ANNUAL REPORT 2020/21 FINANCIAL YEAR

traditional affairs

Department:
Traditional Affairs
REPUBLIC OF SOUTH AFRICA

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1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BAS	Basic Accounting System
B2B	Back to Basics (approach)
CFS	Corporate and Financial Services
CFO	Chief Financial Officer
CGF	Corporate Governance Framework
CoGTA	Cooperative Governance and Traditional Affairs
CRLRC	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
CTLDC	Commission on Traditional Leadership Disputes and Claims
CONTRALESA	Congress of Traditional Leaders of South Africa
DBSA	Development Bank of Southern Africa
DALRRD	Department of Agriculture Land Reform and Rural Development
DCoG	Department of Cooperative Governance
DDG	Deputy Director-General
DELC	Departmental Executive Leadership Committee
DIO	Deputy Information Officer
DIRCO	Department of International Relations and Cooperation
DG	Director-General
DPSA	Department of Public Service and Administration
DTA	Department of Traditional Affairs
ENE	Estimates of National Expenditure
FY	Financial Year
IDP	Integrated Development Plan
ICT	Information and Communication Technologies
IGMP	Integrated Governance and Management Plan
ISC	Institutional Support and Coordination
KPA	Key Performance Area
KPI	Key Performance Indicator
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
LGTAS	Local Government Turnaround Strategy
LGSETA	Local Government Sector Education and Training Authority
MANCO	Departmental Management Committee
MDB	Municipal Demarcation Board
MINMEC	Minister and Members of Executive Councils Committee
MoU	Memorandum of Understanding
MP	Member of Parliament
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework

MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NKC	National Khoi-San Council
NHTKL	National House of Traditional and Khoi-San Leaders
ODG	Office of the Director-General
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PIM	Performance Information Management
PIME	Performance Information Management and Evaluation
PMDS	Performance Management and Development Systems
PPRC	Planning and Performance Review Committee
PHTLs	Provincial House/s of Traditional Leaders
RPL	Research, Policy and Legislation
SALGA	South African Local Government Association
SAPS	South African Police Service
SASSA	South African Social Security Agency
SMS	Senior Management Service
SOP	Standard Operating Procedures
TAB	Traditional Affairs Bill
TC/s	Traditional Council/s
TCo/s	Traditional Court/s
TLGFA	Traditional Leadership and Governance Framework
TKLA	Traditional and Khoisan Leadership Act
TKLB	Traditional and Khoi-San Leadership Bill
ToR	Terms of Reference
TATGOF	Traditional Affairs Technical Governance Forum

3. FOREWORD BY THE MINISTER

DR NKOSAZANA DLAMINI ZUMA, MP

It is my pleasure to present the third Annual Report of the Department of Traditional Affairs (DTA) since I became the Minister responsible for Cooperative Governance and Traditional Affairs. This report accounts for the work of the DTA and comes after a completed financial year that was characterized by turbulent circumstances brought by the deadly Coronavirus. Covid-19 impacted on our obligation to delivery and development as it required us to focus a lot of our efforts on saving lives as well.

Unfortunately, some of our colleagues and community members succumbed to this deadly virus. The institution of traditional leaders was not spared from the wrath of the pandemic, for we have lost some of our gallant heroes and heroines. The 2020-21 financial year has been a sad year for the traditional affairs sector due to the untimely departure of some of our senior traditional leaders and kings.

Fellow South Africans, we must appreciate the role played by our traditional leaders during the hard lockdown. Our traditional leaders were instrumental in suspending the 2020 winter initiation season as well as the summer initiation season except in the Eastern Cape Province. The Eastern Cape Provincial Government as well as the Provincial House of Traditional and Khoi-San Leaders submitted a risk mitigation plan that was used during the 2020 summer initiation season to constrain the spread of the virus.

However, good as the plan was, we sadly lost thirteen initiates. Any loss of life is regretted, and we convey our deepest condolences to the families and friends of the souls that departed during the 2020 summer initiation season. We believe that the coming into operation of the Customary Initiation Act will help a lot in curbing the deaths of initiates because it establishes structures that will oversee the customary initiation practice. The practice of initiation during Covid-19 pandemic is a very difficult task to manage.

We are however, not going to rest until we defeat the pandemic. We must bring hope to our people, we must save lives, we must strengthen our delivery and development to meet the wishes and aspirations of South Africans. Our path remains that of growth and development and we should focus our energy for that purpose so that ultimately, we can see a steadfast movement of that course.

We are convinced that the Invest Rural Master Plan of the National House of Traditional and Khoi-San Leaders (NHTKL), the developmental monarchs concept, the agrarian revolution programme, the socio-economic development initiatives and other efforts by the Department, the NHTKL and the traditional leadership sector in its entirety anchored through the District Development Model as a vehicle for delivery of this administration, are our hope for development in traditional communities.

The Department of Traditional Affairs has recently signed a Memorandum of Understanding with the Department of Agriculture, Land Reform and Rural Development to coordinate their work to ensure that the communal land availed by AmaKhosi is put to productive use.

We shall not rest until we change the lives of our people for the better, we shall not rest until we reverse the triple challenges of poverty, unemployment and inequalities and we shall not rest until we reverse the legacy of apartheid.

DR NKOSAZANA DLAMINI ZUMA, MP
Minister of Cooperative Governance and Traditional Affairs

4. DEPUTY MINISTER STATEMENT

MR OBED BAPELA, MP

The Department of Traditional Affairs is founded on the following five pillars:

a) Restoration, stabilisation and strengthening of traditional leadership institution;
b) Development of policies, legislation and regulations towards transformation of the sector;
c) Establishment of partnerships for revival and activation of economic activities and participation towards sustainable livelihoods in traditional communities, working in collaboration with other Sector Departments and private sector;
d) Promotion of cultural and customary way of life which conforms to the Bill of Rights, Constitutional and democratic principles; and
e) Coordination of interfaith to promote social cohesion and nation building

The Department has during the year under review implemented projects aimed at:-

a) Strengthening the legislative and policy environment for the sector;
b) Concretising the role and participation of traditional leadership in economic development of traditional communities;
c) Standardisation of the provision of support to the institution of traditional leadership across provinces;
d) Institutionalising engagement between government and the institution of traditional leadership; and
e) Strengthening social cohesion within structures of traditional leadership and traditional communities.

The Department has introduced two bills during the period of the previous MTSF that is the Traditional and Khoisan Leadership Bill (TKLB) and the Customary Initiation Bill (CIB). The TKLA was assented to on 20 November 2019 and published in the Government Gazette on 28 November 2019 as Act No. 3 of 2019. The TKLA consolidates the existing legislation (the Traditional Leadership and Governance Framework Act, 2003 and the National House of Traditional Leaders Act No. 22 of 2009) and will subsequently repeal those laws. The TKLA also addresses shortcomings that were identified during the implementation of those two pieces of legislation. Of historic value is that the TKLA, for the first time ever, makes provision for the statutory recognition of Khoi-San communities and leaders. For this purpose, a Commission on Khoi-San matters will be established which Commission will operate at a national level. The TKLA also provides an enabling provision for the Department to monitor the implementation of this new law.

The Parliamentary process for the CIB lapsed when the fifth administration's term of office ended. The Minister wrote to the Leader of Government Business for the reintroduction of the CIB in line with the rules of the National Assembly. As at this reporting time, the CIB has been referred to the President for signing into law. We believe that the Bill once signed into law will play a critical role in curbing loss of lives, illegal initiation schools as well as proper teaching of initiates. For the year 2020 winter initiation season, the customary practice of initiation was suspended due to the challenges brought up by COVID-19. In the summer of 2020, only Eastern Cape was permitted to hold Customary Initiation Practices in parts of the province. The permission was based on the risk mitigation plan submitted by the Province and approved by government. It is however, regretted that despite the plan, we have lost thirteen initiates. We are working hard to educate and make awareness regarding initiation so that it does not become a custom that kills young people but the one that educates and mould them to be better persons.

The Department has further introduced guidelines for the participation of traditional leaders in municipalities, documented good practices on Socio-Economic development and developed the cooperative governance framework for the participation of traditional leaders in governance. These guidelines will assist traditional leaders to participate in governance and in Socio-Economic development.

The Department has profiled Districts and Metropolitan areas with traditional leadership and these profiles will contribute to the development of One Plans for each district metro. In the reporting period, the Department will provide greater detail with regards to the traditional leadership contribution towards the DDM. It is noted without doubt that COVID-19 had unintended consequences on the operations of the Department and of Traditional Leadership structures and the impact has been unfavourable.

I take this opportunity to thank all our stakeholders' contribution towards the achievements of the Ministry's goals. I call upon our provincial counterparts and structures of traditional leadership at all levels to continue their contribution in this worthy course of repositioning the institution as a critical partner in development and social cohesion.

MR OBED BAPELA, MP
Deputy Minister

5. REPORT OF THE ACCOUNTING OFFICER

MR MASHWAHLE DIPHOFA

The 2020/21 financial year coincided with the Covid-19 pandemic hitting the country and the rest of the world. Within the constraints imposed by the pandemic, the Department of Traditional Affairs continue to focus on its mandate in an effort to contribute towards the building of a transformed community-oriented institution of traditional leadership.

The following milestones have been recorded by the Department during the year under review;

- The Department has achieved 100% of its APP targets. The average performance of the previous five years of the MTSF has been 90%.
- The Department has achieved 100% of the annual targets of the year under review. It should be noted that the Department's initial APP, which was tabled on 11 March 2020, was in operation for the first quarter of the 2020/2021 financial year. For that first quarter, the Department achieved 80% and did not achieve 20% of its total quarterly targets. As a result of the Covid-19 pandemic, the Department was required to develop and re-table the revised 2020/2021 APP. The revised APP was re-tabled in Parliament on 8 July 2020 and was in operation for the remaining three quarters of that financial year. Nevertheless, the average recorded performance of the Department for the previous five years of the MTSF has been 90%.
- Eight (8) provinces were monitored on the implementation of the agrarian revolution programme. This is a programme for traditional leadership Socio-Economic development enabled by the availability of land by traditional communities.
- The implementation of the guidelines on the participation of traditional leadership in municipal IDP processes and the Cooperative governance framework for traditional leadership was monitored in all 8 provinces. This provided the Department with a sense of the extent to which traditional leaders participated in governance and related structures.
- The implementation of initiation policy guidelines during each season was monitored in 9 provinces. The monitoring of the implementation of the policy guidelines contributed towards the reduction of deaths of initiates.
- Two (2) research studies in the Traditional Affairs Research agenda were completed. These studies assist the Department to determine the gaps in existing policies and propose interventions for improvements.
- The proclamation of the commencement of the TKLA.

The Department has overseen the enactment of the Traditional and Khoi-San Leadership Act (TKLA). The TKLA was assented to on 20 November 2019 and published in the Government Gazette on 28 November 2019 as Act No. 3 of 2019, which commenced on 1 April 2021.

Therefore, notwithstanding the challenges experienced, the Department has achieved important milestones during the period under review. I have to credit the employees of the Department who worked tirelessly to ensure that the Department maintains its standard of performance.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

Departmental receipts

Departmental receipts	2020/2021			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	49	59	(10)	50	50	0
Total	**49**	**59**	**(10)**	**50**	**50**	**0**

Programme Expenditure

Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	50,685	41,101	9,584	50,193	49,270	923
Research, Policy & Legislation	16,929	15,000	1,929	19,364	16,605	2,795
Institutional Support and Coordination	94,071	81,422	12,649	98,794	94,841	3,935
Total	**161,685**	**137,523**	**24,162**	**168,351**	**160,716**	**7,635**

Virements/roll overs

Virements were effected in accordance with the provision of Section 43 of the PFMA and the National Treasury was informed accordingly.

Reason for the virement

- The Department did not incur unauthorised, fruitless, and wasteful expenditure. The virements were to address excess expenditure on other line items.

The strategic focus over the short to medium term period

The future plans of the Department from the 2021/2022 financial year extending to the next years of the MTSF are as follows:

a) Implementation of the District Development Model (DDM)

b) Implementation of the Traditional and Khoi-San Leadership Act. Part of the implementation of the TKLA will include among others:

- ✓ Establishment of the Commission on Khoisan Matters;
- ✓ Development of Regulations for identified sections of the TKLA;
- ✓ Coordinating relevant provincial government departments towards the legal constitution of all statutory structures of traditional leadership; and
- ✓ Setting up institutional mechanisms for TKLA implementation and compliance monitoring.

(c) Reduction in initiation related deaths, injuries and amputations through among others, supporting Parliamentary processes towards the enactment of the Customary Initiation Bill. Once, the Bill is enacted, the Department will establish institutional mechanisms for its implementation and compliance monitoring.

(d) Implementation of the Socio-Economic Development projects in Traditional Communities;

(e) Participate in the Traditional Leadership Land Summit organised by the Department of Agriculture Land Reform and Rural Development ;

(f) Finalisation of the consultation on the policy proposals on roles and functions of traditional leadership;

(g) Implementation of the Traditional Affairs Research Agenda;

(h) Once approved, oversee the implementation of the Handbook on Traditional Leadership (tools of trade, guidelines on the provision and utilisation of budget allocations for kingships and queenships, coronation and funeral policies for kings and queens);

(I) Assisting with COVID-19 Projects within the context of the District Development Model as follows:

- Monitoring the implementation of COVID-19 Regulations in areas of jurisdiction of Traditional Leaders;
- Ensuring that Traditional Councils comply by monitoring the implementation of the COVID-19 Regulations through oversight, awareness campaigns, etc;
- Economic recovery intervention programmes for implementation by government (Agriculture); and Traditional Councils serving as centres for information dissemination and payment of relief grants.

Public Private Partnerships

- For the period under review, the Department did not have Public Private Partnerships.

DISCLOSURE OF CHANGES TO THE APP

The Department amended its 2020/2021 Annual Performance Plan (APP) and tabled it in Parliament on 8 July 2020. Implementation of the Amended APP started in the second quarter of the 2020/2021 financial year. The reason for amending the APP was based on an instruction to scale down activities and refocus Government efforts on fighting the coronavirus pandemic. Some of the activities in the originally tabled APP required movement from one place to another whereas the COVID-19 regulations-imposed restrictions on travel, therefore making it impossible to deliver on those activities.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION

DISCONTINUED OUTCOME AND OUTCOME INDICATOR: NONE

DISCONTINUED OUTPUTS AND OUTPUT INDICATORS

Discontinued Outputs	Discontinued Output Indicators	Reasons for discontinuance	Effect on the operations of the department	Financial implications of the discontinued activity
Capacity created for Queenships, Kingships or Principal Traditional leadership to review their community rules to conform to the Bill of Rights per year	Number of Queenships, Kingships or Principal Traditional leadership communities for which capacity is created to review community rules that conform to the Bill of Rights per year	This output indicator was discontinued based on the following: • It required traveling to the Kingships and Queenship, • It required face to face interviews with the stakeholders, and • Royal families are made up of more people, • Thus, it would have been impossible to continue with this project due to COVID-19 regulations on travel and gatherings.	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department was subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic
Provinces audited to determine their compliance with the Traditional and Khoi-San Leadership Act (TKLA) (2019) per year	Number of provinces audited to determine compliance with the Traditional and Khoi-San Leadership Act (2019) per year	This output indicator was discontinued since the TKLA had by then not commenced and it was uncertain when it would have commenced. Provinces require sufficient time to implement the TKLA (after its commencement) before being audited on compliance with the act.	The Department scaled down on its operations	None

Discontinued Outputs	Discontinued Output Indicators	Reasons for discontinuance	Effect on the operations of the department	Financial implications of the discontinued activity
Capacity created for Queenships, kingships or principal traditional leadership communities to document the Roles and functions of their royal family members per year	Number of queenships, kingships or principal traditional leadership communities for which capacity is created to document the roles and functions of royal family members per year	This output indicator was discontinued based on the following: • It required traveling to the Kingships and Queenship, • It required face to face interviews with the stakeholders, and • Royal families are made up of more people, • Thus, it would have been impossible to continue with this project due to COVID-19 regulations on travel and gatherings.	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department had to be subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic
Books on kingships or queenships or principal traditional communities' customary laws of succession and genealogies developed per year	Number of books on kingships or queenships or principal traditional communities' customary laws of succession and genealogies developed per year	This output indicator was discontinued based on the following: • It required traveling to the Kingships and Queenship, • It required face to face interviews with the stakeholders, and • Royal families are made up of more people, • Thus, it would have been impossible to continue with this project due to COVID-19 regulations on travel and gatherings.	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department had to be subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic

Discontinued Outputs	Discontinued Output Indicators	Reasons for discontinuance	Effect on the operations of the department	Financial implications of the discontinued activity
Handbook for Traditional Leadership	Approved Handbook for Traditional Leadership	The Handbook has been developed it is now under consideration internally, including by government's Budget Forum. No further activities could thus be undertaken at the level of the Department.	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department had to be subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic
Traditional and Khoi- San Councils reconstituted in compliance with the Traditional and Khoi-San Leadership Act (TKLA)	Number of Provinces monitored on compliance with the TKLA in relation to the constitution of Traditional and Khoi-San Councils	This output indicator was discontinued because the focus of the project for 2020/21 was on the constitution of Traditional Councils, which was dependent on the commencement of the TKLA	The Department scaled down on its operations.	None
Existence of a Commission on Khoi-San Matters	Functioning Commission on Khoi-San Matters	This output indicator was discontinued because the TKLA had not yet commenced, and it was uncertain when it would commence. The Commission can only be established once the commencement date of the TKLA had been proclaimed.	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department had to be subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic

NEW OUTPUT AND OUTPUT INDICATOR: NONE

New Outputs in the Amended APP	New Output Indicators in the Amended APP	Reasons for inclusion	Effect on the operations of the department	Financial implications of the new activity
None	None	N/A	N/A	N/A

PROGRAMME 3: INSTITUTIONAL SUPPORT AND COORDINATION

DISCONTINUED OUTCOME AND OUTCOME INDICATOR: NONE

NEW OUTCOME: NONE

DISCONTINUED OUTPUTS AND OUTPUT INDICATORS: YES

Discontinued Outputs	Discontinued Output Indicators	Reasons for discontinuance	Effect on the operations of the department	Financial implications of the discontinued activity
Training of Traditional Leaders on the approved traditional leadership training programme conducted	Number of Traditional Leaders trained on the approved traditional leadership training programme	This output indicator was discontinued due to COVID-19 as the training of traditional leaders required interaction and those traditional leaders did not have the tools needed to conduct virtual sessions.	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department had to be subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic
Traditional Councils (TCs) inducted on the TC induction manual	Number of Traditional Councils inducted on the TC induction manual	This output indicator was discontinued because the induction of Traditional Leaders was dependent on the proclamation and subsequent implementation of the Traditional and Khoi-San Leadership Act (TKLA). As a result, provinces were not ready to reconstitute the TC's during the year under review.	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department had to be subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic

Discontinued Outputs	Discontinued Output Indicators	Reasons for discontinuance	Effect on the operations of the department	Financial implications of the discontinued activity
30 Local Houses of Traditional Leaders workshopped on the implementation of the socio-economic development programmes in traditional communities	Number of Local Houses of Traditional Leaders workshopped on the implementation of the socio-economic development programmes in traditional communities	This output indicator was discontinued as this project was intended for workshops to be conducted at Local Houses. But due to COVID-19 the workshops could not take place	The Department scaled down on its operations.	The discontinued activity resulted in the savings on the Department's budget, however, the Department had to be subjected to National Treasury's mandatory budget cuts to increase allocations to fight COVID-19 pandemic

NEW OUTPUT AND OUTPUT INDICATOR: YES

New Outputs in the Amended APP	New Output Indicators in the Amended APP	Reasons for inclusion	Effect on the operations of the department	Financial implications of the new activity
Provinces monitored on the implementation of COVID-19 regulations on customary initiation	Number of Provinces monitored on the implementation of COVID-19 regulations on customary initiation	This was a dedicated intervention to fight the pandemic through imposing restrictions on the customary practice of initiation	This output heightened compliance by the Department through monitoring	None
Participation of traditional communities in the implementation of socio- economic development programmes	Number of traditional communities participating in the implementation of socio-economic development progammes	This output was introduced as a response to COVID-19 pandemic	The output was implemented in partnership with the Solidarity Fund	None
Capacity building programme for the Institution of Traditional leadership developed	Capacity building programme developed for the Institution of Traditional Leadership	The Department introduced the output to dedicate its efforts on consolidating capacity building interventions for traditional leadership	Clarification and unpacking of roles and responsibilities pertaining to capacity building	None

PROGRAMME 1: ADMINISTRATION

NEW OUTCOME AND OUTCOME INDICATOR: YES

New Outputs in the Amended APP	New Output Indicators in the Amended APP	Reasons for inclusion	Effect on the operations of the department	Financial implications of the new activity
Effective governance of the Department	Number of unqualified audit outcomes over the MTSF period	To ensure that the department adhered to all timeframes regarding Organisational Performance Information and Corporate and Financial	This outcome heightened compliance by the Department through regular monitoring	None
		Management reporting. This was also recommended by the Auditor General		

NEW OUTCOME AND OUTCOME INDICATOR: YES

New Outputs in the Amended APP	New Output Indicators in the Amended APP	Reasons for inclusion	Effect on the operations of the department	Financial implications of the new activity
100% of performance against organisational performance information (OPIM) Compliance Management Plan	% of performance against organisational performance information (OPIM) Compliance Management Plan	To ensure that the department adhered to all timeframes regarding Organisational Performance Information and Corporate and Financial Management reporting.	This output heightened compliance by the Department through regular monitorin	None
100% of actions in the Corporate and Financial Management (CFM) Compliance Management Plan implemented	% of actions in the Corporate and Financial Management (CFM) Compliance Management Plan implemented	To ensure that the department adhered to all timeframes regarding Organisational Performance Information and Corporate and Financial Management reporting.	This output heightened compliance by the Department through regular monitoring	None

Supply chain management

- *For the period under review, there were no unsolicited bid proposals concluded.*
- *The Department further conducted a workshop on unauthorised, fruitless, and wasteful expenditure and the approved Supply Chain Management Policy. Reforms and National Treasury directives were communicated to the entire staff though Circulars. Systems are in place to detect and prevent unauthorised, fruitless, and wasteful expenditure from happening.*
- Challenges experienced in SCM and how they were resolved.

  - Non-compliance with CSD requirement by most of the SMME's which impacts on and excludes them from participating in the mainstream economy.

  - The Department will raise these issues through relevant structures such as the SCM Forum convened on quarterly basis by National Treasury.

- *Gifts and Donations received in kind from non-related parties*
  - None
- *Exemptions and deviations received from the National Treasury.*
  - None
- *Events after the reporting date*
  - At the time of reporting, there were no material events affecting the Department that had an impact on the Annual Financial Statements
- *Other matters (Fraud and Corruption)*
  - *There were no cases of alleged fraud and corruption reported during the period under review.*
- *Acknowledgement/s or Appreciation and Conclusion*

The Department's achievements in the year under review were made possible by dedicated officials, and the cooperation and support from our provincial counterparts, the National House of Traditional and Khoi-San Leaders (NHTKL) and our various stakeholders.

We thank the Minister and the Deputy Minister for their political leadership provided throughout the year under review. We also thank the Audit Committee for the support and advice it provided throughout the financial year.

MR MASHWAHLE DIPHOFA
Accounting Officer
Department of Traditional Affairs

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2021.

Yours faithfully

MR MASHWAHLE DIPHOFA
Accounting Officer
Department of Traditional Affairs

7. STRATEGIC OVERVIEW

7.1. Vision

A community development-oriented institution of traditional leadership.

