

REPORT OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS IN RELATION TO THE 4th QUARTERLY REPORT, (JANUARY - MARCH) OF THE DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA)

1. INTRODUCTION

As stated in Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature, the Member of the Executive Council responsible for a provincial department must table the quarterly reports of the department to the Speaker, within 30 calendar days after the end of a quarter.

The Committee considered the 4th quarterly report of the Department of Co-operative Governance and Traditional Affairs (the department) for the 2014/15 financial year, reporting period January – March 2015. Interaction with the department was aimed at assessing the department's performance for the quarter.

2. METHOD OF WORK

The Honourable Speaker referred the 4th quarterly report of the Department of Co-operative Governance and Traditional Affairs to the Committee for consideration and report back to the House.

On 22 July 2015 the Committee was briefed by the researcher on the 4th quarterly report of the department. The Committee interacted with the department during the deliberations, which were held on 04 August 2015. The analysis questions were sent to the department and the written responses thereto were submitted to the Legislature on 11 August 2015, together with the responses to the questions raised by the Committee during the deliberations.

The Honourable MEC for COGTA, the Head of Department (HOD) and his senior management team, the Provincial Treasury, the Office of the Auditor-General, South African Local Government Association (SALGA) and House of Traditional Leaders (HTL) were invited to the meeting. Subsequently, the Committee considered and adopted its report on 13 August 2015.

3. OVERVIEW BY THE MEC

The Honourable MEC appreciated the opportunity to appear before the Committee to report on the 4th quarterly performance of the department. She provided an overview of the department's progress as at 31 March 2015 and to date. The Hon MEC indicated the following to the Committee:

- ❖ That most of the programmes were achieved except Programme 4; which is the Construction of four (4) Traditional Council offices which were planned for 2014/15 financial year but due to late appointment of service providers this project could not be finalized. The Construction of Traditional Council offices is in progress and will be finalized by the end of the 3rd quarter for 2015/16 financial year. The R 4, 000, 000 or 0,9% roll over has been approved and would be used to complete this project;
- ❖ Ummemo has been increased from R60 000-00 to R200 000-00;
- ❖ The Department is in the process of procuring vehicles (tools of trade) for the 58 Senior Traditional Leaders and two (2) Kings as the current fleet has aged. Currently, the Department has started a process of procuring this tools of trade and orders have been issued to the supplier;
- ❖ Each Traditional Leader will receive five (5) cows and one (1) bull) while the two Kings will receive nine (9) cows and one (1) bull) during 2015/16 financial year;

- ❖ The Department is in the process of amalgamating 10 municipalities into five (5). This has not been finalised as the demarcation board has requested more time to finalise this matter, however, Umjindi Local Municipality and Mbombela Local Municipality have been amalgamated.
- ❖ The Department managed to secure the clean audit for 2014/15 financial year.

4. GENERAL OBSERVATIONS BY THE COMMITTEE ON 4th QUARTERLY REPORT

- ❖ The Department has underspent by R4 000 000.00 or 0, 9% missing the benchmark norm of 100% for the 4th Quarter in the 2014/15 financial year.
- ❖ The Department obtained a clean audit from the Auditor-General for 2014/15 financial year.
- ❖ The Department submitted a report on the Sakhile hostel of Lekwa Local Municipality, and was noted by the Committee.

5. OBSERVATIONS ON THE BUDGET EXPENDITURE

The Committee considered the department's 4th quarterly expenditure trend and made the following observations:

Expenditure summary per Programme during the 4th quarter

R'000	Adjusted Appropriation 2014/15 (R'000)	Actual expenditure as at 31 March – (R'000)	Outcome % Budget	(Over)/under spending
Administration	105, 663	102, 548	97.1 %	3, 115
Local Governance	142, 275	152, 838	107.4%	10, 563
Development & Planning	110, 264	99; 446	90.2%	10, 818
Traditional Institutional Management	92, 854	91, 231	98.3%	1, 623
The House of Traditional Leaders	14, 031	15, 024	107.1%	993
Total	465, 087	461, 087	99.1%	4, 000

The Committee noted that the Department of Cogta was allocated a budget amount of R 465 087 000.00 and has managed to spend R 461 087 000.00 which is 99,1% out of its total allocated budget for the 2014/15 financial year. The Committee further noted that the spending pattern per programme indicates some fluctuations; with Programme 2 and 5 being the highest in expenditure at 107,4% and 107,1% respectively, Programme 1 and 4: Administration and Traditional Institutional Management indicating an under-expenditure of 2,9% and 1,7% respectively. The development and planning programme being the lowest out of the five programmes of the Department with an under-expenditure of 9,8% below the benchmark norm as per the treasury regulations.

