 2019	% of budget	
1. Administration	374 657	416 812	185 971	44.6	230 841	55.4	416 812
2. Local Governance	231 486	304 666	123 773	40.6	180 893	59.4	304 666
3. Development and Planning	397 143	457 992	129 892	28.4	328 100	71.6	457 992
4. Traditional Institutional Management	529 871	545 895	246 020	45.1	299 875	54.9	545 895
Total	1 533 157	1 725 365	685 656	39.7	1 039 709	60.3	1 725 365

Table 11.39 : Actual payments and revised spending projections by economic classification

R thousand	2017/18 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2018 - September 2018	% of budget	October 2018 - March 2019	% of budget	
Current payments	1 319 109	1 454 560	634 630	43.6	819 930	56.4	1 454 560
Compensation of employees	649 602	682 528	330 953	48.5	351 575	51.5	682 528
Goods and services	669 507	772 015	303 660	39.3	468 355	60.7	772 015
Interest and rent on land		17	17	100.0	-	-	17
Transfers and subsidies to:	139 776	123 237	32 031	26.0	91 206	74.0	123 237
Provinces and municipalities	93 300	93 003	24 982	26.9	68 021	73.1	93 003
Departmental agencies and accounts		-	-	-	-	-	-
Higher education institutions		-	-	-	-	-	-
Foreign governments and international organisations		-	-	-	-	-	-
Public corporations and private enterprises		15 000	-	-	15 000	100.0	15 000
Non-profit institutions	32 326	100	100	100.0	-	-	100
Households	14 150	15 134	6 949	45.9	8 185	54.1	15 134
Payments for capital assets	72 624	147 568	18 995	12.9	128 573	87.1	147 568
Buildings and other fixed structures	56 598	22 314	3 101	13.9	19 213	86.1	22 314
Machinery and equipment	15 939	123 254	15 894	12.9	107 360	87.1	123 254
Heritage assets		-	-	-	-	-	-
Specialised military assets		-	-	-	-	-	-
Biological assets		-	-	-	-	-	-
Land and subsoil assets		-	-	-	-	-	-
Software and other intangible assets	87	2 000	-	-	2 000	100.0	2 000
Payments for financial assets	1 648	-	-	-	-	-	-
Total	1 533 157	1 725 365	685 656	39.7	1 039 709	60.3	1 725 365

The department spent 39.7 per cent of the adjusted appropriation in the first six months of the financial year and projects to spend 60.3 per cent in the remaining six months. The fairly high projections in the second half of the year are mainly due to additional funds allocated in the Adjustments Estimate, which are projected in the second half of the year.

The department is projecting a balanced budget at the end of the year. It is noted that, at mid-year, the department projected to over-spend its budget by R52.186 million, which was mainly in respect of commitments from 2017/18. The department was granted a roll-over in this regard and, this thus offsets the pressures.

Table 11.A : Summary by economic classification: COGTA

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	1 557 515	16 369	-	(83 724)	(40 600)	5 000	(102 955)	1 454 560
Compensation of employees	766 189	-	-	(83 661)	-	-	(83 661)	682 528
Salaries and wages	675 928	-	-	(72 684)	-	-	(72 684)	603 244
Social contributions	90 261	-	-	(10 977)	-	-	(10 977)	79 284
Goods and services	791 326	16 369	-	(80)	(40 600)	5 000	(19 311)	772 015
Administrative fees	2 709	-	-	893	-	-	893	3 602
Advertising	12 713	-	-	6 804	-	-	6 804	19 517
Minor assets	3 118	-	-	(2 676)	-	-	(2 676)	442
Audit cost: External	7 793	-	-	-	-	-	-	7 793
Bursaries: Employees	400	-	-	226	-	-	226	626
Catering: Departmental activities	6 638	-	-	(263)	-	-	(263)	6 375
Communication (G&S)	12 931	-	-	1 350	-	-	1 350	14 281
Computer services	59 676	-	-	(11 488)	-	-	(11 488)	48 188
Cons. & prof serv: Business and advisory services	157 421	-	-	(25 208)	(46 500)	-	(71 708)	85 713
Infrastructure and planning	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	8 295	-	-	395	-	-	395	8 690
Contractors	42 157	-	-	34 420	(1 100)	5 000	38 320	80 477
Agency and support / outsourced services	3 675	-	-	1 298	-	-	1 298	4 973
Entertainment	-	-	-	-	-	-	-	-
Fleet services (incl gov't motor transport)	13 769	-	-	(49)	-	-	(49)	13 720
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	500	-	-	500	500
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	3 444	-	-	3 444	3 444
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	10 350	-	6 766	-	-	17 116	17 116
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	6 019	-	-	-	-	6 019	6 019
Consumable supplies	4 637	-	-	(1 794)	-	-	(1 794)	2 843
Consumable: Stationery, printing and office supplies	9 558	-	-	1 095	-	-	1 095	10 653
Operating leases	26 682	-	-	89	-	-	89	26 771
Property payments	40 201	-	-	(9 292)	7 000	-	(2 292)	37 909
Transport provided: Departmental activity	-	-	-	-	-	-	-	-
Travel and subsistence	36 959	-	-	20 816	-	-	20 816	57 775
Training and development	1 903	-	-	(542)	-	-	(542)	1 361
Operating payments	336 762	-	-	(24 464)	-	-	(24 464)	312 298
Venues and facilities	2 830	-	-	(2 330)	-	-	(2 330)	500
Rental and hiring	499	-	-	(70)	-	-	(70)	429
Interest and rent on land	-	-	-	17	-	-	17	17
Interest	-	-	-	17	-	-	17	17
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	29 231	11 051	-	30 355	52 600	-	94 006	123 237
Provinces and municipalities	14 147	11 051	-	15 305	52 500	-	78 856	93 003
Provinces	497	-	-	(195)	-	-	(195)	302
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	497	-	-	(195)	-	-	(195)	302
Municipalities	13 650	11 051	-	15 500	52 500	-	79 051	92 701
Municipalities	13 650	11 051	-	15 500	52 500	-	79 051	92 701
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	15 000	-	-	15 000	15 000
Public corporations	-	-	-	15 000	-	-	15 000	15 000
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	15 000	-	-	15 000	15 000
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	100	-	100	100
Households	15 084	-	-	50	-	-	50	15 134
Social benefits	4 212	-	-	1 707	-	-	1 707	5 919
Other transfers to households	10 872	-	-	(1 657)	-	-	(1 657)	9 215
Payments for capital assets	92 336	2 535	-	53 369	(12 000)	11 328	55 232	147 568
Buildings and other fixed structures	43 054	-	-	(20 068)	(12 000)	11 328	(20 740)	22 314
Buildings	43 054	-	-	(20 068)	(12 000)	11 328	(20 740)	22 314
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	49 035	2 535	-	71 684	-	-	74 219	123 254
Transport equipment	2 000	2 260	-	104 987	-	-	107 247	109 247
Other machinery and equipment	47 035	275	-	(33 303)	-	-	(33 028)	14 007
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	247	-	-	1 753	-	-	1 753	2 000
Payments for financial assets	-	-	-	-	-	-	-	-
Total	1 679 082	29 955	-	-	-	16 328	46 283	1 725 365
Amount to be voted								46 283