7.2. Mission

To provide a national traditional affairs governance system in support of cooperative governance for an improved quality of life of South Africans.

7.3. Values

- Ethical
- Cooperative
- Culturally sensitive
- Accountable
- Client focused
- Transformative

8. LEGISLATIVE AND OTHER MANDATES

In addition to the constitutional mandate, the Department's mandate is also informed by the following four pieces of legislation that it administers:

Traditional and Khoi-San Leadership Act (Act No. 3 of 2019)

The Traditional and Khoi-San Leadership Act, 2019 (TKLA) commenced on 01 April 2021. This Act consolidates the previous national legislation relating to traditional leadership and as a result, repeals the Traditional Leadership and Governance Framework Act, 2003, and the National House of Traditional Leaders Act, 2009.

The TKLA makes provision for the recognition of kingships and queenships, traditional communities, and headmenship and headwomenship. There is also provision for the recognition of kings, queens, senior traditional leaders, headmen and headwomen. The TKLA provides clarity on the position of principal traditional leader and principal traditional communities. The Act furthermore provides for the establishment of traditional leadership structures such as kingship and queenship councils. Of particular importance is that the TKLA provides an enabling provision for the reconstitution of traditional councils with a view to ensure that such councils meet the requirements of the law and will have legal standing.

The TKLA is of historic significance since it is the first South African legislation that makes provision for the statutory recognition of Khoi-San communities and leaders. All Khoi-San communities and leaders who comply with the criteria prescribed in the Act will be able to apply for such recognition. To assist government with this process, provision is made for the establishment of a Commission on Khoi-San Matters. This Commission will receive applications for recognition, investigate the applications and make recommendations to the Minister in respect of the recognition. Furthermore, the TKLA makes provision for the inclusion of recognised Khoi-San leaders in the houses of traditional leaders which are now known as houses of traditional and Khoi-San leaders.

Besides overseeing the implementation of the TKLA, the DTA has a specific monitoring duty in terms of the Act. This includes monitoring of the functioning of traditional and Khoi-San leaders, traditional and Khoi-San councils, and the houses of traditional and Khoi-San leaders. In addition, the DTA also has to monitor the implementation of the new section 81 of the Municipal Structures Act which section was introduced through an amendment contained in Schedule 3 of the TKLA.

Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act 19 of 2002)

This Act provides for the promotion and protection of the rights of cultural, religious and linguistic communities, inclusive of traditional communities, Khoisan and interfaith. The Department's mandate in relation to this Act is to provide legislation and regulatory frameworks for the promotion and protection of the rights of cultural, religious and linguistic communities.

Municipal Structures Act (MSA, Act 117 of 1998)

Section 81 of the Municipal Structures Act regulates the participation of recognised traditional and Khoi-San leaders in municipal council proceedings. A new section 81 came into operation on 01 April 2021.

There is a close link between section 81 and the establishment of local houses of traditional and Khoi-San leaders in terms of the TKLA. Local houses can be established for the area of jurisdiction of a metropolitan, district or local municipality. The leaders who may participate in the specific municipal council will be the chairperson of the local house and two other members elected by the members of the local house in instances where the local house has been established for the area of a metropolitan or local municipality. If the local house is established for the area of a district municipality, then the chairperson of the local house plus two other members may participate in that district municipal council and in addition, members of the local house may also participate in each local municipality that forms part of the district municipality (up to two members per local municipality).

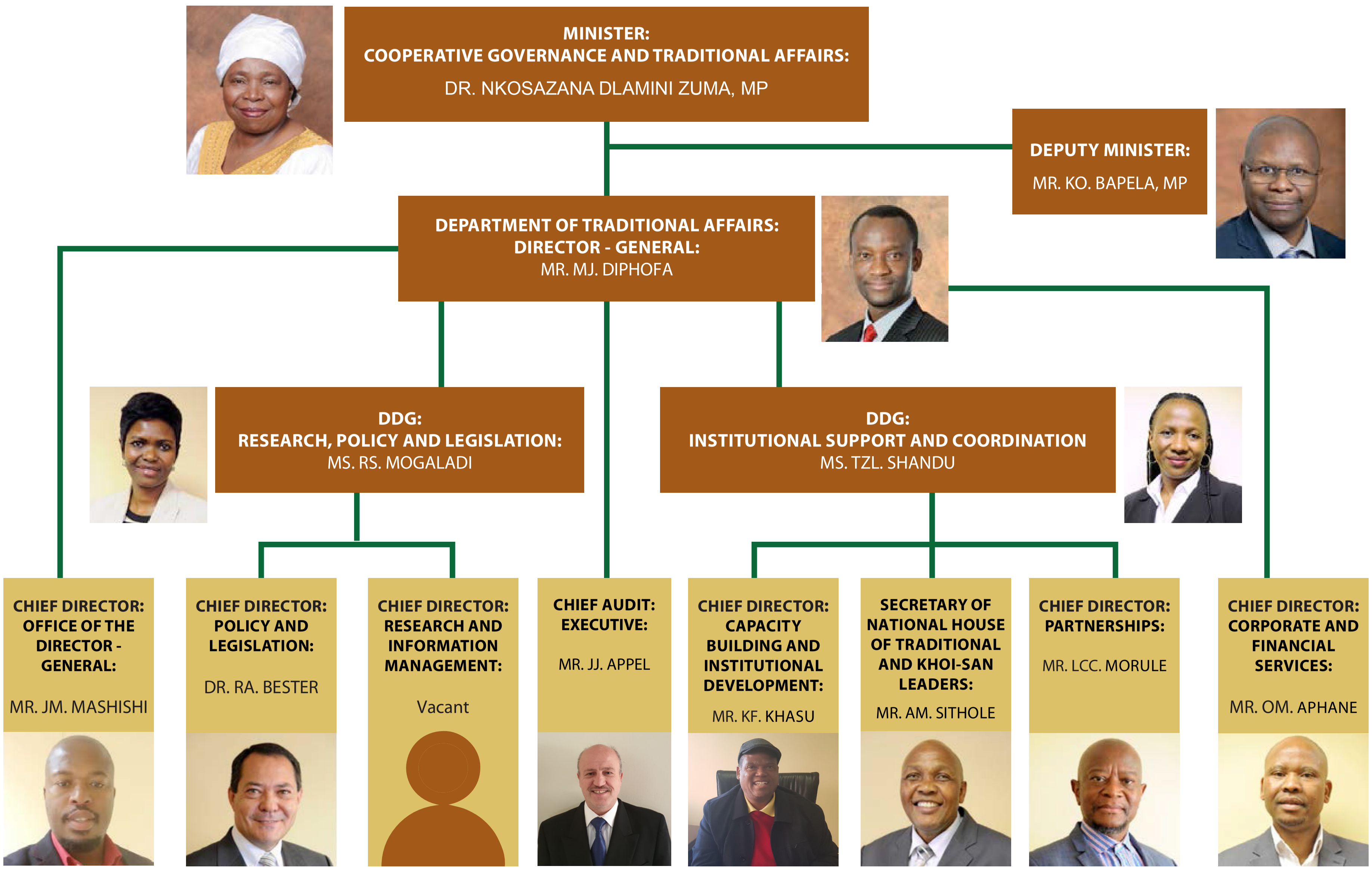
The section also provides clarity on instances where local houses have not been established. In such instances a consultative meeting must be held with all recognised senior traditional and Khoi-San leaders within the particular municipal area and such leaders must nominate from amongst themselves the persons to participate in the particular municipal council proceedings,

Of particular importance is that the new section 81 provides clarity on the roles of traditional and Khoi-San leaders who participate in municipal council proceedings. This includes supporting municipal councils in the identification of the specific needs of the traditional and Khoi-San communities falling within the area of the municipality; facilitating the involvement of the traditional and Khoi-San communities in the development or amendment of the integrated development plan of the relevant municipality; and supporting the relevant municipality in promoting integrated local economic development and planning, to name a few.

Participating leaders will be required to prepare reports on their participation in municipal council proceedings and submit such reports to the relevant local house as well as the traditional and Khoi-San councils within the particular municipal area. The participating leaders will be subject to the Code of Conduct as currently contained in the Municipal Systems Act, in addition to the Code of Conduct contained in the TKLA.

While section 81 provides for the MEC responsible for local government to monitor the implementation of section 81 within the relevant province, the TKLA requires of the DTA to also monitor the implementation of section 81 throughout the country. Lastly, the new section 81 provides clarity on out-of-pocket expenses to be paid by municipalities to participating leaders.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The Department does not have entities reporting to the Minister, however, it makes a transfer to the CRL Rights Commission, a Chapter 9 Constitutional Body that reports directly to Parliament and not to the Minister.

Structures within the department

The Department has the National House of Traditional and Khoi-San Leaders and the Commission on Traditional Leadership Disputes and Claims which are sub-programmes of the ISC Branch, hence, they are reflected in this section. The transfer for the CRL Rights Commission is also part of the ISC Branch. This is elaborated on further in the table below:

Name of Entity/ Structure	Legislative Mandate	Financial Relationship	Nature of Operations
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act 19 of 2002). The Commission's mandate is to promote and protect the rights of Cultural, Religious and Linguistic Communities, inclusive of traditional, Khoi-San and interfaith communities	Transfer payment	Promotion and protection of the rights of Cultural, Religious and Linguistic Communities
National House of Traditional and Khoi-San Leaders (NHTKL)	Derives its mandate from the NHTL Act and its mandate is to advise government on traditional leadership and interests of traditional communities	The NHTKL is a sub-programme of, and its budget allocation is under the ISC the Institutional Support and Coordination (ISC) Programme	The operations and functions of the NHTKL are as defined in the NHTL Act.
Commission on Traditional Leadership Disputes and Claims	To investigate traditional leadership disputes and claims and make recommendations to government	It is a sub-programme of the Institutional Support and Coordination Programme	The operations of the CTLDC involve processing and finalising the outstanding traditional leadership disputes and claims from the Nhlapo Commission

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 116 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The District Development Model (DDM) has been the focus of emphasis for implementation as adopted by the current administration in 2019. Accordingly, the Department of Traditional Affairs (DTA) aligned its plans and programmes with the DDM. The launch of the three pilots, namely, the OR Tambo district, eThekwini metro and Waterberg district exerted further impetus to the dedicated focus on the DDM by Departments.

Cabinet decided on the prioritization of the 23 districts and metros for 2020/21 financial year as the focus of Government, following the three pilots. Legally recognised traditional leadership exists in eight of the nine provinces. The province that does not have legally recognised traditional leaders is the Western Cape. Of the 52 Districts/Metros, there is a total of 30 Districts/Metros that have legally recognised traditional leadership in the country.

The Department has to date, profiled and analysed the 30 districts and metros with traditional leadership. The analysis will contribute towards the development of the One Plans for each of the 30 districts and metros. From the analysis of the profiles, the following was deduced in relation to the institution of traditional leadership in relation to their involvement in the planning and implementation of the DDM:

Participation of traditional leaders in Municipal Councils

Effective participation of traditional leadership in local government planning and service delivery is one of the factors that will strengthen the planning and implementation of the DDM. Participation of traditional leaders in municipal councils is regulated by Section 81 of the Municipal Structures Act (Act 117 of 1998). Section 81(2) of the Act provides that the participation of traditional leaders in municipal councils should be gazetted by the MEC for Local Government. In this regard, traditional leaders in all the eight provinces participate in municipal councils, although such participation is uneven. However, seven of the eight provinces have gazetted the participation of traditional leadership in their Districts Councils. It is only in the Northern Cape, where such participation is not gazetted, and which has resulted in some of the traditional leaders not participating in the municipal councils. In some instances, such as in the City of Tshwane, though the participation is gazetted, traditional leaders are not attending council meetings but have delegated members of traditional councils to attend such meetings.

Section 81(2) of the Municipal Structures Act provides that traditional leaders only have an observer status in municipal councils, therefore, municipalities are not obliged to allow them to address the Municipal Council. However, some municipalities allow traditional leaders to address councils during municipal council sittings/meetings. Despite this provision, the positive is that there are few municipal councils which allow traditional leaders to address their councils on matters that affect their communities. For instance, in most of the municipalities in the North West and Limpopo provinces, if the council has to take a decision affecting a particular traditional community, the traditional leader of that community is given an opportunity to address the council. This practice should be considered as a positive element towards strengthening relations between traditional leadership and municipalities and may enhance effective implementation of the DDM.

Legal Constitution of Traditional and Khoi-San Leadership Structures

The Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019), which was published in the Government Gazette on 28 November 2019, is of historic value as it is the first legislation that provides for the statutory recognition of the Khoi-San communities and leaders, provided they meet the criteria contained in the Act. Its commencement date has since been proclaimed.

Once the Act commences, a Commission on Khoi-San Matters will be established to receive and investigate applications for recognition of Khoi-San communities and leaders. The Commission will make recommendations to the Minister in this regard and the Minister will have the power to recognise such communities and leaders. There is thus currently no legally recognised Khoi-San communities or leaders in South Africa. The Act makes provision for two Khoi-San leadership positions namely senior Khoi-San leaders and branch heads. The recognised senior Khoi-San leaders will have personal jurisdiction over their communities.

Traditional leaders are legally recognised at all levels (kingship, queenship, principal traditional leadership, senior traditional leadership and headmen/headwomen). However, although the existing Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)(Framework Act), makes provision for the establishment of traditional leadership structures such as kingship or queenship councils, principal traditional councils and traditional councils, the timeframes within which these structures had to be legally constituted or reconstituted have lapsed. Until such time that the relevant traditional leadership structures have been legally constituted or reconstituted, their legal status and standing will remain uncertain and could be challenged. This may also impact negatively on the statutory duties and responsibilities of such structures. Currently, there is no enabling legislation to legally reconstitute them. The Traditional Leadership and Khoi-San Leadership Act will provide enabling legislation for their legal constitution.

Disestablishment of Community Authorities

In terms of the Framework Act community authorities had to be disestablished within certain time frames. Similar to the constitution of traditional leadership structures, the timeframes within which community authorities had to be disestablished have lapsed, and there is currently no enabling legislation in this regard. Very few were disestablished within the legislated timeframes.

There is a total of 56 community authorities in Limpopo, KwaZulu Natal, North West and Gauteng Provinces. Of the 56, five (5) are in KZN, twenty six (26) in Limpopo, twenty three (23) in the North West and two (2) are in Gauteng. All the five (5) community authorities in KZN are within the Ethekwini Metro. In Limpopo, nineteen (19), five (5), one (1) and (1) are in Vhembe, Capricorn, Waterberg and Greater Sekhukhune Districts, respectively. In the North West, seventeen (17) and six (6) community authorities are in Bojanala and Ngaka Modiri Molema Districts, respectively. With the promulgation of the TKLA, there will be a need for the community authorities to be disestablished within the prescribed timeframes.

Landless traditional leaders

There are currently a number of recognised traditional leaders and their communities without defined areas of jurisdiction. Provinces with landless traditional leaders are the KwaZulu-Natal, Mpumalanga and the Free State Provinces. This situation was as a result of the apartheid legislation, which provided for the recognition of traditional leaders and their communities without the concomitant need to establish a "tribal authority" and define an area of jurisdiction of the "tribal authority".

In Mpumalanga there are nine landless traditional leaders, of which seven (7) are in the Gert Sibande District and two (2) in the Enhlanzeni District. In KZN, there are twenty eight landless traditional leaders, of which seven (7) are in Zululand District, four (4) are in Amajuba District, five (5) in Uthukela District, four (4) in iLembe District, seven (7) in Umgungundlovu District and one (1) in Uthukulu District. There are two landless traditional leaders in the Free State Province, and they are in the Phumelela local municipality. The DTA together with provinces should have an intervention to address this challenge to enable traditional leadership to support implementation of the DDM.

Traditional Leadership Disputes and Claims

Analysis of the profiles discovered a number of traditional leadership disputes and claims that may hinder DDM planning and implementation in almost all the areas of jurisdiction of traditional leadership. The disputes include both boundary (jurisdictional) and succession/leadership disputes.

The Department together with its provincial counterparts and structures of traditional leadership is required to implement the DDM. In this regard, the Department will participate in the teams established by the Ministry to fast track the DDM implementation. Alongside this work, was the finalisation of the medium term strategic framework (MTSF) and the approval by Cabinet for implementation. Both the DDM and the MTSF, including other priorities informed the Strategic Plans and Annual Performance Plans of the Department for 2020/2025 and 2020/2021, respectively. The draft 2020/2025 Strategic Plan and the 2020/2021 Annual Performance Plan of the Department were submitted to DPME before end of October for consideration as a requirement based on the Revised Framework for Strategic Plans and APP, 2019 and were tabled in Parliament on 11 March 2020.

Towards the middle of March 2020, the COVID-19 pandemic had the South African Government making preparations for precautionary measures that had to be applied to reduce the rate of infections in order to flatten the curve and to prepare for the capacity of the health system to be enabled to manage the needs for COVID-19 related health services. The President announced the nation-wide lockdown effectively from 26 March 2020 in order to save the lives of South African from the disastrous COVID-19 pandemic. This was followed by the announcement of different levels of the national lockdown, which is level 5 to 1, which had placed varied restrictions on movement of people, business operations, Government services, social aspects of live and many other activities.

As a result, the operations of the Department too were affected by the restrictions, which saw a limited staff complement being able to work from the central workplace location and the rest working from home. In order for the Department to be able to cope with the situation, arrangements were made to provide staff with masks, gloves and sanitizers. These too were provided to the seven Provincial Houses of Traditional Leaders in order to distribute among traditional leaders and their communities, as a contribution by the Department. The Department further arranged for compliance with all the necessary COVID-19 protocols as prescribed by the Department of Labour, Public Service and Administration and other Departments, which are responsible for COVID-19 regulations in line with the National Disaster Management Act.

Notwithstanding the interventions put in place, the Department continued to experience the following challenges among others, during the year under review.

The persistent challenges pertaining to the cultural initiation practice

The cultural initiation practice takes place in all the provinces and in some provinces, initiation takes place in winter, in others in summer, while in others initiation takes place both during the summer and winter seasons. This cultural practice is faced with a number of challenges in some provinces while others are doing fairly very well. In this regard, there some provinces that are considered best practice on initiation matters, given the minimal challenges faced. The following are the challenges faced in relation to initiation:

- Unregistered /illegal schools;
- Abduction of boys;
- Bogus and Inexperienced traditional surgeons;
- Non-screening of initiates for health status;
- Lack of/ minimal involvement of parents, traditional leaders and community members in some areas;
- Physical abuse of initiates, including assault and deprivation of water;
- Poor monitoring of initiation schools;
- Increased number of deaths of initiates.
- Cross-provincial border challenges, e.g. GP/MP, GP/LP, GP/FS, GP/NW, NW/LP, NC/FS/, EC/ WC/, KZN/EC;
- Injuries of initiates (including amputations); and
- Deaths of initiates.

Most of these challenges are prevalent in the Eastern Cape Province. In an effort to address the increased number of deaths and other initiation related causalities, the following are some of the interventions made:

- Outreach programmes to ensure community participation
- Awareness campaigns in all provinces
- Active involvement of the law enforcement agencies
- Prosecution of the owners of unregistered initiation schools
- Compulsory pre-medical examination/screening
- Working closely with other role players in ensuring that monitoring teams are well resourced
- Involvement of the Institution of Traditional Leadership to monitor initiation on daily basis within the area of jurisdiction of each Traditional Leader
- Strengthened partnership with various government departments, in particular the Department of Health and other organisations, for medical interventions on sites

Meaningful participation and involvement of traditional leadership in government structures

The meaningful participation and involvement of traditional leadership in government structures is considered work in progress. The participation of traditional leaders in municipal council proceedings is dealt with in section 81 of the Municipal Structures Act, read with Schedule 6 thereof. However, numerous challenges were experienced with the implementation and interpretation of the said provisions. The TKLA therefore, through Schedule 3, replaced the old section 81 of the Municipal Structures Act and introduced a new, very comprehensive section 81 which came into operation on 01 April 2021. From the 2021/22 financial year, the Department has prioritised coordination and monitoring of the participation of traditional leaders in municipal councils as part of the Department's role of monitoring implementation of the TKLA and section 81 of the Municipal Structures Act.

Challenges related to the implementation of socio-economic development in traditional communities

Some of the legislated roles of structures of traditional leadership are effective participation and involvement in socio-economic development programmes of municipalities, provincial and national spheres of government; and to support municipalities in the documentation and realisation of community needs. Notwithstanding that some of the structures of traditional leadership are able to perform these roles and there are successful traditional leadership projects for socio-economic and rural development at community level, best partnerships for community development between traditional leadership, private and government institutions, many structures are still not able to perform these roles. Some of the challenges in this regard are capacity and financial challenges within structures of traditional leadership.

The Department has revisited its capacity building initiatives for the sector and has, in partnership with the Local Government Sector Education and Training Authority developed a new induction programme.. This was carried out in line with the TKLA provisions. This will be the focus of the Department in the coming years.

2.2. Service Delivery Improvement Plan

The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Actual standard of service	Desired standard of service	Actual achievement
Resolution of kingships and queenships' disputes and claims	Traditional leadership, Royal Families and communities	The Department processes litigations on disputes and claims finalised by the courts by preparing and submitting documentation to the President to gazette and recognise the kingships, queenships and kings or queens in order to restore their dignity within fifteen days after the court ruling	The Department processes litigations on disputes and claims finalised by the courts by preparing and submitting documentation to the President to gazette and recognise the kingships, queenships and kings or queens in order to restore their dignity within seven days after the court ruling	The standard was achieved in relation to the three Kingships whose disputes were finalised by the courts
		The Department provides support to all kingships and queenships without disputes to develop their customary laws of succession and genealogies in order to reduce traditional leadership disputes and claims within their royal families	The Department provides support to all kingships and queenships without disputes to develop the customary laws of succession and genealogies in order to reduce traditional leadership disputes and claims within their royal families	The project was discontinued due to COVID 19 because the documentation of customary law required physical meetings with the Kingship.

Main services	Beneficiaries	Actual standard of service	Desired standard of service	Actual achievement
		The Department has a National Framework for Resolution of Traditional Leadership Disputes and Claims to guide provinces to set up systems for the management of traditional leadership disputes and claims for traditional leadership below kingship and queenship so that they can support the royal families thereof to manage their disputes and claims	The Department convenes monthly meetings with Provinces on the implementation of the National Framework to guide provinces to set up systems for the management of traditional leadership disputes and claims for traditional leadership below kingship and queenship so that they can support the royal families thereof to manage their disputes and claims	The Department convened meetings with individual Provinces on the implementation of the National Framework for Resolution of Traditional Leadership Disputes and Claims. In this regard, meetings with all provinces with recognised traditional leadership (8 provinces) were convened.
		The Department has in place a system to manage and respond to enquiries on traditional leadership disputes and claims efficiently within a month of receipt	The Department has in place a system to record, manage and respond to enquiries on traditional leadership disputes and claims efficiently and within two weeks of receipt	The Department has in place a system to record, manage and respond to enquiries on traditional leadership disputes and claims efficiently and within two weeks of receipt

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Briefing sessions with affected claimants.	Sessions with affected claimants.	An application form for kingship/queenship was developed and referred to the claimants.
Facilitating public hearings/interviews with claimants prior to development of a report to the relevant authority.	Public hearings/interviews with claimants prior to development of a report to the relevant authority.	One community applied for kingship in terms of section 2A of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003). Public hearings i.r.t. the application were conducted with the stakeholders provided for in section 2A of the Framework Act.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Claimants are taken through the qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership as outlined in the Traditional Leadership Governance Framework Act.	Qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership.	This was done whilst the Commission was still in operation.