Economic Classification

R'000	Adjusted Appropriation 2014/15 (R'000)	Actual expenditure as 31 March – (R'000)	Outcome %Budget	(Over)/under spending
Compensation of employees	325, 409	323, 642	99, 5%	1, 767
Goods & Services	79, 823	82, 288	103, 1%	2, 465
Total transfers & subsidies	23, 063	22, 815	98, 9 %	248
Capital Payment	36, 792	32, 342	87 %	4, 450
Total	465, 087	461, 087	99, 1%	4 000

The Committee needed clarity that during the adjustment period an amount of R 8 million was taken from the Department's budget due to failure to spend its entire allocation. Therefore, the Committee requested the Department to provide an explanation on what impact did it have on the performance of the Department. In its response the Department reported that the performance of the Department has not been negatively affected because the amount that was surrendered to Provincial Treasury was a projected under-spending on the ongoing Construction of Traditional Council offices.

The project was awarded late in the financial year hence the projected under spending. A roll-over was applied for and granted by the Budget and Finance to complete the

office construction and the project of constructing offices is continuing and the retention fees on the Water Reservoir Projects are only due in 2015/16 financial year.

The Committee further wanted to know if the Department has any plans or measures that are put in place to ensure that the under-expenditure does not re-occur and all planned targets are achieved. The Department reported that in order to avoid under spending, the Department is conducting monthly and quarterly budget review sessions to inform program managers about the status of their budget. The Departmental budget committee also sits on a monthly basis to assess spending trends. The Committee further reported that the reasons for deviation and corrective actions are provided by responsible managers.

6. DELIBERATIONS ON THE PROGRAMME PERFORMANCE

After an overview by the MEC and briefing by the Head of Department (HOD) on the 4th quarterly performance report, the Committee, SALGA and HTL appreciated the presentation and congratulated the Department for achieving most its set targets for the last quarter (January-March 2015) and receiving a clean audit from the Auditor- General for 2014/15 financial year and urged the Department to assist municipalities to follow suit. However, few issues were raised by the Committee and the written responses were submitted by the Department to be considered.

The following were the comments raised during the meeting:

6.1. Section 80 and 79 Council Committees for eMalahleni Local Municipality

The Committee contended that the eMalahleni Local Municipality report indicates Section 60 or speaks to Council Committees which are Section 80 and 79 and requested the Department to clarify the matter. In its response, the Department reported that Section 60 has been removed from eMalahleni Local Municipality report as the municipality has already corrected this matter.

6.2. Title Deeds

The Committee raised a concern on the process of handing over Title deeds in Traditional communities which needs some legal intervention and amendments. The Department responded by indicating that the land in almost all Traditional areas is state owned land which is registered under the Minister of Rural Development and Land Reform. Currently, the Department of Rural Development and Land Reform (DRDLR) is busy with policy reforms regarding the acceptable form of ownership in Traditional areas.

The Department further reported that due to the unfolding policy reforms, the Department of Rural Development and Land Reform is not processing new applications for land release to provinces and municipalities which make the issuing of title deeds a challenge. It is expected that once the policy reforms have been finalized by the DRDLR the normal processes for the issuing of title deed will resume. The Department has however processed more than 4500 title deeds at the end of 2014/15 financial year which will be distributed during the second and third quarter of this financial year (July and December 2015).

The Committee noted that Programme 2 has overspent on their allocated budget and requested the Department to explain on how is the funding going to be covered and how is the under spending affecting service delivery. The Department reported that Municipal interventions that were unforeseen, resulted in the over expenditure of R 7.882 million on goods and services within this programme. However this overspending was addressed through virements and shifts realised through savings from other programmes.

6.3. Spatial Planning and Land Use Management Act (SPLUMA)

It was raised that the Traditional Leaders are not happy about SPLUMA. The Committee requested an explanation on how will the Department assist the Traditional Leaders to understand and accept the Act.

The Department acknowledged that the National House of Traditional Leaders currently holds the view that Spatial Planning and Land Use Management Act should not be supported which is the same view that is shared by the Mpumalanga House of Traditional Leaders in as far as the rights for the allocation of land especially the sites between traditional leaders and municipal councils is concerned.