Complaint's mechanism

Current/actual information tools	Desired complaints mechanism	Actual achievements
When a claimant is aggrieved by the results or outcome of the investigation or reports by the CTLDC regarding his/her claim or dispute, he/she can approach the courts.	When a claimant is aggrieved by the results or outcome of the investigation or reports by the CTLDC regarding his/her claim or dispute, he/she can approach the courts.	All the enquiries received from parties aggrieved by the determination of the CTLDC are informed that they can approach the courts to review the CTLDC (in the case of the Judicial Commission's decisions or President's decision (in the case of the CTLDC that succeeded the Judicial Commission).

2.3. Organisational environment

The Department has performed significantly above average and achieved all its set targets. There were significant developments that affected the Department during the period under review relating to the persistent pressure to deliver owing to capacity challenges experienced and challenges brought by coronavirus pandemic.

The District Development Model (DDM) has been the focus of emphasis for development and implementation, as Government as a whole, including the Department of Traditional Affairs. The launch of the three pilots, namely, the OR Tambo District, eThekwini Metro and Waterberg District exerted further impetus to the dedicated focus on the DDM. The Department has therefore, to date, profiled all districts and metros with traditional leadership, will contribute towards the development of One Plans for each district and metro.

The Traditional and Khoi-San Leadership Act (TKLA) was proclaimed by the President with the date of commencement as 1 April 2021. The Department has commenced with the implementation of the Act. The Customary Initiation Bill (CIB) has thus far progressed well through all the necessary Parliamentary processes through the support of the Department. The Bill was processed by the National Assembly and it is anticipated that the President will enact the Bill at any time.

The capacity of the Department in terms of human and financial resources remains a critical challenge with high risk. The Department has commenced with the review of the organisational structure and is also pursuing various means to address the financial constrains faced.

2.4. Key policy developments and legislative changes

There were no new policy and legislative changes which affected the Department's operations during the period under review. The Traditional and Khoi-San Leadership Bill was enacted in November 2019 and proclaimed for commencement. The Customary Initiation Bill is undergoing Parliamentary processes and is therefore yet to be enacted and proclaimed. Once the two bills are enacted and proclaimed, they will affect the operations of the Department and will require additional resources to implement them.

3. Progress towards achievement of institutional impacts and outcomes

The Department has the following five outcomes:

- Effective governance of the Department
- Safe initiation practices
- Functional institution of traditional and Khoi-San leadership
- Transformed institution of traditional leadership
- Developed communities in areas of traditional leadership

Progress made towards the achievement of the 5-year targets:

No	Outcome	Outcome Indicator	Five-year targets	Progress Report
1	Effective governance of the Department	Number of unqualified audit outcomes over the MTSF period	5	The Department obtained clean (unqualified with no findings) audit opinion for 2019/20 financial year. Should the Department obtain an unqualified audit opinion in 2020/21 financial year, the Department would be on course to achieve the five-year target of the MTSF.
2	Safe initiation practices	% of initiation schools complying with the Customary Initiation Act (CIA) Provisions	75%	The Customary Initiation Bill has successfully progressed through all the necessary Parliamentary processes through the support of the Department. The Bill has been processed through the National Assembly and should be enacted as an Act by the President during the 2021/2022 financial year. Once enacted, the Customary Initiation Act (CIA) will be used to regulate the Cus-tomary Initiation Practice. All the initiation schools will then onwards, be compelled to comply with the CIA provisions.
3	Functional institution of traditional and Khoi-San leadership	Number of provinces implementing (and complying with) the Handbook for Traditional Leadership	9	The Handbook has been developed and consulted upon with relevant stakeholders and it was continued because it is now at the level of Minister's Budget Forum and therefore it is finalised at the level of the Departmen
4		% of local houses of traditional and Khoi-San leaders performing their roles and functions as provided for in the Framework on roles and functions of Traditional Leaders	75%	There are 30 Local Houses of Traditional Leaders (LHTL) in 8 Provinces with traditional leadership. The new Traditional and Khoi-San Leadership Act (TKLA) provides for the roles and functions of LHTL. The enactment of the Act provided a enabling provision for the performance of roles and functions by LHTL in terms of section 50 and section 81 of the Municipal Structures Act of the TKLA. The Department will monitor and support the LHTL to ensure the performance of their roles and functions as provided for by the TKLA.

No	Outcome	Outcome Indicator	Five-year targets	Progress Report
5		% of traditional and Khoi-San Councils constituted in compliance with the TKLA provisions	75%	The TKLA in section 16 provides for the constitution of traditional councils. All traditional councils have been provided with a time frame of 2 years after commencement of the act to have been constituted in line with the recently enacted TKLA which also aligned the terms of offices of the constituted councils with that of the NHTL. It is expected that 100% of the councils will be constituted by end of 2022/23.
6		Number of Traditional Leaders trained through new programmes	829	A total of 829 recognised traditional leaders will be trained with new programmes to understand their roles and functions. The training of members will be commencing during the 2021/2022 financial year and all 829 traditional leaders would be trained by end of 2022/23 financial year.
7		Percentage of Traditional Councils trained through new programmes	50%	A total of 829 recognised traditional councils will be trained with new programmes to understand their roles and functions when carrying out their council work. The training of traditional councils will be commencing during the 2021/2022 finan-cial year and the 50% target would be achieved by end of 2022/23 financial year.
8	Transformed institution of traditional leadership	% of received Khoi-San applications for recognition processed and recommended to the Minister for a decision	75%	The enactment of the TKLA and its commencement by 1 April 2021 is a step closer towards the recognition of the Khoi-San communities and leaders. The Commission for Khoi-San Matters will be receiving applications for recognition and all applications will be processed and recommended to the Minister for recognition during the term of office of the Commission.
9	Developed communities in areas of traditional leadership	Number of projects implemented based on a re-modelled Agrarian Revolution Programme	60	The Department, working with the Department of Cooperative Governance (DCoG, worked on the remodeling of the Agrarian Revolution pro-gramme during the year under review. The re-maining MTSF will see 60 agrarian revolution pro-jects implemented through the CWP programme in line with the remodeled approach.
10	Transformed institution of traditional leadership	% of local houses participating in the District Development Model	100%	The Department has profiled all 30 districts and metros with traditional leadership as a key com-ponent for the District Development Model (DDM). The Department will during the financial year 2021/22 develop 30 LHTL One Plans for the DDM to ensure 100% participation and involve-ment of the LHTL and traditional leaders.
11		% of Houses of Traditional Leaders participating in social cohesion programmes (as custodians of culture)	100%	The Department has developed a Social Cohesion Strategy for traditional leadership during the previous years. The task ahead is about capacitating Houses of Traditional Leaders on the Strategy. From the 2022/2023 financial year onward, 100% of Houses will be required to implement the provisions of the Social Cohesion Strategy.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 2: Research, Policy and Legislation

Purpose

To provide research and traditional leadership information management systems as well as to develop, implement, monitor and review traditional affairs policies and legislation.

Description

The two sub-programmes of the Research, Policy and Legislation Programme in addition to RPL Management, are:

Policy and Legislation:

To develop, manage implementation of, monitor and review traditional affairs policies and legislation. The sub-programme also supports provinces in the development, implementation and alignment of provincial and national traditional affairs policies and legislation.

Research and Information Management:

To provide research, establish and manage information on traditional and Khoisan leadership, institutions and communities and establish systems for the management of traditional and khoi-san leadership disputes and claims

Outcomes that the Programme Contributes towards

- Transformed institution of traditional leadership
- Functional institution of traditional and Khoi-San leadership
- Safe initation practices

Table 2.4.4.1:

This table provides for a report against the originally tabled Annual Performance Plan which covers the first quarter of the financial year 2021

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION									
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**	**Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets**
Transformed institution of traditional leadership	Research studies on traditional affairs conducted per year	Number of research studies on traditional affairs conducted per year	3 research studies on traditional affairs conducted	2 research studies in the Traditional Affairs Research Agenda conducted	3 research studies in the Traditional Affairs Research Agenda conducted: -Research on the customary role of Khoi-san (Nama) leaders - Research on the challenges in relation to the coexistence of the institution of traditional leadership within the democratic dispensation (focusing on customs and customary law versus Constitutional Principles) - Research towards compilation of African Customary law	N/A This was a third quarter target for the year under review.???	N/A	N/A	This Annual target was revised to scale down to 1 research study. Due to travel restrictions imposed by the disaster management act regulations, Nama leaders could not be visited. These leaders also do not have the tools of trade needed to conduct virtual interviews. Scaling down annual target meant retaining the research on the coexistence of the institution of traditional leadership within a constitutional democracy. It was therefore possible to continue with this project because it required a desktop research to be achieved.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations)	Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets
	Capacity created for Queenships, kingships or principal traditional leadership to review their community rules to conform to the Bill of Rights per year	Number of queenships, kingships or principal traditional leadership communities for which capacity is created to review community rules that conform to the Bill of Rights per year	-	-	3 queenships, kingships or principal traditional leadership communities for which capacity is created to review community rules that conform to the Bill of Rights per year	N/A This was a second quarter target for the year under review.	N/A	N/A	This output indicator was discontinued based on the following: • It required traveling to the Kingships and Queenship, • It required face to face interviews with the stakeholders, and • Royal families are made up of more people, • Thus, it would have been impossible to continue with this project due to COVID-19 regulations on travel and gatherings.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION									
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**	**Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets**
Functional institution of traditional and Khoi-San leadership	Provinces audited to determine their compli-ance with the Traditional and Khoi-San Leadership Act (2019) per year	Number of prov-inces audited to determine compliance with the Traditional and Khoi-San Leadership Act (2019) per year	-	-	2 Provinces audited to determine compliance with the Traditional and Khoi-San Leadership Act (2019) per year	N/A This was a third quarter target for the year under review.	N/A	N/A	This output indicator was discontinued since the TKLA had by then not commenced and it was uncertain when it would have commenced. Provinces required sufficient time to implement the TKLA (after its commencement) before being audited on compliance with the act.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations)	Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets
	Capacity created for Queenships, kingships or principal traditional leadership communities to document the Roles and functions of their royal family members per year	Number of queenships, kingships or principal traditional leadership communities for which capacity is created to Document the roles and functions of royal family members per year	-	-	4 Queenship, Kingships or Principal Traditional Communities for which capacity is created to document the roles and functions of royal family members per year	**Not Achieved** Guidelines on roles and functions of royal family members and traditional communities were developed as preparatory work towards implementation of the target	-1	The capacity building sessions required face-to-face meetings with the Bapedi royal families and communities, and the sessions could not be convened due to COVID-19 travel restrictions.	This output indicator was discontinued based on the following: • It required traveling to the Kingships and Queenship, • It required face to face interviews with the stakeholders, and • Royal families are made up of more people, • Thus, it would have been impossible to continue with this project due to COVID-19 regulations on travel and gatherings.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations)	Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets
	Capacity created for Provinces on the imple-mentation of the Information Management Framework for the institution of traditional leadership per year	Number of provinces for which capacity is created for implementation of the Information Management Framework for the institution of traditional leadership per year	Database on traditional leadership institutions of legislations implementation	Information Management Framework for the institution of traditional leadership approved	8 provinces for which capacity is created for Implementation of the Information Management Framework for the institution of traditional leadership per year	**Achieved** 4 provinces were capacitated on implementation of the Information Management Framework (IMF) for the institution of traditional leadership.	N/A	N/A	N/A

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations)	Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets
	Books on kingships or queenships or principal traditional communities' customary laws of succession and genealogies developed per year	Number of books on kingships or queenships or principal traditional communities' customary laws of succession and genealogies developed per year	-	-	1 book on kingships or queenships or principal traditional communities' customary laws of succession and genealogies developed per year	N/A This was a third quarter target for the year under review.	N/A	N/A	This output indicator was discontinued based on the following: • It required traveling to the Kingships and Queenship, • It required face to face interviews with the stakeholders, and • Royal families are made up of more people, • Thus, it would have been impossible to continue with this project due to COVID-19 regulations on travel and gatherings.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION									
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**	**Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets**
	Provinces monitored on implementation of the National Framework for Resolution of Traditional Leadership Disputes and Claims	Number of provinces monitored on implementation of the National Framework for Resolution of Traditional Leadership Disputes and Claims	-	-	8 provinces monitored on implementation of the National Framework for Resolution of Traditional Leadership Disputes and Claims	**Achieved** 8 provinces were monitored on implementation of the National Framework for Resolution of Traditional Leadership Disputes and Claims	N/A	N/A	N/A
	Handbook for Traditional Leadership	Approved Handbook for Traditional Leadership	-	Handbook for Traditional Leadership drafted	Handbook for Traditional Leadership approved	**Achieved** The draft Traditional Leadership Handbook was revised to align it with the latest Guide for Members of the Executive (Ministerial Handbook) and to incorporated inputs received from the principals.	N/A	N/A	This annual target was discontinued based on the following: There were challenges in obtainging approval for the consultations. Consultations with traditional leaders were not feesible due to COVID 19 restrictions.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION									
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**	**Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets**
						Achieved The draft Handbook was consulted upon with the DTA SMS members for inputs.	N/A	N/A	
	Framework on roles and functions of traditional leadership	Approved Framework on roles and functions of traditional leadership	-	Research on powers, roles and functions of traditional leadership conducted	Framework on roles and functions of traditional leadership approved	**Achieved** The Draft Framework on roles and functions of traditional leaders was developed	N/A	N/A	The target was retained and rephrased to "Framework on the roles and functions of traditional leaders developed". The rephrasing was because there should have been consultations on the Framework before it could be approved. Given the COVID-19 restrictions, consultations with various stakeholders and members of the public were not possible.

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION									
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**	**Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets**
	Traditional and Khoi- San Councils reconstituted in compliance with the TKLA	Number of Provinces monitored on compliance with the TKLA in relation to the constitution of Traditional and Khoi-San Councils	-	-	8 Provinces monitored on compliance with the TKLA in relation to the constitution of Traditional and Khoi-San Councils	N/A This was a fourth quarter target for the year under review.	N/A	N/A	This annual target was discontinued. The focus of the project for 2020/21 was on the constitution of TCs, which was dependent on the commencement of the TKLA.
Transformed institution of traditional leadership	Existence of a Commission on Khoi-San Matters	functioning Commission on Khoi-San Matters	-	Invitations for nominations of Commissioners for the Commission on Khoi-San Matters by the Public issued	Commission on Khoi-San Matters established	N/A This was a third quarter target for the year under review.	N/A	N/A	This annual target was discontinued. The TKLA had not yet commenced, and it was uncertain when it would commence. The Commission can only be established once the commencement date of the TKLA had been proclaimed.

4.2. Programme 3: Institutional Support and Coordination

Purpose

To promote institutional development and capacity building for the institution of traditional leadership and facilitate partnerships between the institution of traditional leadership and all spheres of government, civil society and private sector.

Description

The sub-programmes within the Institutional Support and Coordination Programme are:

Secretariat of the NHTKL:

To provide secretariat, administrative and research support to the NHTL. In collaboration with the NHTL and the Department, the Secretariat provides planning, performance reporting services to the House and assists the House to implement the House Strategic Plans and APPs. The Secretariat also supports the House to comply with financial, planning, performance reporting and corporate governance prescripts.

Institutional Development and Capacity Building:

To ensure that structures of traditional leadership are empowered by reviewing, developing, implementing and monitoring national institutional support programmes.

Partnerships:

To promote and integrate the role and place of the institution of traditional leadership, including Khoi-San leadership and structures in the South African governance system by establishing collaborative relations between the institution and other governance structures across the three spheres of government.

Institutional outcomes that the programme contributes towards according to the Annual Performance Plan

- Developed communities in areas of traditional leadership
- Transformed institution of traditional leadership
- Safe initiation practices

PROGRAMME 3: INSTITUTIONAL SUPPORT AND COORDINATION									
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**	**Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets**
Developed communities in areas of traditional leadership	Projects in the re-modelled Agrarian Revolution Programme implemented	Number of projects in the re-modelled Agrarian Revolution Programme implemented	-	-	Participation of Traditional Leaders in the re-modelling of the Agrarian Revolution Programme	**Achieved** Identified gaps in the implementation of the programme in the previous financial years. Explored various approaches and options for consideration in the remodelling process. Engaged with various stakeholders, including the Committee on Land and Agriculture of the National House of Traditional Leaders. Developed a draft document on the remodeling of the agrarian revolution programme. In ensuring participation of traditional leaders in the programme a funding proposal to the Solidarity Fund was developed and consulted upon for a social relief programme in traditional communities.	N/A	N/A	The output was revised firstly to conceptualise the programme

PROGRAMME 3: INSTITUTIONAL SUPPORT AND COORDINATION									
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**	**Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets**
	Local Houses participation in the District Development Model as per the guidelines on the par-ticipation of Local Houses in municipalities	Number of Local Houses monitored on their participation in the District Development Model as per the guidelines on the participation of Local Houses in municipalities	-	-	30 Local Houses monitored on their participation in the District Development Model as per the guidelines on the participation of Local Houses in municipalities	N/A This was a third quarter target for the year under review.	N/A	N/A	The output was revised to broaden the participation of traditional leaders in the District Development Model
Transformed institution of traditional leadership	Training of Traditional Leaders on the approved traditional leadership training programme conducted	Number of Traditional Leaders trained on the approved traditional leadership training programme	-	-	100 Traditional Leaders trained on the approved traditional leadership training programme	N/A This was a second quarter target for the year under review.	N/A	N/A	This annual target was discontinued. Due to Covid-19, it was not possible to engage with the participants. Training of traditional leaders required interaction and those traditional leaders do not have the tools needed to conduct virtual interviews.

PROGRAMME 3: INSTITUTIONAL SUPPORT AND COORDINATION

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations)	Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets
	Traditional Councils in-ducted on the TC induction manual	Number of Traditional Councils inducted on the TC induction manual	-	-	200 Traditional Councils inducted on the TC induction manual	N/A This was a third quarter target for the year under review.	N/A	N/A	This annual target was discontinued. The induction of Traditional Leaders was dependent on the proclamation and subsequent implementation of the TKLA. As a result, provinces were not ready to reconstitute the TC's this financial year.
Functional institution of traditional and Khoi-San leadership	30 Local Houses of Traditional Leaders workshopped on the implementation of socio-economic development programmes in traditional communities	Number of Local Houses of Traditional Leaders workshopped on the implementation of the socio-economic development programmes in traditional communities	-	-	30 Local Houses of Traditional Leaders workshopped on the implementation of the socio-economic development programmes in traditional communities	**Not Achieved** Workshops were not conducted because of the restrictions on movement because of a national lockdown		N/A	This annual target was discontinued. This project was intended for workshops to be conducted at Local Houses. The workshops could not take place due to COVID-19 .

SUB-PROGRAMME: NATIONAL HOUSE OF TRADITIONAL LEADERS

Outcomes	Outputs	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations)	Reasons for revisions/ discontinuation of the Outputs / Output indicators / Annual Targets
Transformed institution of traditional leadership	Implementa-tion of the social cohesion programme	Number of Provincial Houses of Traditional Leaders' implementing the Social Cohesion programme	-	-	7 Provincial Houses of Traditional Leaders' implementing the Social Cohesion programme	**Achieved** 7 Provincial Houses of Traditional Leaders' implemented the Social Cohesion programme	N/A	N/A	The target was revised to focus on social cohesion in relation to fighting Covid-19 pandemic.
Safe initiation practices	Awareness campaigns on the customary initiation practice	Number of awareness campaigns on the customary initiation practice conducted	-	-	4 awareness campaigns on the customary initiation practice conducted	**Achieved** 4 Awareness campaigns in all Provinces regarding the suspension of customary initiation schools were conducted.	N/A	N/A	None

PERFORMANCE INFORMATION BY PROGRAMME

Programme 1: Administration

Purpose

The purpose of the Administration Programme is to provide strategic leadership, effective administration, executive support, monitoring and evaluation of Traditional Affairs' performance, corporate and financial services.

Description

The sub-programmes within the Administration Programme are:

Department Management (Office of the Director-General):

Promotes effective strategic management and governance of the Department, corporate planning, integrated and aligned planning within traditional affairs, risk management, corporate secretariat, strategic communication and Parliament and Cabinet support services. The sub-programme's focus is to improve operational efficiency, and oversee the implementation of Departmental programmes and policies through monitoring and evaluation. It also ensures that adequate support is provided to Traditional Affairs entities.

Corporate and Financial Services:

This sub-programme provides human resource management and development, information and communication technologies, legal, records management, supply chain management and financial management support services to line function programmes within the Department.

Internal Audit:

This is an independent and objective appraisal function, which provides assurance to the Director-General and senior management concerning adequacy and efficiency of the Department's internal controls and governance system.

Institutional outcomes that the programme contributes towards according to the Annual Performance Plan:

- Effective governance of the Department

PROGRAMME 1: ADMINISTRATION								
Outcomes	**Outputs**	**Output Indicators**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**
Effective governance of the Department	Performance against organisational performance information (OPIM) Compliance Management Plan	% performance against organisational performance information (OPIM) Compliance Management Plan	100% of actions on financial management in the IGMP implemented	80%	80% performance against organisational performance information (OPIM) Compliance Management Plan	**Achieved** 80% of actions in the organisational performance information Compliance Management Plan for the quarter were implemented	N/A	None
	Actions in the Corporate and Financial Management (CFM) Compliance Management Plan implemented	% of actions in the Corporate and Financial Management (CFM) Compliance Management Plan implemented	100% of actions on CFS in the IGMP implemented	80%	80% Actions in the Corporate and Financial Management (CFM) Compliance Management Plan implemented	**Achieved** 80% of actions in the Corporate and Financial Management (CFM) Compliance Management Plan were implemented	N/A	None

Programme 2: Research, Policy and Legislation

Purpose

To provide research and traditional leadership information management systems as well as to develop, implement, monitor and review traditional affairs policies and legislation.

Description

The sub-programmes of the Research, Policy and Legislation Programme are:

Policy and Legislation:

To develop, manage implementation of, monitor and review traditional affairs policies and legislation. The sub-programme also supports provinces in the development, implementation and alignment of provincial and national traditional affairs policies and legislation.

Research and Information Management:

To provide research, establish and manage information on traditional and Khoisan leadership institutions and communities and establish systems for the management of traditional leadership disputes and claims.

Institutional outcomes that the programme contributes towards according to the Annual Performance Plan

- Transformed institution of Traditional Leadership
- Functional institution of traditional and Khoi-San leadership

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations)
Transformed institution of Traditional Leadership	Research studies on traditional affairs conducted per year	Number of research studies in the Traditional Affairs Research Agenda conducted per year	-	2 research studies in the research agenda developed	1 research study in the Traditional Affairs Research Agenda conducted, i.e.: Research on the coexistence of the institution of traditional leadership within a Constitutional Democracy	**Achieved** 1 research study on the coexistence of the institution of traditional leadership within a Constitutional De-mocracy was com-pleted.	N/A	None
Functional institution of traditional and Khoi-San leadership	Capacity created for provinces on implementation of the Information Management Framework for the Institution of Traditional Leadership per year	Number of provinces for which capacity is created for implementation of the Information Management Framework for the Institution of Traditional Leadership per year	-	Information Management Framework for the Institution of Traditional Leadership developed	8 Provinces	**Achieved** Capacity was creat-ed for 8 Provinces namely: (Kwa-Zulu Natal, Free State, Eastern Cape and Limpopo, Gauteng, North-West , Northern Cape and Mpumalanga) For the implementation of the Information Management Framework for the Institution of Traditional Leadership	N/A	None

PROGRAMME 2: RESEARCH, POLICY AND LEGISLATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**
Functional institution of traditional and Khoi-San leadership	Provinces monitored on implementation of the National Framework for Resolution of Traditional Leadership Disputes and Claims	Number of provinces monitored on implementation of the National Framework for Resolution of Traditional Leadership Disputes and Claims	-	National Framework for Resolution of Traditional Leadership Disputes and Claims	8 Provinces	**Achieved** 8 Provinces namely: (Kwa-Zulu Natal, Free State, Eastern Cape, Limpopo, Gauteng, North-West , Northern Cape and Mpumalanga were monitored on implementation of the National Framework for Resolution of Traditional Leadership Dispute and Claims	N/A	None
Functional institution of traditional and Khoi-San leadership	Discussion Document on roles and functions of traditional leadership	Discussion Document on roles and functions of traditional leadership	-	Research on roles, powers and functions of traditional leaders conducted	Discussion Document on roles and functions of traditional leadership developed	**Achieved** Discussion Document on roles and functions of traditional leadership was developed	N/A	None

Programme 3: Institutional Support and Coordination

Purpose

To promote institutional development and capacity building for the institution of traditional leadership and facilitate partnerships between the institution of traditional leadership and all spheres of government, civil society and private sector.

Description

The sub-programmes within the Institutional Support and Coordination Programme are:

Secretariat of the NHTL:

To provide secretariat, administrative and research support to the NHTL. In collaboration with the NHTL and the Department, the Secretariat provides planning, performance reporting services to the House and assists the House to implement the House Strategic Plans and APPs. The Secretariat also supports the House to comply with financial, planning, performance reporting and corporate governance prescripts.

Institutional Development and Capacity Building:

To ensure that structures of traditional leadership are empowered by reviewing, developing, implementing and monitoring national institutional support programmes.

Partnerships:

To promote and integrate the role and place of the institution of traditional leadership, including Khoi-San leadership and structures in the South African governance system by establishing collaborative relations between the institution and other governance structures across the three spheres of government.

Institutional outcomes the programme contributes towards according to the Annual Performance Plan

- Developed communities in areas of traditional leadership
- Transformed institution of traditional leadership
- Safe initiation practices

PROGRAMME 3: INSTITUTIONAL SUPPORT AND COORDINATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**
Developed communities in areas of traditional leadership	Concept document on the remodeling of the Agrarian Revolution Programme developed	Concept document developed on the remodelling of the Agrarian Revolution Programme	-	-	Concept document on the remodeling of the Agrarian Revolution Programme developed	**Achieved** Concept document on the remodeling of the Agrarian Revolution Programme was developed	N/A	None
	Participation of traditional communities in the implementation of socioeconomic development programmes.	Number of traditional communities participating in the implementation of socio-economic development progammes.	-	-	10 traditional communities monitored on their participation in the socio economic development programme in traditional communities: a) Food Security Programme.	**Achieved** 882 traditional communities were monitored on their participation in food security programme as part of the socio economic development programme in traditional communities	+872	Target number increased from 10 to cover all 882 recognised traditional communities following the partnership with the Solidarity fund together with the Department and NHTL in the face of COVID-19.

PROGRAMME 3: INSTITUTIONAL SUPPORT AND COORDINATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**
	Local Houses monitored on their participation in the District Development Model.	Number of Local Houses monitored on their participation in the District Development Model.	-	-	30 Local Houses monitored on their participation in the District Development Model.	**Achieved** 32 Local Houses were monitored on their participation in the District Development Model.	+2	The plan was to monitor 30 LHTLs, however, during the implementation phase it was discovered that there are addition 2 local houses to be monitored, hence the over-achievement. A
Transformed institution of traditional leadership	Capacity building programme for the Institution of Traditional leadership developed	Capacity building programme developed for the Institution of Traditional Leadership.	-	-	Capacity building programme for the Institution of Traditional Leadership developed	Achieved A capacity building programme for the institution of Traditional leadership was developed.	N/A	N/A

PROGRAMME 3: INSTITUTIONAL SUPPORT AND COORDINATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**
Transformed institution of traditional leadership	Implementation of the social cohesion programme	Number of Provinces monitored on the implementation of the Social Cohesion programme	-	-	8 Provinces monitored on the implementation of the Social Cohesion programme: • Funerals and cultural events adhering to COVID -19 regulations • Awareness programmes on the COVID -19 stigmatization	**Achieved** 8 Provinces were monitored on the implementation of Social Cohesion programme focusing on funerals and cultural events adhering to COVID -19 regulations and awareness programmes on the COVID -19 stigmatization	N/A	None

SUB-PROGRAMME: NATIONAL HOUSE OF TRADITIONAL LEADERS								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	***Actual Achievement 2020/2021**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for deviations)**
Safe initiation practices	Awareness campaigns on the customary initiation practice conducted	Number of awareness campaigns conducted on the customary initiation practice	-	-	9 awareness campaigns conducted on the customary initiation practice	**Achieved** 9 awareness campaigns were conducted on customary initiation practice.	N/A	N/A
	Provinces monitored on the implementation of COVID-19 regulations on customary initiation	Number of Provinces monitored on the implementation of COVID-19 regulations on customary initiation	-	-	9 Provinces monitored on the implementation of COVID-19 regulations on customary initiation	**Achieved** 9 Provinces were monitored on the implementation of COVID-19 regulations on customary initiation	N/A	N/A

Narrative on significant achievements of targets for the outputs and output indicators for each programme

Administration Branch

In terms of the Administration branch which comprise of the Chief Directorate: Office of the Director General, the Chief Directorate: Corporate and Financial Services and the Internal Audit Unit, the Annual Performance Target was a compliance management plan that consolidated all the necessary compliance requirements in relation to performance information and corporate and financial services. The successful implementation of the compliance plans implied that the annual target has been achieved.

The Department obtained clean audit (unqualified audit with no findings) for the 2019/20 financial year. Should the Department obtain an unqualified audit opinion in 2020/21 financial year, the Department would be on course to achieve its outcome of effective governance of the Department and the five-year target of the MTSF.

Overall, the staff complement of the Department comprises 56% of women with 48% appointed at SMS level. 28% of the population constitutes youth with 3% of persons with disabilities appointed in the department. To ensure that the department achieves its target on appointment of women at SMS level, the department prioritised filling of vacant and funded positions at SMS level for appointment of women in line with the departments' employment equity plan.

The following represents interventions by the Branch that were implemented during the year under review:

- The Department has in place the Employment Equity Policy, Employment Equity Plan and Disability Management Strategy.
- Established a Departmental Men's Forum to educate men about Gender Based Violence and Femicide.
- Hosted a Women in SMS management meeting with the Accounting Officer to institutionalise the HOD's 8 principal action plan.
- The Department hosted a workshop on "Managing sexual harassment in the workplace" for all employees.

Research, Policy and Legislation Branch

The major achievements of the Branch are:

- The TKLA was enacted, and the date of 1 April 2021 was proclaimed as the commencement date for the Act.
- The Parliamentary processes for the Customary Initiation Bill were at an advanced stage, and it is envisaged that the Bill will be enacted before the end of 2021/22 Financial Year.

The Branch has achieved all its targets during the year under review. The major achievements relating to the proclamation for the implementation of the TKLA and the anticipated proclamation of the CIB will go a long way to ensure the realisation of the Departmental outcomes on Transformed institution of Traditional Leadership and Functional institution of traditional and Khoi-San leadership. These pieces of legislation are an enabler for the achievement of the outcomes.

The following represents interventions by the Branch and relates to sector policies on gender responsiveness:

Customary Initiation Practice

For many decades, there was a focus on only male customary initiation practices. During the development of the Policy on the Customary Practice of Initiation in South Africa, the Department of Traditional Affairs conducted research on female initiation with a view to develop an all-inclusive policy. The policy was presented to Cabinet and Cabinet endorsed the approach to deal with both male and female initiation. The policy was approved by Cabinet in April 2016 and the Department was directed to draft legislation based on the principles contained in the approved policy.

This resulted in the development of the Customary Initiation Bill (CIB) which is currently being considered by Parliament. The CIB, once enacted, will apply to both male and female customary initiation practices, schools and structures. The CIB makes provision for a National Initiation Oversight Committee (NIOC) and Provincial Initiation Coordinating Committees PICC). The NIOC will consist of 9 members of which at least 3 must be females. Specific provision is also made for the Department of Women to be represented on the NIOC. The same principle applies to the PICCs.

Traditional leadership legislation

Historically, traditional leadership positions and structures were male dominated. The enactment of the 1996-Constitution however introduced new guiding principles, including one of equality. The Constitution also states that traditional leadership, including customs and customary law, is subject to the Constitutional principles.

In compliance with the Constitutional principles, the Traditional Leadership and Governance Framework Act was promulgated in 2003. This Act makes provision for the various traditional leadership positions which can be filled by male or female traditional leaders.

The Framework Act requires that at least one-third of the members of traditional leadership structures must be women. This applies to kingship and queenship councils, principal traditional councils, traditional councils and traditional sub-councils. This principle also applies to the various houses of traditional leadership. Through these provisions, the representation of women on traditional leadership structures is guaranteed. The Traditional and Khoi-San Leadership Act, 2019 which is not in operation and has repealed the Framework Act and the NHTL Act, contains similar provisions,

Adaptation of and transformation of customary laws of succession in relation to traditional leadership:

The Act provides that "traditional communities must transform and adapt customary law and customs to comply with the relevant principles of the Bill of Rights, in particular by:

a) Preventing unfair discrimination;

b) Promoting equality; and

c) Seeking to progressively advance gender representation in the succession to traditional leadership positions".

Most of customary laws of succession for traditional communities and royal families are based on the principle of male primogeniture. The Branch had a project on documenting customary laws of succession for kingships and queenships. Previously, the project was focused on the documentation of customary laws of succession and genealogies of kingships only.

To implement the afore-mentioned legislative provision, in the current Medium Term Expenditure Framework (MTSF), the project will entail documentation as well as supporting the kingships and queenships to adapt their customary laws of succession to progressively advance gender representation in the succession to traditional leadership. For those kingships and queenships that already have documented customary laws of succession, the focus will be to adapt and transform accordingly.

Institutional Support and Coordination Branch

During the year under review the branch had seven (7) targets of which all of them were achieved. The strategic objectives for the department of Traditional Affairs for the MTSF period included but not limited to the following:

- Promotion of the participation of traditional and Khoi-san leadership in socio-economic development;
- Improving performance and functionality of traditional and Khoisan leadership structures;
- Reduction in the number of deaths and injuries resulting from cultural initiation practice; and
- Promotion of social cohesion within the traditional affairs sector.

In line with the output and output indicators for the department the following was achieved:

a) The NHTL led and encouraged traditional leaders to help government in ensuring that their communities understand and adhere to the lockdown regulations. A lot of cultural functions were stopped by traditional leaders in this regard including the suspension of customary initiation in the winter of 2020.

b) Having considered the devastation brought by the Covid-19, eight hundred and sixty one (861) traditional communities participated in the food security programme. In partnership with the Solidarity Fund, food and input voucher projects were implemented, whereby 20000 and 45000 households and small scales farmers benefitted from the projects respectively. This is in line with the department's objectives of promoting participation of traditional communities in the implementation of socio-economic development programmes.

   In ensuring sustainability of the programme and project, the department also signed a Memorandum of Understanding (MoU) with the Department of Agriculture, Land Reform and Rural Development (DALRRD). The achievement of this target is in line with the government's priority on economic development, thus promoting rural economy in communities under the jurisdiction of traditional leadership.

c) In promoting social cohesion in traditional communities, all provinces, except Western Cape implemented social cohesion programmes effectively. The programme was part of awareness raising, whereby traditional leaders were involved in communicating key messages on the pandemic, addressing issues of stigmatisation and social exclusion in their respective communities. The success of this programme was through the partnership with the Solidarity Fund, where 882 traditional communities each received loudhailers to assist government in communicating the message on Covid 19 protocols.

d) Furthermore, Houses of Traditional Leaders partnered with various Development Foundations and other stakeholders in promoting social cohesion in their respective communities, to address and contribute to national discourse brought about by the Covid 19 pandemic.

e) Traditional Leaders play an important role in the implementation of government's programmes and projects. The introduction of the District Development Model (DDM) necessitates effective participation of traditional leaders, to ensure that the development needs of their communities are part of the long-term planning. The branch therefore, development guidelines for effective participation of traditional leaders the DDM processes, to ensure sustainable development in their communities.

f) As part of partnership with government and private sector, traditional leaders initiated and launched their socio-economic development in the name of InvestRural. The InvestRural intends to utilize the current existing structures to change the lives of the rural communities. Traditional leaders intend to form partnerships with different private sectors to ensure that development takes place in rural areas thus eliminating hunger and reducing influx from rural areas to urban areas.

The following represents interventions by the Branch that were implemented during the year under review:

- Conducted a workshop to Women Traditional Leaders on the Customary Marriages Act.
- The NHTL launched "Mahumahadi baMorena" to empowerment of women Traditional Leader in Qwaqwa.
- The Department through the National House of Traditional Leaders participated in the Men's Parliament and Boys Assemblies which was intended to create awareness among boys and men on gender-based violence.
- The Department and the National House of Traditional Leaders participated in the Sexual Offences task team led by the Department of Justice.
- The NHTL hosted a women dialogue for spouses of Traditional Leaders in Mpumalanga.

Strategy to overcome areas of under performance

Not applicable

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

Reporting on the Institutional Response to the COVID-19 Pandemic

Table: Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total Budget budget spent per allocation intervention per intervention (R'000)		Contribution to the Outputs in theAPP (where applicable)	Immediate outcomes
Administration	Procurement of PPEs	National	100 Officials	54% Females 46% Males	129	129	N/A	Containment of coronavirus
ISC	Procurement of PPEs	National	100 Officials and 21 NHTL Members	54% Females 46% Males 24% Females 76% Males	437	437	N/A	Containment of coronavirus

Narrative on interventions that were implemented in response to the COVID-19 pandemic:

The Department procured PPEs to the value of R566 000 that were allocated to staff members and members of the National House of Traditional Leaders to fight the spread of COVID-19. Furthermore, Traditional Leaders, who have been classified as providing essential service, played a significant role on fighting the coronavirus pandemic. The NHTL partnered with a number of organisations including the Solidarity Fund to implement various interventions that contributed immensely to the reduction of the spread of the virus.

Linking performance with budgets

Programme 1: Administration

Sub-Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	10,411	8,818	1,593	11,249	11,249	-
Management	14,893	11,710	3,183	14,139	13,298	841
Corporate Services	20,986	16,974	4,012	21,006	20,930	-
Internal Audit	4,395	3,599	796	3,800	3,793	
Total	**50,685**	**41,101**	**9,584**	**50,193**	**49,270**	**923**

The Administration Programme has spent R41,1million out of R50,6 million. Even though the programme has underspent on its allocated budget, the programme has achieved satisfactory performance on its APP and Annual Operational Plan targets. The underspending is attributed to restrictions due to Covid-19 pandemic which affected the mode of delivery.

Programme 2: Research, Policy and Legislation

Sub-Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	3,988	3,715	273	2,805	2,645	160
Research, Policy & Legislation	4,186	3,478	708	4,499	4,014	485
Research & Information Management	8,755	7,807	948	12,060	9,946	2,114
Total	**16,929**	**15,000**	**1,929**	**19,364**	**16,604**	**2,759**

The Research, Policy and Legislation Programme has spent R 15 million out of R16,9 million. Even though the programme has underspent on its allocated budget, the programme has achieved satisfactory performance on its APP and Annual Operational Plan targets. The underspending is attributed to restrictions due to Covid-19 pandemic which affected the mode of delivery.

Programme 3: Institutional Support and Coordination

Sub-Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	5,496	4,088	1,408	5,580	5,375	205
Institutional Development and Capacity Building	6,999	5,885	1,114	6,429	6,320	109
Intergovernmental Relations & Partnerships	7,918	6,805	1,113	8,083	7,667	416
National House of Traditional Leaders	21,249	16,976	4,273	25,180	24,102	1,078
Commission for the Promotion and Protection of the Rights of Culture, Religion	46,046	46,046	-	45,189	45,189	-
Disputes & Claims Resolutions	6,363	1,622	4,741	8,333	6,188	2,145
Total	**94,071**	**81,422**	**12,649**	**98,794**	**94,841**	**3,953**

The Institutional Support and Coordination Programme has spent R81,4 million out of R94 million. Even though the programme has underspent on its allocated budget, the programme has achieved satisfactory performance on its APP and Annual Operational Plan targets. The underspending is attributed to restrictions due to Covid-19 pandemic which affected the mode of delivery.

5. Transfer Payments

5.1. Transfer payments to Public Entities

The Commission for the Promotion and Protection of the Rights of Culture and Linguistic Community (CRL Rights Commission) is a Constitutional Institution listed under Schedule 1 of the PFMA. The Commission does not report to the Minister, but it reports directly to Parliament, however, it receives its budget through the Department as a transfer payment. For the period under review, the CRL Rights Commission's adjusted budget amounted to R46,046 million.

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
Commission for the Promotion and Protection of the Rights of Culture and Linguistic Communities	None	R 46,046	R 46,046	The Commission has achieved significantly above average in terms of its annual performance plan targets.

5.2. Transfer payments to all organisations other than public entities

Not applicable

6. Conditional Grants

6.1. Conditional grants and earmarked funds paid

Not applicable

6.2. Conditional grants and earmarked funds received

- The Department did not receive any conditional grants or earmarked funds during the period under review.

7. Donor Funds

7.1. Donor Funds Received

- The Department did not receive any Donor Funding during the period under review.

8. Capital Investment

8.1. Capital investment, maintenance and asset management plan

- Not applicable during the period under review

PART C: GOVERNANCE

1. INTRODUCTION

The Department is committed to ensure good governance within the organisation. In this regard, the Department has established fully functional governance structures. Performance on annual and strategic objectives was monitored quarterly through the Planning and Performance Review Committee (PPRC) and the Management Committee over an above other Departmental assurances. Interventions on areas of under-performance were implemented to ensure achievement of the Department's objectives. The Accounting Officer maintained an effective, efficient and transparent system of financial and risk management and internal control as required by section 38(1)(a)(i) of the PFMA.

2. RISK MANAGEMENT

The Department has developed the risk management policy and strategy and it was approved for the financial year 2020/21 to 2021/22. The risk management implementation plan is reviewed annually to ensure that it remains relevant. The implementation plan was reviewed and approved in the first quarter of 2020/21 financial year.

The Strategic Risk Assessment for 2020/21 has been conducted and a risk assessment report was approved by the Accounting Officer. New and existing risks were identified associated to the strategic outcome and annual targets/ performance indicators. The risk register was used to direct the Internal Audit efforts and priorities. This risk assessment is conducted annually for both strategic and operational levels as required by the departmental risk management strategy. Progress of Branches and Chief-Directorate's risk registers is communicated to various programmes in the Departmental quarterly review meetings to ensure that risk treatment plans are monitored regularly.

The Risk Management Committee was appointed for 2019/20 to 2021/22 financial years. The Committee comprises of programme managers and three external members, one of whom is the Chairperson. Its roles and responsibilities are outlined in its terms of reference. The Committee was established in accordance with the Public Sector Risk Management Framework to oversee the implementation of the system of risk management in the Department. The Committee meet quarterly according to the terms of reference to review the effectiveness of the system of risk management and recommend improvements to the Accounting Officer.

The Chairperson of the Risk Management Committee and the Chief Risk Officer quarterly present the status of risk management and progress report on the implementation of risk treatment plans for the Department to the Audit Committee. The reporting includes the Chairperson of the Risk Management Committee's report to the Accounting Officer.

The recommendations of the Audit Committee are discussed in the Risk Management Committee as agenda item. All advises by the Audit Committee are incorporated on the agenda of the Risk Management Committee for monitoring to ensure that are implemented by the Department.

There is an alignment relating to performance on the Annual Performance Planned targets and the implementation of perceived risk treatment plans for the financial year 2020/21. All the programmes achieved 100% of their annual targets.

The RPL programme had twelve (12) strategic risk treatment plans due for implementation during the financial year 2020/21, and one (1) was not fully implemented. This translates to 92% of implementation of strategic risk treatment plans. Administration, ISC and NHTL implemented all their strategic risk treatment plans for the financial, respectively. The overall implementation of risk treatment plans for the financial year translates into 96%.

3. FRAUD AND CORRUPTION

The Department has an approved Fraud Prevention Policy and Plan. These documents were implemented to prevent, detect and address acts of corruption. A fraud and corruption risk assessment was conducted and action plans were identified and monitored quarterly. There were regular communications in a form of workshops and information sharing on prevention, detection and reporting of fraud and corruption within the Department.

The Department also has an approved Whistle-blowing Policy as a mechanism and guide to report events or suspicions of fraud and corruption.

Furthermore, the Department has implemented the Whistle-Blowing Policy which indicates the procedure in reporting fraud and corruption incidents. This policy outlines the process and steps to be taken to reporting incidents of fraud and corruption anonymously. This has been communicated to all employees. Fraud report boxes are placed within the building and the hotline number for reporting of instances of possible fraud or corruption is indicated on each box.

There were no cases or incidents of fraud that were identified or reported during the period under review.

4. MINIMISING CONFLICT OF INTEREST

Employees of the Department are constantly encouraged to serve the public with the highest ethical standards. To this end, there are service standards that have been developed and complied with by the staff. The standards are in line with Code of Conduct within public service. In addition, the standards also have an element of combined assurance which limits any potential conflict of interest within all business units and service providers.

As it has already been alluded to above, the Department further encourages staff members in particular SMS members to constantly disclose and file their financial interests with the Public Service Commission. Information and awareness session on Code of Conduct are conducted with general staff.

Lastly, compliance with ethical standards and to avoid abuse of Supply Chain Management systems, SCM Practitioners are compelled to adhere to the highest ethical standards and encouraged to annually sign a code of conduct.

5. CODE OF CONDUCT

The Department adheres to and implements the Public Service Code of Conduct. To enforce compliance, maintain and improve compliance with the code conduct, on the first day of assumption of duty, new employees are taken through the code and provided with a copy of the code of conduct. Disciplinary action was taken against a total of 12 employees for non-compliance with regulation 19 of the PSR, 2016, regulation 81.1 of PSR, 2016 and Section 30 of the PSA, 1994.

Furthermore, the department annually issue a circular to all SMS and other designated employees informing them of the requirements disclose their interest. Furthermore, a directive on "*Other remunerative work outside the employee's employment*" was issued to all employees outlining the process to seek permission to perform other remunerative work that also included categories of other remunerative work. Employees with Directorship of dormant registered businesses with a potential of having conflict of interest are also encouraged to seek permission to reduce the risk of conflict of interest. Applications for permission to perform other remunerative work are assessed to determine any conflict of interest before permission is granted. Applications perceived to have any conflict of interest are declined and applicants notified in writing on reasons for declining applications. Disciplinary action was taken against five (5) employees with potential conflict of interest for non-compliance with Section 30 of the Public Service Act, 1994.

In compliance with Regulation 13(h) of the Public Service Regulation, 2016, approval was granted for one (1) employee to accept a gift to the value of R420.00 in the form of the Christmas/season's greetings gift.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has established and appointed an Occupational Health and Safety (OHS) Committee in line with the OHS Act. Training of the OHS Committee members has taken place.

In compliance with COVID-19 Regulations on containment of COVID-19 in the workplace, measures were put in place to manage and contain the risk of the virus in the workplace. The department appointed a COVID-19 compliance to ensure compliance with OHS Act. COVID-19 Protocols and guidelines were developed and implemented to mitigate the risk.

7. PORTFOLIO COMMITTEES

Date of the meeting	Subject	Matters raised by the Portfolio/Select Committee	Response to address the matter/actions by the Department
09 July 2020: Portfolio Committee on Cooperative Governance and Traditional Affairs and Select Committee on Cogta (Virtual meeting).	Briefing by the Department of Traditional Affairs to the Committees on the Adjustment Budget for the 2020/21 financial year and Revised 2020/2021 Annual Performance Plan.	The meeting recommended that the Department must provide the Committees with a status report on all provincial legislation dealing with traditional leadership. The meeting indicated that the Committees would continue to engage with the Department throughout the year in consideration of its budget and to monitor its impact during the COVID-19 pandemic.	The Department provided the Committee with the said status report.

Date of the meeting	Subject	Matters raised by the Portfolio/Select Committee	Response to address the matter/actions by the Department
20 October 2020: Portfolio Committee on Cooperative Governance and Traditional Affairs (Virtual meeting).	Deliberation on the quarterly performance reports of the Department of Traditional Affairs	The meeting raised a concern about a lack of norms and standards pertaining to the inclusion of traditional leaders in municipal activities. The Committee indicated that traditional leaders expressed a concern that they are not clear on their role regarding participation in the District Development Model (DDM)	The new Section 81 of the Municipal Structures Act provides clarity on the roles of Traditional Leaders in municipal council proceedings. The Department has developed a Guide on the role of traditional leadership in the DDM. This guide serves as a form of support to both the Departmental Provincial counterparts and traditional leaders during participation in the activities of the DDM. Following the approval of the Guide, the Department presented the Guide at the following meetings: 10 November 2020-Mpumalanga traditional institution. 25 November 2020-Gert Sibande Local House of Traditional Leaders; and 9 to 10 December 2020 Limpopo House of Traditional Leaders.
17 November 2020: Portfolio Committee on Cooperative Governance and Traditional Affairs (Virtual meeting)	Briefing by the Department of Traditional Affairs on its 2019/2020 Annual Report	The Committee raised a concern with the fact that the Traditional and Khoi-San Leadership Act (TKLA) of 2019 had not yet commenced and that it was long overdue	The Department indicated that the President signed the proclamation on 02 December 2020, and it was published in the government gazette on 11 December 2020 and the commencement date for the TKLA is on 01 April 2021.

Date of the meeting	Subject	Matters raised by the Portfolio/Select Committee	Response to address the matter/actions by the Department
03 November 2020: Select Committee on Cooperative Governance and Traditional Affairs, Water and Sanitation and Human Settlements (Virtual meeting)	Discussion to receive the negotiating mandates on the Customary Initiation Bill (CIB) from the Provinces	The Committee indicated that it would arrange another meeting to consider the C-List versions of the Bill (CIB).	The Department finalised the drafting of the C version to the Bill and submitted the list to the State Law Advisors and the Parliamentary Legal Advisor. The C-list contained all the amendments that were suggested by the Committee.
10 February 2021: Portfolio Committee on Cooperative Governance and Traditional Affairs (Virtual meeting)	Consideration of the NCOP amendments to the Customary Initiation Bill [B7D-2018]	The Committee agreed that the NCOP amendments were not far reaching or fundamental and approved them.	N/A
30 March 2021: Portfolio Committee on Cooperative Governance and Traditional Affairs (Virtual meeting	Meeting with the Department of Traditional Affairs and the National House of Traditional Leaders (NHTL) to discuss initiation matters and the state of readiness for the 2021 initiation season	The meeting expressed a concern over initiation school fatalities in the Eastern Cape, where 13 initiates lost their lives in December 2020 and the Committee requested the Department to provide it with the following information on or before 07 April 2021: A comprehensive report regarding the fatalities. The report should include, among other things, the number of initiates that suffered injuries and support given to the bereaved families A report on consequence management to make sure that there is accountability Status of the cases that were opened with the South African Police Services.	The Department furnished the Portfolio Committee with the requested information.

8. SCOPA RESOLUTIONS

The Department did not appear before SCOPA during the period under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None

10. INTERNAL CONTROL UNIT

The current organisational structure of the Department does not cater for Internal control unit. The functions of internal control are performed across various programmes as part of combined assurance.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit unit supported the Accounting Officer to ensure that the Department maintained an effective, efficient and transparent system of financial and risk management and internal control as required by section 38 of the PFMA. This was done through the provision of assurance (audits) and advisory (participation in governance structures) services.

The Internal Audit unit conducted the following audits in line with its approved audit plan:

- Quarterly review of performance information against the approved APP;
- Review of Annual Financial Statements;
- Quarterly review of the Integrated Governance Management Plan (Internal Audit and AGSA findings);
- Quarterly review of Compliance with Departmental Legislation;
- Review of Risk Management process;
- Review of Asset Management;
- Review of COVID 19 Compliance;
- Review of Supply Chain Management processes;
- Review of Expenditure Management;
- Review of Debt Management;
- Follow-up Review of Corporate Governance structures;
- Follow-up Review of Travel and Subsistence Expenditure;
- Follow-up Review of Human Resource Development processes;

- Follow-up Review of Human Resource Management: Recruitment & Selection and Termination of services processes; and
- Ad-hoc request to investigate possible irregular expenditure.

Internal audit reported quarterly to the Audit Committee on its performance against the approved audit plan.

The primary purpose of the Audit Committee is to play an oversight role in assisting the Department to maintain an effective, efficient and transparent system of financial, risk management, governance, and internal control. The Audit Committee is also expected to obtain reasonable assurance from management that the Department is carrying out its responsibilities relating to:

- Financial management and other reporting practices;
- Internal controls and management of risks;
- Compliance with laws, regulations and ethics;
- Safeguarding of assets; and
- Information Technology management and risks surrounding it.

Furthermore, the Audit Committee has the responsibility to ensure that the independence of the Internal Audit Unit is enhanced, and they are functioning effectively through reviewing the scope, performance and results of audits undertaken. In addition, the Audit Committee is expected to review the plan and results of the work performed by the Auditor General to ensure that it covers critical risk areas, and that unsolved accounting and auditing problems are resolved.

12. REPORT OF THE AUDIT COMMITTEE

The Audit Committee ("the Committee") is established as an independent statutory committee in terms of the PFMA. The committee functions within approved terms of reference and complies with relevant legislation, regulation and governance codes.

The Committee submits this report for the year ended 31 March 2021, as required by the Treasury Regulations 3.1.13 and in terms of section 76(4)(d) of the PFMA.

12.1 AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The Committee comprises of three (3) Independent Members and is chaired by Mr. Trevor Boltman.

The Committee is required to meet at least four times per annum as per its approved terms of reference.
Four(4) meetings were held for the financial year ended 31 March 2021.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
* **Mr AF Sinthumule (Chairperson)**	DIP: Finance and BCOM Accounting MBA (with special project on PFMA)	External	n/a	1 Nov 2013	30 June 2020	1
** **Ms Pumla Mzizi (Chairperson)**	Professional designation: Chartered Accountant- CA (SA)	External	n/a	1 Feb 2015	31 Jan 2021	4
*** **Ms DLT Dondur**	Bachelor of Accounting Honours B Compt Honours in business administration MBA Professional Designation: Chartered Accountant-CA (SA) Post Graduate Certificate in Labor Relations Post Graduate International Development Programmes	External	n/a	1 Sept 2014	8 Sept 2020	3
Mr T Boltman (Chairperson)	B-Tech: Internal Audit Post Graduate Diploma: Certified Internal Auditing Professional Designations: Certified Internal Auditor Certified Government Auditing Professional Certification in Control Self Assessment	External	n/a	1 July 2020	n/a	4

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms NP Lubanga	Postgraduate Diploma: General Management Postgraduate Diploma: Internal Auditing Executive Development Program (EDP) BCOMM: Internal Auditing National Diploma in Internal Auditing	External	n/a	1 July 2020	n/a	4
Ms NNJ Sizani	B COMM: Accounting B COMPT HONS/CTA (Certificate in Theory of Accounting) Post Graduate Diploma in Management Senior Secondary Teachers Diploma Professional Designations: Associate General Accountant (AGA) SA Certified Director (Cert. Dir.) IoDSA	External	n/a	1 July 2020	n/a	4

* - Mr AF Sinthumule's contract ended on 30 June 2020.

** - Ms Mzizi's contract ended on 31 January 2021.

*** - Ms Dondur's contract ended on 8 September 2020.

12.2 AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee is satisfied that it has complied with its responsibilities as outlined in Section 38(1) (a) of the PFMA and Treasury Regulation 3.1.3.

The Audit Committee also reports that it has adopted and reviewed formal terms of reference as its Audit Committee Charter and has discharged all its responsibilities as contained therein. DTA also implemented the Integrated Governance Management Plan with regards to all findings raised through external audit and progress on the implementation of these recommendations are monitored by the Audit Committee on a quarterly basis.

12.3 THE EFFECTIVENESS OF INTERNAL CONTROL

The PFMA requires the Accounting Officer to ensure that the entity has and maintains effective, efficient and transparent systems of financial, risk management and internal control, whilst it's the Committee's role to review the effectiveness of internal controls and oversee risk management. Reviews on the effectiveness of the internal controls were conducted and they covered financial, operational, compliance and risk assessment.

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department, revealed certain weaknesses, which were then raised with the management of the Department. Through our analysis of the audit reports and engagement with the Department we can report that there were areas identified for improvement in the system of internal controls.

12.4 RISK MANAGEMENT

The Strategic Risk Assessment for 2020/21 has been conducted and the Risk Assessment report including the risk register approved by the Accounting Officer. The risk register was used to direct internal audit efforts and priority. Progress on Branch Risk registers are being communicated to various programmes during quarterly review meetings to ensure that risks are being monitored on a regular basis.

DTA has a functional Risk Management Committee, which is chaired by an external member. Members were formally appointed by the Accounting Officer and do comply with the approved terms of reference. The Risk Management Committee meet on a quarterly basis to evaluate and monitor risks identified and advise for improvements. In strengthening the process of monitoring risks and improving governance, DTA have appointed Risk Champions for each programme to assist the Risk owners in monitoring the implementation of mitigation (action) plans within various programmes. Risk Management reports are also discussed at management meetings to ensure that timeous mitigation of risks was implemented to improve organisational performance.

The Committee is responsible for the oversight of risk management. Based on the quarterly reviews performed, it can be concluded that the department's risk management processes are adequate and effective.

12.5 EFFECTIVENESS OF INTERNAL AUDIT

Internal Audit Unit is responsible for reviewing and providing assurance regarding the adequacy of the internal control environment across all the significant areas of the Department and its operations.

The Committee is responsible for ensuring that the Department's internal audit function is independent and has the necessary resources, skills, standing and authority within the entity to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Committee.

The Committee reviews and approves the Internal Audit Plan annually. Internal Audit's activities are measured against the approved internal audit plan and the Chief Audit Executive tables progress reports in this regard to the Committee.

The Committee is satisfied with the performance of the Internal Audit activity for the year under review. Internal Audit also reported independently regarding the progress by management in implementing the Integrated Governance Management Plan to secure remedial actions. An approved three-year risk based strategic plan and an annual operation plan were successfully implemented by Internal Audit.

In the year under review, the Internal Audit Unit developed and implemented a risk based strategic and operational audit coverage plan that encompassed the following areas:

Control Opinion on Audits performed for 2020/21

No.	Auditable Area	Control Opinion
1	Review of Performance Management Information (Quarterly and Annually)	Adequate
2	Review of Financial statements (Quarterly and Annually)	Adequate
3	Quarterly Review of Integrated Governance Management plan (IGMP)	Not adequate
4	Quarterly compliance review with Legislation	Adequate
5	Supply Chain Management processes	Adequate
6	Risk Management processes	Needs Improvement
7	Asset Management	Adequate
8	Debt Management	Needs Improvement
9	Review of COVID 19 compliance (bi-annual)	Needs Improvement
10	Expenditure Management Audit	Needs Improvement
11	Follow-up Review of Governance Structures	Needs Improvement
12	Follow-up Review of HR development processes	Needs Improvement
13	Follow-up Review of Human Resource Management: Recruitment & Selection and Termination of services	Needs Improvement
14	Follow-up Review of Travel and Subsistence Expenditure	Needs Improvement

The audit opinion for the above mentioned audits performed are based on the following criteria:

Opinion	Description
Adequate	Controls in place provide reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.
Needs Improvement	Controls in place provide some assurance that the organization's risks have been managed however considerable improvement is needed to effectively manage the risk and ensuring that goals and objectives are achieved efficiently and economically.
Not Adequate	Controls in place do not provide reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.

The overall opinion on the control environment, is determined based on the audit results for the period under review and is depicted as follows:

No	Area	Opinion
1.	Governance	**Adequate** Internal Audit participated in all the governance structures of the Department for the period under review. Meetings were held regularly to review Departmental performance regarding predetermined objectives and spending against the allocated budget.
2.	Risk Management	**Needs improvement** The Internal Audit did perform a risk management review and identified areas requiring improvement. The shortcomings are being addressed by the Risk Officer and is monitored quarterly through the IGMP of the Department.

No	Area	Opinion
3.	Controls	**Needs improvement** The above opinion was determined by the ratings given to the areas audited during the period under review.
4.	Internal Financial Controls (IFC's)	**Adequate** Internal Financial Controls were tested during Internal Audit's review of quarterly Interim and annual Financial Statements and through monitoring the progress of findings in the Integrated Governance Management Plan (IGMP).

12.6. QUALITY OF MANAGEMENT AND MONTHLY / QUARTERLY REPORTS SUBMITTED IN TERMS OF THE ACT AND THE DIVISION OF REVENUE ACT

The Department presented and reviewed the financial management and performance (predetermined objectives) reports at its Quarterly Review Meetings. These reports were also discussed at the Audit Committee meetings and issues were raised with the Department.

The Department has reported to the National Treasury as required by the PFMA and the Department of Monitoring and Evaluation on a quarterly basis.

12.7 EVALUATION OF FINANCIAL STATEMENTS

The Committee reviewed the draft Annual Financial Statements of the Department and is satisfied that it complies with GRAP Standards and that the accounting policies used are appropriate. The Annual Financial Statements were reviewed with the following focus:

- Significant financial reporting judgements and estimates contained therein;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Changes in the Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted;
- Reasons for year-on-year fluctuations; and
- Asset valuations and revaluations.

The review of the Draft Annual Financial Statements and Draft Annual Report for the 2020/21 Financial Year was done at the Committee's meeting held on 27 May 2021.

12.8 AUDITOR GENERAL SOUTH AFRICA

The Committee, in consultation with the Accounting Officer, agreed to the terms of the Auditor General South Africa's engagement letter, audit strategy and audit fees in respect of the 2020/2021 financial year. The Committee also had in committee meetings with the Auditor General of South Africa.

The Committee also monitored the implementation of the action plan to address matters arising from the Management Report issued by the Auditor-General South Africa in respect of the 2020/2021 Financial Year and concluded that this plan is adequate as all matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor General South Africa on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the audit report of the Auditor General South Africa.

12.9 GENERAL

The Audit Committee strongly recommends that the Department continues to prioritize the implementation and frequent monitoring of the audit action plans for both internal and external audit in order to achieve the required effectiveness in governance, accountability and maintain a clean administration of the Department.

12.10 CONCLUSION

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and the Auditor General South Africa for their tireless efforts, commitment and support throughout the year.

We also commend and congratulate the Department with its clean (unqualified with no findings) audit opinion expressed by the Auditor General South Africa.

Signed on behalf of the Audit Committee by:

Chairperson of the Audit Committee

Department of Traditional Affairs

31 July 2021

13. B-BBEE Compliance Performance Information

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion** (*include a discussion on your response and indicate what measures have been taken to comply*)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	The Department does not issue licences, concessions or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	The Department has developed and implemented Supply Chain Management Policy which is aligned to all applicable legislations including Preferential Procurement Policy Framework Act. This includes the application of 80/20 and 90/10 preferential point system for all procurement contracts above R30,000
Determining qualification criteria for the sale of state-owned enterprises?	N/A	The Department did not have any sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	N/A	The Department did not enter into any Private Partnership during the period under review
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	The Department did not have any award or incentives, grants and investment scheme in support of BBBEE

PART D: HUMAN RESOURCE MANAGEMENT

OVERVIEW OF HUMAN RESOURCES

1. INTRODUCTION

The Human Resource Management's primary role is to provide strategic and transformed human resources services that supports the Department's to achieve its strategic objective. The fundamental functions of the HR unit include structural design, recruiting and training human resources, performance appraisals, employee relations and employee wellness.

2. OVERVIEW OF HUMAN RESOURCES

The approved organisational structure has 127 positions of which 89 are funded. This has a negative impact on the Department delivering on all aspects of its mandate. A total of 15 positions were filled additional to the establishment due to operational requirements utilising savings from the CoE budget that were allocated for the establishment of the Commission on Khoi-San matters increasing the total number of positions to 104.

The Department's HR unit plays a critical role in building a team of working professionals. In a bid to achieve its objectives, the department developed an HR Plan for the capacitation of critical areas. The human resource priorities and achievement for the year under review include the following:

- Reduction of vacancy rate to 10% or below to ensure adequate human resource capacity to achieve departmental goals and objectives. The department reduced its vacancy rate to 5.5%.
- Develop a workplace skills plan with 75% of training interventions implemented to improve workplace performance.
- 100% submission of financial disclosures by designated employees to mitigate against conflict of interest.

Workforce is planned in line with the departmental strategic objectives and available budget on compensation of employees. Positions are prioritised in terms of their importance and advertised nationally on the public service vacancy circular and national media to attract a large of pool of suitable candidates. In order to improve the quality of appointment at SMS level, all shortlisted candidates for SMS posts undertakes a pre-entry practical exercise as part of the technical interview process on the technical requirements of the post. The practical exercise is conducted in the form of formal presentation on topical issues that test the candidates' ability to perform successfully in the post including a written practical exercise. Furthermore, SMS members recommended for appointment undertake a competency assessment to determine their strengths, weaknesses, learning opportunities, current level of work and to identify developmental gaps. The gaps identified from the outcome of the assessment are incorporated in the SMS members personal developmental plans to improve on them.

All employees are required to enter into performance agreements within three months of appointment and on a yearly basis go through formal performance assessment twice a year. 96% of employees were able to comply with the provisions of the performance management and development system directives. However, 100% of SMS members complied with the PMDS directive.

The department implements health and wellness programmes to encourage a healthy lifestyle which includes HIV and AIDS voluntary counselling and testing and wellness screening. In the light of the COVID-19 threat, measures were put in place to manage and contain the risk of the virus in the workplace. An employee risk assessment was conducted to identify the risks of a COVID-19 outbreak and measures put in place to mitigate the risks. Employees identified as high risk of being infected with the virus are allowed to perform their work remotely. Work arrangement of employees affected by the impact of the virus were also revised to allow for flexi-work arrangements. All COVID-19 reported cases were managed in line with guidelines issued by the Department of Health and reports submitted to the Department of Public Service & Administration.

Achievements for the reporting include the following:

- The department exceeded the 2% target for appointment of persons with disabilities as set out by Cabinet. This was achieved through targeted recruitment.
- 100% of designated employees disclosed their financial interest for the reporting period.
- COVID-19 protocols developed and implemented to reduce the risk of employee infection. The measures put in place reduced the risk of infections of employees.

The following challenges were identified:

- Misalignment between the organisational structure and the Department's broader mandate and strategy which has an impact on service delivery. Appointment of persons additional to the establishment has a negative impact on institutional memory loss in cases where employee contracts terminate. The department plans to review the current organisational structure to align it to the strategic plan and mandate of the department.
- COVID-19 had an impact on employee performance that required the department to review some of its annual targets. Employee training interventions were also impacted due to the impact of COVID-19 at learning institutions.
- The national lockdown on the containment of COVID-19 in which restrictions were put in place that required the reduction of the number of employees allowed to work physically at the workplace including social distancing measures put in place to reduce the risk of employees' infection had an impact on employee utilising vacation leave. The department incurred leave liability resulting in payment of leave pay-out due to employee retirement and contract expiry.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel.
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	40 897	33 449	0	**0**	81.8	683
Institutional Support & Coordination	81 614	27 477	0	**0**	33.7	763
Research, Policy & Legislation	15 000	11 831	0	**0**	78.9	622
Total	**137 511**	**72 757**	**0**	**0**	**52.9**	**699**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	991	1.4	4	248
Highly skilled production (Levels 6-8)	9 534	13.1	25	381
Highly skilled supervision (Levels 9-12)	19 147	26.3	25	766
Senior management (Levels 13-16)	34 694	47.7	27	1 285
Contract (Levels 1-2)	141	0.1	1	141
Contract (Levels 3-5)	1 647	2.3	12	137
Contract (Levels 6-8)	1 146	1.6	5	229
Contract (Levels 9-12)	3 395	4,7	5	679
Contract (Levels 13-16)	2 062	2.8	0	2 062
Periodical Remuneration	0	0	0	0
Total	**72 757**	**100**	**104**	**699**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	34 866	86.5	19	0	428	1.1	803	2
Institutional Support & Coordination	10 023	72.6	0	0	205	1.5	330	2.4
Research, Policy & Legislation	19 040	82.2	5	0	984	4.2	318	1.4
Total	**63 929**	**87.8**	**24**	**0**	**1 617**	**2.2**	**1 451**	**1.9**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 3-5)	784	78.8	0	0	69	6.9	47	4.7
Highly skilled production (Levels 6-8)	7 538	77.3	5	0.1	430	4.4	703	7.2
Highly skilled supervision (Levels 9-12)	16 677	85.7	5	0	315	1.6	420	2.2
Senior management (Levels 13-16)	31 738	85.8	0	0	803	2.2	275	0.7
Contract (Levels 1-2)	140	99.3	0	0	0	0	0	0
Contract (Levels 3-5)	1 643	99.4	0	0	0	0	0	0
Contract (Levels 6-8)	1 145	99.6	0	0	0	0	0	0
Contract (Levels 9-12)	3 319	96.9	14	0.4	0	0	0	0
Contract (Levels 13-16)	944	45.5	0	0	0	0	6	0.3
Total	**63 929**	**87.8**	**24**	**0**	**1 617**	**2.2**	**1 451**	**1.9**

3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	51	49	1.8	9
Research, Policy & Legislation	23	19	3.6	5
Institutional Support & Coordination	36	36	0	1
Total	**110**	**104**	**5.4**	**15**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (3-5)	4	4	0	0
Highly skilled production (6-8)	27	25	1.8	0
Highly skilled supervision (9-12)	26	25	0.9	0
Senior management (13-16)	30	27	2.7	0
Contract (Levels 1-2)	1	1	0	1
Contract (Levels 3-5)	12	12	0	7
Contract (Levels 6-8)	5	5	0	4
Contract (Levels 9-12)	5	5	0	3
Total	**110**	**104**	**5.4**	**15**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	28	27	0.9	3
FINANCIAL AND RELATED PROFESSIONALS, Permanent	3	3	0	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	2	2	0	0
FOOD SERVICES AIDS AND WAITERS, Permanent	1	1	0	1
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	1	1	0	0
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS, Permanent	2	2	0	0
HUMAN RESOURCES RELATED, Permanent	2	2	0	0
LIGHT VEHICLE DRIVERS, Permanent	4	4	0	0
LOGISTICAL SUPPORT PERSONNEL, Permanent	3	3	0	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	1	1	0	0
OTHER OCCUPATIONS, Permanent	3	3	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	33	31	1.8	11
SENIOR MANAGERS, Permanent	27	24	2.7	0
Total	**110**	**104**	**5.4**	**15**

3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	3.6	0	0
Salary Level 15	2	2	7.14	0	0
Salary Level 14	7	6	21.4	1	3.6
Salary Level 13	18	16	57.1	2	7
Total	**28**	**25**	**89**	**3**	**11**

Table 3.3.2 SMS post information as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General	1	1	3.6	0	0
Salary Level 15	2	2	7.14	0	0
Salary Level 14	7	7	25	0	0
Salary Level 13	18	16	57.1	2	7
Total	**28**	**26**	**93**	**2**	**7**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General	0	0	0
Salary Level 15	0	0	0
Salary Level 14	2	1	0
Salary Level 13	2	0	0
Total	**4**	**1**	**0**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
No suitable candidate found for advertised positions

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
None

3.4. Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 3-5)	4	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	27	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	26	0	0	0	0	0	0
Senior Management Service Band A	19	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Contract (Levels 1-2)	1	0	0	0	0	0	0
Contract (Levels 3-5)	12	0	0	0	0	0	0
Contract (Levels 6-8)	5	0	0	0	0	0	0
Contract (Levels 9-12)	5	0	0	0	0	0	0
Total	**110**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Employees with a disability	**0**

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 and 31 March 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
SENIOR MANAGERS, Permanent	1	13	14	Transfer from another department.
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				1%

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	0
Total	**1**	**0**	**0**	**0**	**0**

Employees with a disability	None

3.5. Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Skilled (Levels3-5)	4	0	0	0
Highly skilled production (Levels 6-8)	26	0	0	0
Highly skilled supervision (Levels 9-12)	25	0	0	0
Senior Management Service Bands A	16	0	0	0
Senior Management Service Bands B	7	1	1	14.3
Senior Management Service Bands C	2	0	0	0
Senior Management Service Bands D	2	0	0	0
Contract (Levels 1-2)	1	0	0	0
Contract (Levels 3-5)	6	7	6	100
Contract (Levels 6-8)	2	3	0	0
Contract (Levels 9-12)	3	3	1	33.3
Senior Management Service Contract Band B	1	0	1	100
Total	**95**	**14**	**9**	**9.5**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	26	3	1	3.8
FINANCIAL AND RELATED PROFESSIONALS Permanent	3	0	0	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	2	0	0	0
FOOD SERVICES AIDS AND WAITERS Permanent	1	0	0	0
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	1	0	0	0
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS Permanent	2	0	0	0
HUMAN RESOURCES RELATED Permanent	2	0	0	0
LIGHT VEHICLE DRIVERS Permanent	6	0	1	16.7
LOGISTICAL SUPPORT PERSONNEL Permanent	3	0	0	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	1	0	0	0
OTHER OCCUPATIONS Permanent	3	0	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	23	10	5	21.7
SENIOR MANAGERS Permanent	22	1	2	9.1
TOTAL	**95**	**14**	**9**	**9.5**

Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 and 31 March 2021

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	0	0
Expiry of contract	8	8.42
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	1.1
Transfer to other Public Service Departments	0	0
Other	0	0
Total	**9**	**100**
Total number of employees who left as a % of total employment	**9.5**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	26	0	0	14	53.8
FINANCIAL AND RELATED PROFESSIONALS	3	0	0	3	100
FINANCIAL CLERKS AND CREDIT CONTROLLERS	2	0	0	0	0
FOOD SERVICES AIDS AND WAITERS	1	0	0	0	0
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	1	0	0	0	0
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	2	0	0	0	0
HUMAN RESOURCES RELATED	2	0	0	1	50
LIGHT VEHICLE DRIVERS	6	0	0	2	33.3
LOGISTICAL SUPPORT PERSONNEL	3	0	0	2	66.7
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	1	0	0	1	100
OTHER OCCUPATIONS	3	0	0	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	23	1	4.3	16	69.6
SENIOR MANAGERS	22	0	0	15	68.2
TOTAL	**95**	**1**	**1.1**	**54**	**56.8**

Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels3-5)	4	0	0	2	50
Highly skilled production (Levels 6-8)	26	1	3.8	20	76.9
Highly skilled supervision (Levels 9-12)	25	0	0	15	60
Senior Management (Level 13-16)	27	0	0	16	59.3
Contract (Levels 1-2)	1	0	0	0	0
Contract (Levels 3-5)	6	0	0	1	16.7
Contract (Levels 6-8)	2	0	0	0	0
Contract (Levels 9-12)	3	0	0	0	0
Contract (Levels 13-16)	1	0	0	0	0
Total	**95**	**1**	**1.1**	**54**	**56.8**

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	13	0	0	2	10	0	2	0	27
Professionals	0	0	0	0	1	0	0	0	1
Technicians and associate professionals	14	1	0	1	16	0	0	0	32
Clerks	8	0	0	0	26	0	0	0	34
Service and sales workers	0	0	0	0	2	0	0	0	2
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	5	0	0	0	0	0	0	0	5
Elementary occupations	1	0	0	0	2	0	0	0	3
Total	**41**	**1**	**0**	**3**	**57**	**0**	**2**	**0**	**104**
Employees with disabilities	1	0	0	0	2	0	0	0	3

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	2	0	0	0	4
Senior Management	11	0	0	2	8	0	2	0	23
Professionally qualified and experienced specialists and mid-management	11	0	0	1	13	0	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	0	18	0	0	0	25
Semi-skilled and discretionary decision making	3	0	0	0	1	0	0	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Professionaly Qualified)	2	1	0	0	2	0	0	0	5
Contract (Skilled Technical)	1	0	0	0	4	0	0	0	5
Contract (Semi-Skilled)	4	0	0	0	8	0	0	0	12
Contract (Unskilled)	0	0	0	0	1	0	0	0	1
Total	**41**	**1**	**0**	**3**	**57**	**0**	**2**	**0**	**104**

Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	2	0	0	0	4
Senior Management	11	0	0	2	8	0	2	0	23
Professionally qualified and experienced specialists and mid-management	11	0	0	1	13	0	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	0	18	0	0	0	25
Semi-skilled and discretionary decision making	3	0	0	0	1	0	0	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	2	1	0	0	2	0	0	0	5
Contract (Skilled Technical)	1	0	0	0	4	0	0	0	5
Contract (Semi-Skilled)	4	0	0	0	8	0	0	0	12
Contract (Unskilled)	0	0	0	0	1	0	0	0	1
Total	**41**	**1**	**0**	**3**	**57**	**0**	**2**	**0**	**104**
Employees with disabilities	1	0	0	0	2	0	0	0	3

Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	2	0	0	0	2
Senior Management	4	0	0	2	7	0	2	0	15
Professionally qualified and experienced specialists and mid-management	8	0	0	1	6	0	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	15	0	0	0	21
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract(Semi Skilled)	1	0	0	0	0	0	0	0	1
Total	**20**	**0**	**0**	**3**	**31**	**0**	**2**	**0**	**56**
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	1	0	0	0	0	0	0	0	1
Contract (Semi-skilled)	1	0	0	0	5	0	0	0	6
Total	**4**	**0**	**0**	**0**	**5**	**0**	**0**	**0**	**9**
Employees with Disabilities	0	0	0	0	3	0	0	0	3

Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final Written warning	4	0	0	0	0	0	0	0	**4**
Written warning	5	0	0	0	2	0	1	0	**8**

Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	0	0	2	2	0	0	0	6
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	1	0	0	0	1	0	0	0	2
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**3**	**0**	**0**	**2**	**3**	**0**	**0**	**0**	**8**
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7. Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2020

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General	1	1	1	4.2
Salary Level 15	2	2	2	8.3
Salary Level 14	7	7	7	29.2
Salary Level 13	16	14	14	58.3
Total	**26**	**24**	**24**	**100**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2020

Reasons
Due to the impact of COVID-19 lockdown, the MPSA granted a deviation on the submission of performance agreements by the 31 May 2020. An extension was granted for all SMS members to submit performance agreement by 30 October 2020.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2020

Reasons
N/A

3.8. Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	11	41	26.8	110	10
Female	14	57	25.5	232	17
Asian					
Male	0	0	0	0	0
Female	0	2	0	0	0
Coloured					
Male	0	1	0	0	0
Female	0	0	0	0	0
White					
Male	0	3	0	0	0
Female	0	0	0	0	0
Total	**25**	**104**	**24**	**342**	**14**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (level 3-5)	2	4	50	6	3	2
Highly skilled production (level 6-8)	14	25	56	92	7	27
Highly skilled supervision (level 9-12)	9	25	36	244	27	71
Contract (Levels 1-2)	0	1	0	0	0	0
Contract (Levels 3-5)	0	12	0	0	0	0
Contract (Levels 6-8)	0	5	0	0	0	0
Contract (Levels 9-12)	0	5	0	0	0	0
Total	**25**	**77**	**32.4**	**342**	**14**	**100**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 to 31 March 2021

Critical occupation	Beneficiary Profile			COST	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	2	2	100	6	3
LOGISTICAL SUPPORT PERSONNEL	1	3	33.3	6	6
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	0	2	0	0	0
OTHER OCCUPATIONS	0	3	0	0	0
FINANCIAL AND RELATED PROFESSIONALS	3	3	100	52	18
ADMINISTRATIVE RELATED	6	28	21.4	155	26
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	10	32	31.3	56	6
HUMAN RESOURCES RELATED	1	2	50	54	54
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	0	1	0	0	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	1	1	100	13	13
SENIOR MANAGERS	0	21	0	0	0
LIGHT VEHICLE DRIVERS	0	5	0	0	0
FOOD SERVICES AIDS AND WAITERS	0	1	0	0	0
Total	**25**	**104**	**24**	**342**	**14**

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	16	0	0	0	0
Band B	0	7	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	2	0	0	0	0
Total	**0**	**27**	**0**	**0**	**0**	**0**

3.9. Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 and 31 March 2021

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
n/a	n/a		n/a		n/a	

3.10. Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	21	90.5	2	3.1	11	21
Highly skilled production (levels 6-8)	84	58.3	18	27.7	5	113
Highly skilled supervision (levels 9 -12)	83	66.3	16	24.6	5	222
Top and Senior management (levels 13-16)	111	85.6	18	27.7	6	555
Contract (Levels 3-5)	9	77.8	5	7.7	2	7
Contract (Levels 6-8)	40	100	2	3.1	20	53
Contract (Levels 9-12)	25	92	3	4.6	8	69
Contract (Levels 13-16)	6	100	1	1.5	6	33
Total	**379**	**77.6**	**65**	**100**	**6**	**1 074**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	33	100	1	100	33	109
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	**33**	**100**	**1**	**100**	**33**	**109**

Table 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	65	4	16
Highly skilled production (Levels 6-8)	535	26	21
Highly skilled supervision (Levels 9-12)	576	26	22
Senior management (Levels 13-16)	557	26	21
Contract (Levels 1-2)	9	1	9
Contract (Levels 3-5)	78	10	8
Contract (Levels 6-8)	22	4	6
Contract (Levels 9-12)	51	6	9
Contract (Levels 13-16)	9	1	9
Total	**1 902**	**104**	**18**

Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	21
Highly skilled supervision (Levels 9-12)	0	0	0	37
Senior management (Levels 13-16)	0	0	0	33
Total	**0**	**0**	**0**	**33**

Table 3.10.5 Leave pay-outs for the period 1 April 2020 and 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2020/21 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2020/21	1 264	2	632
Leave discounting with resignation for 2020/2021	62	1	62
Leave discounting: contract expiry for 2020/2021	3	1	3
Leave gratuity: Retirement for 2020/2021	251	2	126
Total	**1 580**	**6**	-

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees with classified COVID-19 comorbidities	Employees allowed to work remotely during the COVID-19 national lockdown
Employees aged 60 years and above	Employees allowed on a rotational basis during the COVID-19 national lockdown.

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Ms Lorato Motlhala Director: Human Resource Management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		Human Resource Management Directorate is responsible for the promotion of health and well-being of employees. The department does not have a budget allocated for health and well-being of employees.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		Voluntary health and wellness screening for the following: - Body cholesterol levels - Blood Pressure (BP) testing - Blood Glucose level - HIV & Aid Counselling & Testing The department provided reasonable accommodation affected employees during the COVID-19 lockdown.

4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		The Department had established an Employee Wellness Committee with representative from various Chief Directorate, however the committee is not effective.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		The Department's Employment Equity policy articulates issues on fair labour practices.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		The Department has a policy in place that provides for non-discrimination of persons affected and infected by HIV.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		▪ The Department collaborates with GEMS and NGO's by providing on site health screening and voluntary HIV testing.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Utilisation of health and wellness services: • Number of employees attending wellness events • Sick leave utilisation

Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2020 and 31 March 2021

Total number of Collective agreements	**None**

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 and 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	8	67
Final written warning	4	33
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	**12***	**100**
** The 12 reported misconduct cases were progressive discipline and did not require a disciplinary hearing*		

Notes

Total number of Disciplinary hearings finalised	**None**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021

Type of misconduct	Number	% of total
N/A	N/A	N/A
Total		

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of Total
Number of grievances resolved	2	66.7
Number of grievances not resolved	1	33.3
Total number of grievances lodged	**3**	**100%**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 and 31 March 2021

Disputes	Number	% of Total
Number of disputes upheld	1	50%
Number of disputes dismissed	1	50%
Total number of disputes lodged	**2**	**100%**

Table 3.12.6 Strike actions for the period 1 April 2020 and 31 March 2021

Total number of persons working days lost	**None**
Total costs working days lost	**N/A**
Amount recovered as a result of no work no pay (R'000)	**N/A**

Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

Number of people suspended	**None**
Number of people whose suspension exceeded 30 days	**N/A**
Average number of days suspended	**N/A**
Cost of suspension(R'000)	**N/A**

3.12. Skills development

Table 3.13.1 Training needs identified for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	7	0	7
	Male	14	0	5	0	5
Professionals	Female	1	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	23	0	16	0	16
	Male	19	0	15	1	16
Clerks	Female	13	0	14	1	15
	Male	8	0	4	0	4
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	3	0	3	0	3
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	3	0	0	0	0
	Male	0	0	0	0	0
Sub Total	**Female**	**51**	**0**	**37**	**1**	**38**
	Male	**44**	**0**	**27**	**1**	**28**
Total		**95**	**0**	**64**	**2**	**66**

Table 3.13.2 Training provided for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	2	0	2
	Male	14	0	4	0	4
Professionals	Female	1	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	23	0	1	0	1
	Male	19	0	1	0	1
Clerks	Female	13	0	0	0	0
	Male	8	0	0	0	0

Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	3	0	0	0	0
	Male	0	0	0	0	0
Sub Total	**Female**	**51**	**0**	**3**	**0**	**0**
	Male	**44**	**0**	**5**	**0**	**0**
Total		**95**	**0**	**8**	**0**	**8**

3.13. Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**0**	**0**

3.14. Utilisation of Consultants

Table 3.14.1 Report on consultant appointments using appropriate funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Ad-Hoc Panel for implementation of the Court Judgement of 21 Sept 2020 on the VaTsonga Kingship Application	Three Panel Members (3) - Chairperson X 1 - Members X 2	48	**R0,666 million**
Ad-Hoc Panel for Investigation of the Amarharhabe traditional community kingship application lodged in terms of section 2A of the Traditional Leadership and Governance Framework Act	Three Panel Members (3) - Chairperson X 1 - Members X 2	71	**R1,626 million**
Total number of projects	**Total individual consultants**	**Total duration Work days**	**Total contract value in Rand**
2	**6**	**119**	**R2,292 million**

Table 3.14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Ad-Hoc Panel for implementation of the Court Judgement of 21 Sept 2020 on the VaTsonga Kingship Application	100%	100%	3
Ad-Hoc Panel for Investigation of the Amarharhabe traditional community kingship application lodged in terms of section 2A of the Traditional Leadership and Governance Framework Act	100%	100%	3

Table 3.14.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2021

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
n/a	n/a	n/a	n/a

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
n/a	n/a	n/a	n/a

Table 3.14.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a	n/a	n/a	n/a

3.15. Severance Packages

Table 3.15.1 Granting of employee-initiated severance packages for the period 1 April 2020 and 31 March 2021

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

PART E: FINANCIAL INFORMATION

1. Report of the Auditor-General to Parliament on vote no.15: Department of Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Traditional Affairs set out on pages 121 to 170, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Traditional Affairs as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999,(PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PMFA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 3 – Institutional Support and Coordination	59 – 62

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 3 – Institutional Support and Coordination

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 40 to 63 for information on the achievement of planned targets for the year and management's explanations provided for the over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

19. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

30 July 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the department's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

   - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department of Traditional Affairs to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

2. ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Appropriation per programme									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	50 685	-	-	50 685	41 101	9 584	81.1%	50 193	49 270
2. Research, Policy & Legislation	16 929	-	-	19 929	15 000	1 929	88.6%	19 364	16 605
3. Institutional Support & Coordination	94 071	-	-	94 071	81 422	12 649	88.6%	98 794	94 841
TOTAL	**161 685**	**-**	**-**	**161 685**	**137 523**	**24 162**	**85.1%**	**168 351**	**160 716**

	2020/21		2019/20	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	161 685	137 523	168 351	160 716
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	59		50	
NRF Receipts	-		-	
Aid assistance	-		-	
Actual amounts per statement of financial performance (total revenue)	161 744		168 401	
ADD				
Aid assistance		-		-
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		137 523		160 716

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**112 722**	**-**	**(1 559)**	**111 173**	**88 444**	**22 729**	**79.6%**	**120 200**	**112 644**
Compensation of employees	**79 776**	**-**	**-**	**79 766**	**72 757**	**7 019**	**91.2%**	**79 466**	**72 888**
Salaries and wages	71 560	(18)	-	71 542	65 585	5 957	91.7%	71 405	65 840
Social contributions	8 216	18	-	8 234	7 172	1 062	87.1%	8 061	7 048
Goods and services	**32 996**	**-**	**(1 599)**	**31 397**	**15 687**	**15 710**	**50.0%**	**40 734**	**39 756**
Administrative fees	1 200	(69)	-	1 131	402	729	35.5%	1 636	1 610
Advertising	380	37	-	417	145	272	34.8%	235	150
Minor assets	275	(26)	-	249	31	218	12.4%	160	117
Audit costs: External	2 566	-	-	2 566	2 218	348	86.4%	2 789	2 789
Bursaries: Employees	427	(271)	-	156	52	104	33.3%	57	44
Catering: Departmental activities	762	(450)	-	312	76	236	24.4%	500	467
Communication	2 007	183	(268)	1 992	1 079	843	56.1%	1 446	1 418
Computer services	275	-	-	275	240	35	87.3%	226	226
Consultants: Business and advisory services	3 476	1 342	(950)	3 868	3 701	167	95.7%	2 642	2 636
Laboratory services	-	123	-	123	107	16	87.0%	-	-
Legal services	6 423	-	-	6 423	1 622	4 801	25.3%	6 187	6 187
Contractors	5	11	-	16	11	5	68.8%	429	429
Fleet services	500	186	(300)	386	200	186	51.8%	48	48
Consumable supplies	150	527	-	677	546	131	80.6%	99	77
Consumable: Stationery, printing and office supplies	711	48	-	759	202	557	26.6%	953	925
Operating leases	400	-	-	400	128	272	32.0%	338	338

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Goods and services (contd)									
Travel and subsistence	11 336	(1 287)	(62)	9 987	4 678	5 309	46.8%	21 814	21 171
Training and development	371	(106)	(9)	256	44	212	17.2%	203	203
Operating payments	742	57	-	799	205	594	25.7%	533	533
Venues and facilities	990	(305)	(10)	675	-	675	-	355	303
Rental and hiring	-	-	-	-	-	-	-	85	85
Transfers and subsidies	**46 058**	**-**	**1 599**	**47 657**	**47 654**	**3**	**100.0%**	**45 437**	**45 428**
Provinces and municipalities	**10**	**-**	**-**	**10**	**8**	**2**	**80.0%**	**5**	**3**
Municipalities	10	-	-	10	8	2	80.0%	5	3
Municipal bank accounts	10	-	-	10	8	2	80.0%	5	3
Departmental agencies and accounts	**46 048**	**-**	**-**	**46 048**	**46 047**	**1**	**100.0%**	**45 191**	**45 191**
Departmental agencies and accounts	46 048	-	-	46 048	46 047	1	100.0%	45 191	45 191
Households	**-**	**-**	**1 599**	**1 599**	**1 599**	**-**	**100.0%**	**241**	**234**
Social benefits	-	-	1 599	1 599	1 599	-	100.0%	241	234
Payments for capital assets	**2 855**	**-**	**-**	**2 855**	**1 425**	**1 430**	**49.9%**	**2 706**	**2 636**
Machinery and equipment	**2 855**	**-**	**-**	**2 855**	**1 425**	**1 430**	**49.9%**	**2 70+**	**2 636**
Transport equipment	-	9	-	9	9	-	100.0%	460	460
Other machinery and equipment	2 855	(9)	-	2 846	1 416	1 430	49.8%	2 246	2 175
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8**	**8**
Total	**161 685**	**-**	**-**	**161 685**	**137 523**	**24 162**	**85.1%**	**168 351**	**160 716**

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 1: Administration									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Ministry	10 411	-	-	10 411	8 818	1 593	84.7%	11 249	11 249
2. Management of Trad. Affairs	14 893	-	-	14 893	11 710	3 183	78.6%	14 139	13 298
3. Corporate Services	20 986	-	-	20 986	16 974	4 012	80.9%	21 006	20 930
4. Internal Audit	4 395	-	-	4 395	3 599	796	81.9%	3 800	3 793
Total for sub programmes	**50 685**	**-**	**-**	**50 685**	**41 101**	**9 584**	**81.1%**	**50 193**	**49 270**
Economic classification									
Current payments	**47 818**	**-**	**(71)**	**47 747**	**39 596**	**8 151**	**82.9%**	**47 339**	**46 495**
Compensation of employees	**35 122**	**-**	**-**	**35 122**	**33 449**	**1 673**	**95.2%**	**33 645**	**33 337**
Salaries and wages	31 543	58	-	31 601	30 146	1 455	95.4%	30 302	30 119
Social contributions	3 579	(58)	-	3 521	3 303	218	93.8%	3 343	3 218
Goods and services	**12 696**	**-**	**(71)**	**12 625**	**6 147**	**6 478**	**48.7%**	**13 694**	**13 158**
Administrative fees	558	9	-	567	175	392	30.9%	622	622
Advertising	380	(3)	-	377	106	271	28.1%	233	150
Minor assets	175	23	-	198	23	175	11.6%	133	115
Audit costs: External	2 566	-	-	2 566	2 218	348	86.4%	2 789	2 789
Bursaries: Employees	427	(271)	-	156	52	104	33.3%	57	44
Catering: Departmental activities	145	-	-	145	-	145	-	77	44
Communication	1 030	214	-	1 244	583	661	46.9%	657	629
Computer services	275	-	-	275	240	35	87.3%	226	226
Consultants: Business and advisory services	738	65	-	803	636	167	79.2%	643	637
Laboratory services	-	123	-	123	107	16	87.0%	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	11	-	11	11	-	100.0%	424	424
Fleet services	200	186	-	386	200	186	51.8%	35	35
Consumable supplies	150	24	-	174	53	121	30.5%	97	77
Consumable: Stationery, printing, and office supplies	369	7	-	376	147	229	39.1%	285	263
Operating leases	400	-	-	400	128	272	32.0%	338	338
Travel and subsistence	3 911	(287)	(62)	3 562	1 282	2 280	36.0%	6 526	6 230
Training and development	276	(101)	(9)	166	44	122	26.5%	196	196
Operating payments	676	-	-	676	142	534	21.0%	248	248
Venues and facilities	420	-	-	420	-	420	-	106	91

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 1: Administration (Contd)									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**12**	**-**	**71**	**83**	**80**	**3**	**96.4%**	**147**	**138**
Provinces and municipalities	**10**	**-**	**-**	**10**	**8**	**2**	**80.0%**	**5**	**3**
Municipalities	10	-	-	10	8	2	80.0%	5	3
Municipal bank accounts	10	-	-	10	8	2	80.0%	5	3
Departmental agencies and accounts	**2**	**-**	**-**	**2**	**1**	**1**	**50.0%**	**2**	**2**
Public corporations and private enterprises	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public corporations	-	-	-	-	-	-	-	-	-
Households	**-**	**-**	**71**	**71**	**71**	**-**	**100.0%**	**140**	**133**
Social benefits	-	-	71	71	71	-	100.0%	140	133
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	**2 855**	**-**	**-**	**2 855**	**1 425**	**1 430**	**49.9%**	**2 706**	**2 636**
Machinery and equipment	2 855	-	-	2 855	1 425	1 430	49.9%	2 706	2 636
Transport equipment	-	9	-	9	9	-	100.0%	460	460
Other machinery and equipment	2 855	(9)	-	2 846	1 416	1 430	49.8%	2 246	2 176
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Total	**50 685**	**-**	**-**	**50 685**	**41 101**	**9 584**	**81.1%**	**50 193**	**49 270**

APPROPRIATION STATEMENT for the year ended 31 March 2021

1.1 Ministry									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**10 411**	**-**	**-**	**10 411**	**8 818**	**1 593**	**84.7%**	**11 196**	**11 196**
Compensation of employees	8 058	-	-	8 058	7 632	426	94.7%	6 820	6 820
Goods and services	2 353	-	-	2 353	1 186	1 167	50.4%	4 376	4 376
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**53**	**53**
Households	-	-	-	-	-	-	-	53	53
Total	**10 411**	**-**	**-**	**10 411**	**8 818**	**1 593**	**84.7%**	**11 249**	**11 249**

1.2 Management of Traditional Affairs									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**14 893**	**-**	**(62)**	**14 831**	**11 648**	**3 183**	**78.5%**	**14 090**	**13 249**
Compensation of employees	11 567	-	-	11 567	10 867	700	93.9%	11 029	10 722
Goods and services	3 326	-	(62)	3 264	781	2 483	23.9%	3 061	2 527
Transfers and subsidies	**-**	**-**	**62**	**62**	**62**	**-**	**100.0%**	**49**	**49**
Households	-	-	62	62	62	-	100.0%	49	49
Total	**14 893**	**-**	**-**	**14 893**	**11 710**	**3 183**	**78.6%**	**14 139**	**13 298**

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

1.3 Corporate Services									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**18 119**	**-**	**-**	**18 119**	**15 540**	**2 579**	**85.8%**	**18 274**	**18 271**
Compensation of employees	12 226	-	-	12 226	12 027	199	98.4%	12 777	12 776
Goods and services	5 893	-	-	5 893	3 513	2 380	59.6%	5 497	5 495
Transfers and subsidies	**12**	**-**	**-**	**12**	**9**	**3**	**75.0%**	**24**	**22**
Provinces and municipalities	10	-	-	10	8	2	80.0%	5	3
Departmental agencies and accounts	2	-	-	2	1	1	50.0%	2	2
Public corporations and private enter-prises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	17	17
Payments for capital assets	**2 855**	**-**	**-**	**2 855**	**1 425**	**1 430**	**49.9%**	**2 706**	**2 636**
Machinery and equipment	2 855	-	-	2 855	1 425	1 430	49.9%	2 706	2 636
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Total	**20 986**	**-**	**-**	**20 986**	**16 974**	**4 012**	**80.9%**	**21 005**	**20 930**

1.4 Internal Audit									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**4 395**	**-**	**(9)**	**4 386**	**3 590**	**796**	**81.9%**	**3 779**	**3 779**
Compensation of employees	3 271	-	-	3 271	2 923	348	89.4%	3 019	3 019
Goods and services	1 124	-	(9)	1 115	667	448	59.8%	760	760
Transfers and subsidies	**-**	**-**	**9**	**9**	**9**	**-**	**100.0%**	**21**	**14**
Households	-	-	9	9	9	-	100.0%	21	14
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Total	**4 395**	**-**	**-**	**4 395**	**3 599**	**796**	**81.9%**	**3 800**	**3 793**

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 2: Research, Policy and Legislation									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	2 872	1 116	-	3 988	3 715	273	93.2%	2 805	2 645
2. Policy and Legislation	5 068	(389)	(493)	4 186	3 478	708	83.1%	4 500	4 016
3. Research and Info. Management	8 989	(727)	493	8 755	7 807	948	89.2%	12 059	9 944
Total for sub programmes	**16 929**	**-**	**-**	**16 929**	**15 000**	**1 929**	**88.6%**	**19 364**	**16 605**
Economic classification									
Current payments	**16 929**	**-**	**(493)**	**16 436**	**14 507**	**1 929**	**88.3%**	**19 362**	**16 603**
Compensation of employees	**13 748**	**-**	**-**	**13 748**	**11 831**	**1 917**	**86.1%**	**15 323**	**13 005**
Salaries and wages	12 306	-	-	12 306	10 748	1 558	87.3%	13 669	11 765
Social contributions	1 442	-	-	1 442	1 083	359	75.1%	1 654	1 240
Goods and services	**3 181**	**-**	**(493)**	**2 688**	**2 676**	**12**	**99.6%**	**4 040**	**3 598**
Administrative fees	87	(78)	-	9	8	1	88.9%	158	134
Advertising	-	40	-	40	39	1	97.5%	-	-
Minor assets	60	(60)	-	-	-	-	-	-	-
Catering: Departmental activities	100	(100)	-	-	-	-	-	89	89
Communication	190	(37)	-	153	154	(1)	100.7%	175	175
Consultants: Business and advisory services	1 498	1 287	(493)	2 292	2 292	-	100.0%	656	656
Consumable supplies	-	-	-	-	-	-	-	2	-
Consumable: Stationery, printing and office supplies	62	(27)	-	35	35	-	100.0%	526	520
Travel and subsistence	969	(821)	-	148	147	1	99.3%	2 001	1 629
Training and development	15	(5)	-	10	-	10	-	-	-
Operating payments	-	1	-	1	1	-	100.0%	272	272
Venues and facilities	200	(200)	-	-	-	-	-	75	38
Rentals and hiring	-	-	-	-	-	-	-	85	85
Transfers and subsidies	**-**	**-**	**493**	**493**	**493**	**-**	**100.0%**	**-**	**-**
Households	-	-	493	493	493	-	100.0%	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**2**
Total	**16 929**	**-**	**-**	**16 929**	**15 000**	**1 929**	**88.6%**	**19 364**	**16 605**

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

2.1 Management

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**2 872**	**1 116**	**-**	**3 988**	**3 715**	**273**	**93.2%**	**2 805**	**2 645**
Compensation of employees	2 209	-	-	2 209	1 947	262	88.1%	1 760	1 600
Goods and services	663	1 116	-	1 779	1 768	11	99.4%	1 045	1 045
Total	**2 872**	**1 116**	**-**	**3 988**	**3 715**	**273**	**93.2%**	**2 805**	**2 645**

2.2 Policy and Legislation

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**5 068**	**(389)**	**(493)**	**4 186**	**3 478**	**708**	**83.1%**	**4 498**	**4 014**
Compensation of employees	4 126	-	-	4 126	3 419	707	82.9%	3 434	3 372
Goods and services	942	(389)	(493)	60	59	1	98.3%	1 064	642
Payments for financial assets	-	-	-	-	-	-	-	2	2
Total	**5 068**	**(389)**	**(493)**	**4 186**	**3 478**	**708**	**83.1%**	**4 500**	**4 016**

2.3 Research and Information Management

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**8 989**	**(727)**	**-**	**8 262**	**7 314**	**948**	**88.5%**	**12 059**	**9 944**
Compensation of employees	7 413	-	-	7 413	6 465	948	87.2%	10 129	8 033
Goods and services	1 576	(727)	-	849	849	-	100.0%	1 930	1 911
Transfers and subsidies	**-**	**-**	**493**	**493**	**493**	**-**	**100.0%**	**-**	**-**
Households	-	-	493	493	493	-	100.0%	-	-
Total	**8 989**	**(727)**	**493**	**8 755**	**7 807**	**948**	**89.2%**	**12 059**	**9 944**

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 3: Institutional Support and Coordination	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Management	5 496	-	-	5 496	4 088	1 408	74.4%	5 580	5 375
2 Institutional Development and Capacity Building	6 999	-	-	6 999	5 885	1 114	84.1%	6 429	6 320
3 Intergovernmental Relations and Partners	7 918	-	-	7 918	6 805	1 113	85.9%	8 083	7 667
4 National House of Traditional Leaders	21 249	-	-	21 249	16 976	4 273	79.9%	25 180	24 101
5 Commission for the Promotion and Protection of the Rights of Culture, Religious and Linguistic	46 046	-	-	46 046	46 046	-	100.0%	45 189	45 189
6 Commission on Traditional Leaders Disputes and Claims	6 363	-	-	6 363	1 662	4 741	25.5%	8 333	6 189
Total for sub programmes	**94 071**	**-**	**-**	**94 071**	**81 422**	**12 649**	**86.6%**	**98 794**	**94 841**
Economic classification									
Current payments	**48 025**	**-**	**(1 035)**	**46 990**	**34 341**	**12 649**	**73.1%**	**53 499**	**49 546**
Compensation of employees	**30 906**	**-**	**-**	**30 906**	**27 477**	**3 429**	**88.9%**	**30 498**	**26 546**
Salaries and wages	27 711	(76)	-	27 635	24 691	2 944	89.3%	27 434	23 596
Social contributions	3 195	76	-	3 271	2 786	485	85.2%	3 064	2 590
Goods and services	**17 119**	**-**	**(1 035)**	**16 084**	**6 864**	**9 220**	**42.7%**	**23 001**	**23 000**
Administrative fees	555	-	-	555	219	336	39.5%	855	854
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	40	11	-	51	8	43	15.7%	27	2
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	517	(350)	-	167	76	91	45.5%	334	334

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

Programme 3: Institutional Support and Coordination (Contd)									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication	787	6	(268)	525	342	183	65.1%	614	614
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	1 240	(10)	(457)	773	773	-	100.0%	1 343	1 343
Legal services	6 423	-	-	6 423	1 622	4 801	25.3%	6 187	6 187
Contractors	5	-	-	5	-	5	-	5	5
Fleet services	300	-	(300)	-	-	-	-	13	13
Consumable supplies	-	503	-	503	493	10	98.0%	-	-
Consumable: Stationery, printing and office supplies	280	68	-	348	20	328	5.7%	142	142
Travel and subsistence	6 456	(179)	-	6 277	3 249	3 028	51.8%	13 287	13 312
Training and development	80	-	-	80	-	80	-	7	7
Operating payments	66	56	-	122	62	60	50.8%	13	13
Venues and facilities	370	(105)	(10)	255	-	255	-	174	174
Transfers and subsidies	**46 046**	**-**	**1 035**	**47 081**	**47 081**	**-**	**100.0%**	**45 290**	**45 290**
Departmental agencies and accounts	**46 046**	**-**	**-**	**46 046**	**46 046**	**-**	**100.0%**	**45 189**	**45 189**
Departmental agencies	46 046	-	-	46 046	46 046	-	100.0%	45 189	45 189
Households	**-**	**-**	**1 035**	**1 035**	**1 035**	**-**	**100.0%**	**101**	**101**
Social benefits	-	-	1 035	1 035	1 035	-	100.0%	101	101
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**5**
Total	**94 071**	**-**	**-**	**94 071**	**81 422**	**12 649**	**86.6%**	**98 794**	**94 841**

APPROPRIATION STATEMENT for the year ended 31 March 2021

3.1 Management									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current Payments	**5 496**	**-**	**(10)**	**5 486**	**4 078**	**1 408**	**74.3%**	**5 572**	**5 367**
Compensation of Employees	4 026	-	-	4 026	3 689	337	91.6%	3 380	3 175
Goods and services	1 470	-	(10)	1 460	389	1 071	26.6%	2 192	2 192
Transfers and subsidies	**-**	**-**	**10**	**10**	**10**	**-**	**100.0%**	**8**	**8**
Households	-	-	10	10	10	-	100.0%	8	8
Total	**5 496**	**-**	**-**	**5 496**	**4 088**	**1 408**	**74.3%**	**5 580**	**5 375**

3.2 Institutional Development and Capacity Building									
	2020/21							2019/20	
	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current Payments	**6 999**	**-**	**-**	**6 999**	**5 885**	**1 114**	**84.1%**	**6 428**	**6 319**
Compensation of Employees	6 109	-	-	6 109	5 755	354	94.2%	5 783	5 674
Goods and Services	890	-	-	890	130	760	14.6%	645	645
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Total	**6 999**	**-**	**-**	**6 999**	**5 885**	**1 114**	**84.1%**	**6 429**	**6 320**

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

APPROPRIATION STATEMENT for the year ended 31 March 2021

3.3 Intergovernmental Relations and Partnerships

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**7 918**	**-**	**-**	**7 918**	**6 805**	**1 113**	**85.9%**	**8 081**	**7 665**
Compensation of Employees	6 968	-	-	6 968	6 652	316	95.5%	7 072	6 656
Goods and services	950	-	-	950	153	797	16.1%	1 009	1 009
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**2**
Total	**7 918**	**-**	**-**	**7 918**	**6 805**	**1 113**	**85.9%**	**8 083**	**7 667**

3.4 National House of Traditional Leaders

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**21 249**	**-**	**(1025)**	**20 224**	**15 951**	**4 273**	**78.9%**	**25 087**	**24 008**
Compensation of Employees	13 803	-	-	13 803	11 381	2 422	82.5%	12 119	11 041
Goods and services	7 446	-	(1 025)	6 421	4 570	1 851	71.2%	12 968	12 967
Transfers and subsidies	**-**	**-**	**1 025**	**1 025**	**1 025**	**-**	**100.0%**	**93**	**93**
Households	-	-	1 025	1 025	1 025	-	100.0%	93	93
	21 249	**-**	**-**	**21 249**	**16 976**	**4 273**	**78.9%**	**25 180**	**24 101**

3.5 CRL Rights Commission

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers and subsidies	**46 046**	**-**	**-**	**46 046**	**46 046**	**-**	**100.0%**	**45 189**	**45 189**
Departmental agencies and accounts	46 046	-	-	46 046	46 046	-	100.0%	45 189	45 189
Total	**46 046**	**-**	**-**	**46 046**	**46 046**	**-**	**100.0%**	**45 189**	**45 189**

3.6 Commission on Traditional Leadership Disputes & Claims

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**6 363**	**-**	**-**	**6 363**	**1 662**	**4 741**	**25.5%**	**8 331**	**6 187**
Compensation of Employees	-	-	-	-	-	-	-	2 144	-
Goods and services	6 363	-	-	6 363	1 662	4 741	25.5%	6 187	6 187
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**2**
Total	**6 363**	**-**	**-**	**6 363**	**1 662**	**4 741**	**25.5%**	**8 333**	**6 189**

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	50 685	41 101	9 584	18.9%
Research, Policy & Legislation	16 929	15 000	1 929	11.4%
Institutional Support & Coordination	94 071	81 422	12 649	13.4%

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	79 776	75 757	7 019	8.1%
Goods and services	31 397	15 687	15 710	50.0%
Transfers and subsidies				
Provinces and municipalities	10	8	2	20.0%
Departmental agencies and accounts	46 048	46 047	1	0.0%
Households	1 599	1 599	-	0.0%
Payments for capital assets				
Machinery and equipment	2 855	1 425	1 430	50.1%
Payments for financial assets	-	-	-	0.0%

The under expenditure on Compensation of Employees is attributed to the delayed appointment of the Khoi-San Commission for implementation of the TKLA while the underspending on goods and services resulted from the Covid-19 lockdown restrictions which had an impact on travelling, procurement of goods and services due to officials were working on a rotational basis and virtual meetings instead of contact meetings and regular travelling. There were savings realised under Municipalities and Provinces budget for the renewal of motor vehicle licenses and under the Capital assets budget for procurement of machinery and equipment, at the end of financial year.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	1	161 685	168 351
Departmental revenue	2	59	50
TOTAL REVENUE		**161 744**	**168 401**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	72 757	72 888
Goods and services	4	15 678	39 756
Total current expenditure		**88 444**	**112 644**
Transfers and subsidies			
Transfers and subsidies	5	47 654	45 428
Total transfers and subsidies		**47 654**	**45 428**
Expenditure for capital assets			
Tangible assets	6	1 425	2 636
Total expenditure for capital assets		**1 425**	**2 636**
Payments for financial assets	7	-	8
TOTAL EXPENDITURE		**137 523**	**160 716**
SURPLUS/(DEFICIT) FOR THE YEAR		**24 221**	**7 685**

Reconciliation of Net Surplus/(Deficit) for the year

	Note	2020/21 R'000	2019/20 R'000
Voted funds		24 162	7 635
Annual appropriation		24 162	7 635
Conditional grants			
Departmental revenue and NRF Receipts	13	59	50
Aid assistance			-
SURPLUS/(DEFICIT) FOR THE YEAR		**24 221**	**7 685**

STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2021

	Note	2020/21	2019/20
		R'000	R'000
ASSETS			
Current assets		**26 206**	**9 760**
Unauthorised expenditure	8	2 252	2 252
Cash and cash equivalents	9	23 729	7 373
Prepayments and advances	10	3	15
Receivables	11	222	120
Non-Current assets		**441**	**418**
Receivables	11	441	418
TOTAL ASSETS		**26 647**	**10 178**
LIABILITIES			
Current liabilities		**26 635**	**10 166**
Voted funds to be surrendered to the Revenue Fund	12	26 414	9 887
Payables	14	221	279
TOTAL LIABILITIES		**26 635**	**10 166**
NET ASSETS		12	12

	Note	2020/21	2019/20
		R'000	R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		12	12
Retained funds		-	-
Revaluation reserve		-	-
TOTAL		**12**	**12**

DEPARTMENT OF TRADITIONAL AFFAIRS - VOTE:15

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2021

	Note	2020/21	2019/20
		R'000	**R'000**
Recoverable revenue			
Opening balance		12	-
Transfers:		-	12
Debts recovered (included in departmental receipts)		-	-
Debts raised		-	12
Closing balance		12	12
TOTAL		**12**	**12**

DEPARTMENT OF TRADITIONAL AFFAIRS

CASH FLOW STATEMENT for the year ended 31 March 2021

	Note	2020/21	2019/20
		R'000	**R'000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		161 744	168 401
Annual appropriated funds received	1	161 685	168 351
Departmental revenue received	2	59	50
Net (increase)/decrease in working capital		(148)	167
Surrendered to Revenue Fund		(7 694)	(9 093)
Current payments		(88 444)	(112 644)
Payments for financial assets		-	(8)
Transfers and subsidies paid		(47 654)	(45 428)
Net cash flow available from operating activities		**(17 804)**	**(1 395)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(1 425)	(2 636)
(Increase)/decrease in non-current receivables		(23)	(13)
Net cash flows from investing activities		**(1 448)**	**(2 649)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-	12
Net cash flows from financing activities		-	12
Net increase/(decrease) in cash and cash equivalents		16 356	(1 242)
Cash and cash equivalents at beginning of period		7 373	8 615
Cash and cash equivalents at end of period	9	**23 729**	**7 373**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act

1	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2	**Going concern** The financial statements have been prepared on a going concern basis.
3	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements. Operating lease payments received are recognised as departmental revenue.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	**Aid Assistance**
9.1	**Aid assistance received** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments are expensed and under what circumstances.>

12	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	**Investments** Investments are recognised in the statement of financial position at cost.
14	**Financial assets**
14.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	**Payables** Payables recognised in the statement of financial position are recognised at cost.
16	**Capital Assets**
16.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3	**Intangible assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	**Project Costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	**Provisions and Contingents**
17.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4	**Capital Commitments** Capital Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.
18	**Unauthorised expenditure** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by Parliament with funding and the related funds are received; or • approved by Parliament without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	**Irregular expenditure** Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	**Changes in accounting policies, accounting estimates and errors** Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	**Principal-Agent arrangements** The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24	**Departures from the MCS requirements** [*Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure*.]
25	**Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/ Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	**Related party transactions** A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
28	**Inventories** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.

29	**Public-Private Partnerships** Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds):

	2020/21			2019/20	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	50 685	50 685	-	50 194	50 194
Research, Policy & Legis.	16 929	16 929	-	19 364	19 364
Inst. Support. & Coord.	94 071	94 071	-	98 793	98 793
Total	**161 685**	**161 685**	**-**	**168 351**	**168 351**

The baseline allocation decreased significantly as compared to prior financial year and this is attributed mainly to urgent government financial need to address the National Disaster (Covid-19), whereby funds were reprioritised from departments to centrally fight the pandemic. The entire appropriated budget was requested and received in full.

2. Departmental revenue

	Note	2020/21	2019/20
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	59	50
Total revenue collected		**59**	**50**
Departmental revenue collected		**59**	**50**

a. Sales of goods and services other than capital assets

	Note	2020/21	2019/20
	2	R'000	R'000
Sales of goods and services produced by the department		**59**	**50**
Sales by market establishment		22	23
Other sales		37	27
Sales of scrap, waste and other used current goods		-	-
Total		**59**	**50**

The main source of revenue is parking fees and commission charged from the third parties. The slight increase is as a result of increased utilisation of parking lots and commission charged on third parties deductions.

3. Compensation of employees

a. Salaries and Wages

	Note	2020/21	2019/20
		R'000	**R'000**
Basic salary		49 276	48 676
Performance award		342	780
Service Based		44	22
Compensative/circumstantial		395	1 005
Other non-pensionable allowances		15 529	15 358
Total		**65 586**	**65 841**

b. Social contributions

	Note	2020/21	2019/20
		R'000	**R'000**
Employer contributions			
Pension		5 689	5 676
Medical		1 472	1 362
Bargaining council		10	9
Total		**7 171**	**7 047**
Total compensation of employees		**72 757**	**75 888**
Average number of employees		100	100

4. Goods and services

	Note	2020/21	2019/20
		R'000	**R'000**
Administrative fees	4.1	403	1 610
Advertising		145	150
Minor assets	4.2	31	117
Bursaries (employees)		52	44
Catering		76	467
Communication	4.3	1 078	1 418
Computer services	4.4	240	226
Consultants: Business and advisory services	4.5	3 701	2 636
Laboratory services	4.6	107	-
Legal services	4.7	1 662	6 187
Contractors		11	429
Audit cost – external	4.8	2 218	2 789
Fleet services		200	47
Consumables	4.9	748	1 003
Operating leases		128	338
Rental and hiring		-	85
Travel and subsistence	4.10	4 678	21 173
Venues and facilities		-	302
Training and development		44	203
Other operating expenditure	4.11	205	532
Total		**15 687**	**39 756**

4.1. Administrative fees

	Note	2020/21	2019/20
	4	R'000	R'000
Bank Charges		12	12
Licence Agency fee		-	7
Personnel Agency fee		-	24
Travel Agency fee		391	1 567
Total		**403**	**1 610**

The decrease on this line item is due to decreased volume of travelling during the current financial year as a result of Covid-19 lockdown restrictions implemented to fight the pandemic, which resulted in low travel agency fee charged for bookings. There was no spending on the Licence agency fee and personnel agency fee during the year due to reduced procurement activities for goods and services resultant from Covid-19 lockdown restrictions.

4.2. Minor assets

	Note	2020/21	2019/20
	4	R'000	R'000
Tangible assets		**31**	**117**
Machinery and equipment		31	117
Total		**31**	**117**

There is a significant decrease of spending on this line item as compared to the previous financial year. This is due to low finalisation of procurement orders for minor assets in the current financial year, because of Covid-19 lockdown restrictions whereby many service providers could not deliver on approved orders.

4.3. Communication

	Note	2020/21	2019/20
	4	R'000	R'000
Com: Airtime and data		855	1 132
Com: Rent Private Bags & Post Box		2	2
Com: satellite signals		34	17
Com: Tele/Fax/Telegraph & Telex		187	267
Total		**1 078**	**1 418**

The slight decrease is due to reduced utilisation of transversal system towards the year-end as a result of Covid-19 national lockdown, where only few officials were accessing system from office. Furthermore, the expenditure on external computer services relates to annual renewal of license fees on Teammate software which was procured and capitalised in the prior year as intangible asset.

4.4. Computer services

	Note	2020/21	2019/20
	4	R'000	R'000
SITA computer services		219	206
External computer service providers		21	20
Total		**240**	**226**

The expenditure relates to utilisation of transversal systems and annual license renewal for Teammate software used by Internal Auditors.

4.5. Consultants: Business and advisory services

	Note	2020/21	2019/20
	4	R'000	R'000
Consultants: Audit committee members		596	596
Consultants: Board & Committee members (NHTL)		773	1 223
Consultants: Human Resources services		68	41
Consultants: Research and advisory		2 292	756
Consultants: Translation and transcript		-	20
Total		**3 701**	**2 636**

There was a significant decrease on NHTL members sitting allowance due to reduced number of meetings during the year, attributed to the advent of Covid-19 pandemic. The huge increase on research and advisory line item resulted from an appointment of ad-hoc panel to address the long-standing litigation on kingship challenges. The appointment was directed by court order issued on the matters.

4.6. Laboratory services

	Note	2020/21	2019/20
	4	R'000	R'000
Medical lab NHLS		2	-
Medical lab services other		105	-
Total		**107**	**-**

The expenditure on this line item is for the referral of employees to laboratories for Covid-19 testing and also disinfection of workstations after infection cases were recorded.

4.7. Legal Fees

	Note	2020/21	2019/20
	4	R'000	R'000
State Attorney		617	347
Private legal firms		1 005	5 840
Total		**1 622**	**6 187**

There was a huge decrease of spending on this line item during the current financial year which is attributed mainly to number of cases against the state (CTLDC and the department) for Traditional Leadership Disputes & Claims which were finalised, and matter closed by courts. The advent of Covid-19 also contributed to the decrease as there were only few cases heard at court during the financial year.

4.8. Audit cost – External

	Note	2020/21	2019/20
	4	R'000	R'000
Regularity audits		2 218	2 789
Total		**2 218**	**2 789**

There is a decrease in spending on this line item and this is attributed to the timely completion of audit during the financial year and also to the fact that auditors were performing the audit partly on virtual basis. The prior financial year expenditure included the outstanding invoice accrual (R569 thousand).

4.9. Consumables

	Note	2020/21	2019/20
	4	R'000	R'000
Consumable supplies		**546**	**78**
Household supplies		505	68
IT consumables		2	2
Other consumables		39	8
Stationery, printing and office supplies		202	925
Total		**748**	**1 003**

The procurement of household consumables such as sanitisers and facecloth masks to fight spread of Covid-19 virus amongst employees and traditional leaders resulted in high expenditure on this line item when compared to the previous financial year.

4.10. Travel and subsistence

	Note	2020/21	2019/20
	4	R'000	R'000
Local		4 677	20 218
Foreign		1	955
Total		**4 678**	**21 173**

The significant decrease in spending on this line item is due to Covid-19 national lockdown restrictions implemented during the year, which resulted in low travelling activities. The R1 thousand spent on foreign travel line item is for the daily allowance on trip undertaken before the end of prior year, but claim submitted during the year under review.

4.11. Other operating expenditure

	Note	2020/21	2019/20
	4	R'000	R'000
Professional bodies, membership and subscription fees		12	2
Resettlement costs		-	72
Other		193	458
Total		**205**	**532**

Included in the Amount for other operating expenditure is for the printing of Customary Law books which contributed significantly to the increased spending on this line item, for achievement of APP targets. New appointments within Internal Audit unit contributed to significant increase under membership and registration for Internal Auditors.

5. Transfers and subsidies

	Note	2020/21	2019/20
		R'000	R'000
Provinces and municipalities		8	3
Departmental agencies and accounts	*Annex 1B*	46 047	45 191
Households	*Annex 1G*	1 599	234
Total		**47 654**	**45 428**

During the year under review, there is a significant increase in spending on this line item and this is attributed mainly payment for leave gratuity to ex-employees who resigned, retired and whom their employment contracts ended during the period (Households).

6. Payments for financial assets

	Note	2020/21	2019/20
		R'000	R'000
Debts written off	*6.1*	-	8
Total		**-**	**8**

6.1. Debts written off

	Note	2020/21	2019/20
	6	R'000	R'000
Other debt written off			
Disallowance: Damages to State Vehicle & No-shows		-	8
Total debt written off		**-**	**8**

There were no damages, losses or debts written of during the year, hence no amount disclosed as compared to prior year.

7. Expenditure for capital assets

	Note	2020/21	2019/20
		R'000	R'000
Tangible assets		**1 425**	**2 636**
Machinery and equipment		1 425	2 636
Intangible assets		**-**	**-**
Software		-	-
Total		**1 425**	**2 636**

7.1. Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets			
Machinery and equipment	1 425	-	1 425
Total	**1 425**	**-**	**1 425**

7.2. Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets			
Machinery and equipment	2 636	-	2 636
Total	**2 636**	**-**	**2 636**

7.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2020/21	2019/20
		R'000	R'000
Tangible assets			
Machinery and equipment		608	640
Total		**608**	**640**

8. Unauthorised expenditure

8.1. Reconciliation of unauthorised expenditure

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		2 252	2 252
Prior period error		-	-
As restated		2 252	2 252
Closing balance		**2 252**	**2 252**
Analysis of closing balance			
Unauthorised expenditure awaiting authorisation		2 252	2 252
Total		**2 252**	**2 252**

8.2. Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2020/21	2019/20
	R'000	R'000
Current	2 252	2 252
Total	**2 252**	**2 252**

8.3. Analysis of unauthorised expenditure awaiting authorisation per type

	2020/21	2019/20
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	2 252	2 252
Total	**2 252**	**2 252**

9. Cash and cash equivalents

	Note	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General Account		23 729	7 373
Total		**23 729**	**7 373**

The cash and cash equivalents comprise of cash in the PMG account and outstanding payments (BAS and PERSAL transactions which were processed prior to cut-off date). It must be noted that the department uses the cash basis of accounting where transactions are recognised when there is an outflow of cash.

10. Prepayments and Advance (Not expensed)

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Goods and services		15	(12)	-	-	**3**
Total		**15**	**(12)**	**-**	**-**	**3**

A prepayment opening balance of R15,000 paid over to SANRAL for utilisation on state vehicles was reduced during the year under review with R12,000 as and when the toll fees statements and invoices were received. The balance is reconciled monthly and reduced as and when the vehicles uses the toll routes.

11. Receivables

	Note	Current	Non-current	2019/20 Total	Current	Non-current	2019/20 Total
		R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	*11.1*	201	434	635	74	418	492
Staff debt	*11.2*	7	2	9	27	-	29
Other	*11.3*	14	5	19	19	-	19
Total		**222**	**441**	**663**	**120**	**418**	**538**

11.1. Recoverable expenditure (disallowance accounts)

	Note	2020/21	2019/20
	11	R'000	R'000
- Disallowance: Damages and Losses		516	455
- Disallowance: Miscellaneous (No-Shows)		119	37
Total		**635**	**492**

11.2. Staff debt

	Note	2020/21	2019/20
	11	R'000	R'000
Damages to motor vehicle		2	20
Salary reversal		7	7
Tax debt		-	-
Total		**9**	**27**

11.3. Other debt

	Note	2020/21	2019/20
	11	R'000	R'000
Damages to motor vehicle (ex-employee)		5	5
Salary overpayment & Tax debt (ex-employee)		14	14
Total		**19**	**19**

12. Voted funds to be surrendered to the Revenue Fund

	Note	2020/21	2019/20
		R'000	**R'000**
Opening balance		9 887	11 295
Prior period error		-	-
As restated		9 887	11 295
Transfer from statement of financial performance (as restated)		24 162	7 635
Paid during the year		(7 635)	(9 043)
Closing balance		**26 414**	**9 887**

The closing balance includes previous years R2,252 million Unauthorised expenditure still awaiting finalisation by SCoPA while the R24,162 million is the unspent funds for the year under review which will be surrendered to National Revenue Fund after the book of accounts has been closed.

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2020/21	2019/20
		R'000	**R'000**
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Transfer from Statement of Financial Performance (as restated)		59	50
Paid during the year		(59)	(50)
Closing balance		-	-

The revenue collected during the year under review was paid over to National Revenue fund before the cut-off period (i.e. 31 March 2020)

14. Payables – current

	Note	2020/21	2019/20
		R'000	***R'000***
Clearing accounts		221	279
	14.1		
Total		**221**	**279**

14.1. Clearing accounts

	Note	2020/21	2019/20
	14	**R'000**	**R'000**
Sal: Income Tax		191	239
Salary: Pension Fund		30	40
Total		**221**	**279**

The spike in the balance on this line item as compared to prior year is due to processing of PMDS payments for Senior Management which was finalised in the last week of the financial year (i.e. on 30 March 2021), thereby resulting in outstanding liability to SARS and GEPF for contributions deducted. The balances were paid over in the subsequent month (April 2021).

15. Net cash flow available from operating activities

	Note	2020/21	2019/20
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		24 221	7 685
Add back non-cash/cash movements not deemed operating activities		(6 417)	(6 290)
(Increase)/decrease in receivables		(107)	(89)
(Increase)/decrease in prepayments and advances		12	18
Increase/(decrease) in payables – current		(58)	238
Expenditure on capital assets		1 425	2 636
Surrenders to Revenue Fund		(7 694)	(9 093)
Net cash flow generated by operating activities		**17 804**	**1 395**

16. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General account		23 729	7 373
Total		**23 729**	**7 373**

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

		Note	2020/21	2019/20
			R'000	R'000
Liable to	**Nature**			
Intergovernmental payables	(unconfirmed balances)	*Annex 1D*	1 666	1 666
Other		*Annex 1E*	3 320	4 710
Total			**4 986**	**6 376**

The balance on intergovernmental payables remained the same as prior year and this is due to the non-submission of verifiable supporting documents to the claim by the claiming department (DCoG). The communication was sent informing the claiming department that failure to submit supporting documents will result in the balance cleared from unconfirmed balances in DTA financial records. As at reporting period, the department could not confirm any possibility of reimbursement as the balance is yet to be confirmed subject to the availability of substantive supporting documents to the expenditure claimed by DCoG.

The amount disclosed under "Other Contingent Liabilities" relates to the estimates on legal fees exposure costs for the envisaged court cases on traditional leadership disputes. Out of the Previous balance of R6,376 million, only R1,622 was confirmed and cleared during the year under review as and when invoices were received from the legal firm for the services provided while new additional estimates amounting to R0,232 million is recorded. The "most likely" amount of the legal fees payments have been determined in consultation with the qualified legal person (Department's internal legal services office-DCoG).

18. Capital Commitments

	Note	2020/21	2019/20
		R'000	R'000
Class of Assets			
Office furniture		-	-
Office equipment		-	13
Total Commitments		**-**	**13**

No capital commitments were recorded during the year under review.

19. Accruals and payables not recognised

19.1. Accruals

	2020/21		2019/20	
		R'000		R'000
Listed by economic classification				
	30 Days	**Total**	**30 Days**	**Total**
Goods and Services	438	438	681	681
Other	-	-	-	-
Total	**438**	**438**	**681**	**681**

	Note	2020/21	2019/20
		R'000	R'000
Listed by programme level			
Administration		**328**	**513**
Research, Policy and Legislation		**62**	**15**
Institutional Support and Coordination		**48**	**153**
Total		**438**	**681**

The accrual schedule includes creditors invoices, salary and personnel expenditure and S&T claims, which could not be submitted timeously due to Covid-19 National Lockdown implemented throughout the financial year.

19.2. Payables not recognised

			2020/21	2019/20
			R'000	R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	-	-	-	16
Total	**-**	**-**	**-**	**16**

	Note	2020/21	2019/20
		R'000	R'000
Administration		-	16
Research, Policy and Legislation		-	-
Institutional Support and Coordination		-	-
Total		**-**	**16**

20. Employee benefits

	Note	2020/21	2019/20
		R'000	R'000
Leave entitlement		4 437	3 071
Service bonus (Thirteenth cheque)		1 581	1 676
Performance awards		415	637
Capped leave commitments		1 576	2 810
Other		87	22
Total		**8 096**	**8 216**

Leave entitlement includes an amount of R10 697.62 in lieu of negative liability. The amount was set off for officials with negative leave credits at the end of the leave cycle. Negative leave liability is caused by employees utilising vacation leave in advance. In terms of pro-rata leave calculation, employees are entitled to 5.49 for employees with less than 10 years' service and 7.5 leave day for employees with 10 years' service accumulated from 1 January 2021 to 31 March 2021. The negative leave liability will update automatically during the 2021 leave cycle as leave credits accrues on a monthly basis. Furthermore, the benefits include an estimated amount of R1 576 thousand in lieu of capped leave commitments. The leave commitment is for leave accrued prior to 1 July 2000 payable in the event of death, retirement or medical boarding.

A total amount of R87 191 (R87 thousand Rands) on "Other Benefits" is for provision of long service recognition of seven (7) employees that will complete 20- and 30-years' service in the Public Service. Furthermore, an estimated amount of R415 thousand payable towards performance rewards for the 2020/2021 performance cycle is included. The amount represents the 0.5 percentage of the Compensation of Employees budget allocation as determined by the MPSA.

21. Lease commitments

21.1. Operating leases

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	55	55
Total lease commitments	**-**	**-**	**-**	**55**	**55**

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	55	55
Later than 1 year and not later than 5 years	-	-	-	56	56
Total lease commitments	**-**	**-**	**-**	**111**	**111**

The department extended the existing contract with Bizhub for the rental of seven (7) labour saving devices/photocopiers which ended on 31 March 2020. The extension is in line with National Treasury RT contract and will be for the period of twenty-four (24) months up to 31 March 2022.

21.2. Finance leases

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 010	1 010
Later than 1 year and not later than 5 years	-	-	-	859	859
Total lease commitments	**-**	**-**	**-**	**1 869**	**1 869**

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	215	215
Total lease commitments	**-**	**-**	**-**	**215**	**215**

Finance Lease commitments relate to the Cell phone contract the Department has with Vodacom. The department upgraded Cell phone contracts for members of NHTL and other stakeholders on 31 March 2021 for the period of 24 months, hence an increase as compared with the prior year.

22. Related party transactions

Entity	Mandate	Relationship	Amount
CRL Rights Commission	The Commission is a Chapter 9 Constitutional Institution. It Promotes and protect cultural, religious and linguistic rights. The Commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining cultural, religious and linguist rights within communities.	The commission is a Constitutional Institution and receives its budget funding through a transfer payment from the Department.	**R45 million**
Department of Cooperative Governance (DCoG)	Develop and monitor the implementation of national policy and legislation seeking to transform and strength key institutions and mechanism of governance to fulfil their developmental role.	The relationship is that we report to one Minister and share a Vote. Due to inadequate funding and limited human capacity, DCoG performs some of the corporate functions for DTA.	**None**
Municipal Infrastructure Support Agency (MISA)	Provide immediate support to Municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to Municipalities and overseeing them.	There were no related party transactions with MISA, however, suffice to state that we share a Minister.	**None**
Municipal Demarcation Board (MDB)	Is responsible for determining municipal boundaries, declare district management areas, delimit wards for local elections and assess the capacity of municipalities to perform their functions.	There were not related party transactions with MDB, however, suffice to state that we share one Minister	**None**

Entity	Mandate	Relationship	Amount
South African Local Government Agency (SALGA)	Is an association of municipalities recognised by the organised local government Act (1997) as a representative of organised local government.	There were not related party transactions with SALGA, however, suffice to state that we share one Minister	**None**

23. Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers (provide detail below)	1	1 978	1 978
Officials:			
Level 15-16	3	5 606	5 642
Level 14	8	11 168	11 496
Total		**18 752**	**19 116**

Key management personnel refer to members and persons having authority and responsibility for planning, directing and correcting the activities of the department. It includes political heads, Directors-general, Deputy Directors-General, Chief Financial Officer, Chief Directors, and all other officials who occupy position specified above. The decrease in the current year resulted from the non-implementation of salary increases (Cost of Living Adjustments) and the Covid-19 lockdown restrictions, which reduced the travelling and therefore low S&T related expenditure.

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	**10 386**	**-**	**817**	**-**	**11 203**
Transport assets	4 170	-	9	-	4 179
Computer equipment	3 681	-	742	-	4 423
Furniture and office equipment	2 001	-	-	-	2 001
Other machinery and equipment	534	-	66	-	600
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**10 386**	**-**	**817**	**-**	**11 203**

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	4	57
Total Movable Tangible Capital Assets under Investigation	**4**	**57**

*Included in the total amount for the tangible assets are **four** assets to the value of **R57,495.02** which were reported as lost at the end of the reporting period. The finalisation process of loss control management will only be concluded upon conclusion of necessary investigation.*

24.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**1 425**	-	**(608)**	-	**817**
Transport assets	9	-	-	-	9
Computer equipment	742	-	-	-	742
Furniture and Office Equipment	-	-	-	-	-
Other machinery and equipment	674	-	(608)	-	66
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**1 425**	**-**	**(608)**	**-**	**817**

24.2 Movement for 2018/19

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**8 390**	-	**1 996**	**-**	**10 386**
Transport assets	2 710	-	460	-	4 170
Computer equipment	2 980	-	701	-	3 681
Furniture and office equipment	1 354	-	647	-	2 001
Other machinery and equipment	346	-	188	-	534
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**8 390**	**-**	**1 996**	**-**	**10 386**

24.3. Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	1 853	-	1 853
Value adjustment	-	-	-	1	-	1
Additions	-	-	-	31	-	31
TOTAL MINOR ASSETS	**-**	**-**	**-**	**1 885**	**-**	**1 885**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	1 007	-	1 007
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	1 007	**-**	1 007

Minor Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1	2
Total Movable Tangible Capital Assets under Investigation	**1**	**2**

*Included in the total amount for the tangible asset is one asset to the value of **R 2, 014.33** which was reported as lost at the end of the reporting period. The finalisation process of loss control management will only be concluded upon conclusion of necessary investigation.*

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	1 736	-	1 736
Additions	-	-	-	117	-	117
TOTAL MINOR ASSETS	**-**	**-**	**-**	**1 853**	**-**	**1 853**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	993	-	993
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	**993**	**-**	**993**

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	166	-	-	-	166
TOTAL INTANGIBLE CAPITAL ASSETS	**166**	**-**	**-**	**-**	**166**

BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

26. COVID-19 Response Expenditure

	Note	2020/21	2019/20
	Annexure 11	R'000	R'000
Compensation of employees		-	-
Goods and services		566	-
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Other		-	-
Total		**566**	**-**

The expenditure on this line item is for the referral of employees to laboratories for Covid-19 testing, disinfection of workstations after infection cases were recorded, and the procurement of household consumables such as sanitisers and facecloth masks, and temperature scanners to fight spread of Covid-19 virus amongst employees and traditional leaders.

27. Statement of conditional grants and other transfers paid to municipalities

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Tshwane Municipality	-	-	10	10	8	-	-
TOTAL	**-**	**-**	**10**	**10**	**8**	**-**	**-**

The expenditure amount relates to the payment for the motor vehicle licenses renewal for the official vehicles procured by the department.

ANNEXURE 1A

Statement of conditional grants and other transfers paid to municipalities

	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Tshwane Municipality	-	-	10	10	8	-	-	8	-	-	-	-	3
TOTAL	**-**	**-**	**10**	**10**	**8**	**-**	**-**	**8**	**-**	**-**	**-**	**-**	**3**

The expenditure amount relates to the payment for the motor vehicle licence renewal for the official vehicles procured and used by the department.

ANNEXURE 1B

Statement of transfers to departmental agencies and accounts

	TRANSFER ALLOCATION				TRANSFER		2019/20
DEPARTMENTAL AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
CRL Rights Commission	46 046	-	-	46 046	46 046	100%	45 189
SABC	2	-	-	2	1	100%	2
TOTAL	**46 048**	**-**	**-**	**46 048**	**46 047**	**100%**	**45 191**

The expenditure relates to transfer of budget funds to CRL Rights Commission (Constitutional Institution) and payment to SABC for the renewal of TV Licences.

ANNEXURE 1C
Statement of transfers to households

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Leave Gratuity	-		1 599	1 599	1 599	100%	241
Other transfers to Household	-	-	-	-	-	-	-
TOTAL	**-**		**1 599**	**1 599**	**1 599**	**100%**	**241**

During the year under review, the total spent for leave gratuity amounted to one million five hundred and ninety-nine thousand rand (R 1,598,972.69) paid to employees who resigned/retired or whom their contracts expired).

ANNEXURE 1D
Inter-government payables

GOVERNMENT ENTITY		Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
		R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS									
Current									
Department of Cooperative Governance		-	-	1 666	1 666	1 666	1 666	-	-
Department of Justice and Constitutional Development		-	-	-	-	-	-	-	-
TOTAL		-	-	1 666	1 666	1 666	1 666	-	-

The balance (Interdepartmental Payables) relates to claims for the services rendered by Department of Cooperative Governance (DCoG) amounting to the value of R1,666 million. The balance remained the same as prior year and this is due to the non-submission of verifiable supporting documents to the claim by the claiming department (DCoG). The communication was sent informing the claiming department that failure to submit supporting documents will result in the balance cleared from unconfirmed balances in DTA financial records.

As at the reporting period, the department could not confirm any possibility of reimbursement as the balance is yet to be confirmed subject to the availability of substantive supporting documents to the expenditure claimed by DCoG.

ANNEXURE 1E

Statement of contingent liabilities as at 31 march 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
None	-	-	-	-	-
Subtotal	-	-	-	-	-
Other					
Legal Fees for the Claims on Traditional Leadership disputes	4 710	232	(1 622)	-	3 320
Subtotal	**4 710**	**232**	**(1 622)**	**-**	**3 320**
TOTAL	**4 710**	**232**	**(1 622)**	**-**	**3 320**

The amount disclosed under "Other Contingent Liabilities" relates to the estimates on the legal fees for the envisaged court cases on traditional leadership disputes. Out of the previous provisions balance of R4,710 million, only R1,622 million was confirmed as expenditure and cleared during the year under review as and when invoices were received from the Legal firm for the services provided. The "most likely" amount of the legal fees payments has been determined in consultation with a qualified legal person (department's internal legal services Chief Directorate (DCoG) and the external Law firm).

ANNEXURE 1E

COVID-19 response expenditure

Per quarter and in total

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	**-**	**-**	**-**	**-**	**-**	**-**
Goods and services (List all applicable SCOA level 4 items)	**477**	**84**	**1**	**4**	**566**	**-**
Minor Assets	17	-	-	-	17	-
Laboratory Services	18	84	1	4	107	-
Consumables: Household Supplies	442	-	-	-	442	-
TOTAL COVID 19 RESPONSE EXPENDITURE	**477**	**84**	**1**	**4**	**566**	**-**

The expenditure on this line item is for the referral of employees to laboratories for Covid-19 testing and also disinfection of workstations after infection cases were recorded, the procurement of household consumables such as sanitisers and facecloth masks, and temperature scanners to fight spread of Covid-19 virus amongst employees and traditional leaders.

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