The Department reported that the Minister of Rural Development and Land Reform is in the process of engaging the National House of Traditional Leaders to deal with issues raised by traditional leaders emanating from the SPLUMA and the related roles and responsibilities between municipalities and Traditional Councils. In addition, COGTA, SALGA Provincial House of Traditional Leaders (PHTL) and SAPS are looking at the possible amendment of the already signed memorandum of understanding with traditional leaders to incorporate and/or address all areas of uncertainty including matters relating to land invasion.

6.4. Omission to provide support at cemeteries (graveyards)

The Committee noted with concern the failure of some municipalities to provide support and working tools at the cemetery site. The Committee urged the Department to ensure that services at cemeteries are always provided.

6.5. Community Development Workers (CDWs)

The Committee noted the recurring inadequate services provided by some CDWs the Department has been requested to strengthen the monitoring on the performance of the CDWs.

6.6. Written responses on the analysis made were also submitted and were considered by the Committee per programme.

PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to promote and facilitate viable and sustainable local governance.

The programme is made up of corporate services, human resource management, legal services, security management, planning and programme management as well as communication and IT support.

The Committee noted that this programme had a budget allocation of R105, 663 000 and has managed to spend a total amount of R102, 548 000 or 97.1% of the total budget at the end of the quarter during the period under review, which indicates an under-expenditure of 2.9%.

The Committee commended the Department that even though the Department has under-spent, the Department has managed to achieve its six (6) entire set of targets as planned for the quarter which translates to 100%. The Department is advised to revise its planned targets v/s the budget so that it does not under-spend while it has achieved all its planned targets in order to have SMART targets.

PROGRAMME 2: LOCAL GOVERNANCE

The purpose of this programme is to support and strengthen the capacity of municipalities to enable them to fulfill their constitutional and other legislative mandate.

The Programme has seven (7) sub-Programmes which are mentioned as follows:

- Municipal Administration;
- Intergovernmental Relations;
- Municipal Finance;
- Public Participation;
- Capacity Development;
- Municipal monitoring, reporting and evaluation;
- Service delivery improvement.

The Committee noted that an amount of R142, 275 000 was allocated to this programme and the total expenditure for the quarter was R152, 838 000, which is 107.4%, exceeding the allocated budget by 7.4% from the benchmark of 100%.

The programme received a lion's share of the total budget than the rest of the programmes of the Department, making it the biggest programme out of the five programmes rendered by the Department.

The Department achieved all its set target to this programme, however, the Committee commented on the following:

The Committee noted that the department has been experiencing recurring problems with regard to assessment report on powers and functions as determined by Municipal Demarcation Board (MDB), number of municipalities supported to obtain clean audit outcomes, number of municipalities capacitated on scarce and critical skills, number of monitoring report on the implementation of the support plans, and number of district municipalities assisted with support plan.

The Committee noted that Programme 2 has overspent on their allocated budget and requested the Department to explain on how is the funding going to be covered and how is the under spending affecting service delivery. The Department reported that Municipal interventions that were unforeseen, resulted in the over expenditure of R 7.882 million on goods and services within this programme. However this overspending was addressed through virements and shifts realised through savings from other programmes.

Municipal Administration

The Committee needed clarity on how is the over expenditure going to be funded and what steps are going to be taken by the Department in ensuring that there is proper budgeting for this programme. In its response, the Department reported that the overspending was funded through savings from other programs. The Department

further reported that it has ensured that the annual performance plans of the program are properly linked to the budget and supported by procurement plans.

The Committee enquired on how the Department is going to ensure that issues of irregular expenditure at the end of the 2014/15 financial year are prevented; and why did the Department over-spend under this programme meanwhile it has failed to achieve the set planned targets. The Committee in its response reported that the Systems of Internal control and Supply Chain processes are in place and all expenditure incurred by the Department are in line and in compliance with these processes. As the achievement of the Clean Audit Opinion confirms the Department did not incur any irregular expenditure.

The Department further reported that the area of the over spending was on the payments of section 139 interventions to administrators in eMalahleni and Bushbuckridge Local Municipality which was unforeseen, unavoidable and unfunded. This resulted in funds being diverted from other planned targets in order to fund the interventions.

Municipal Finance

The Committee requested the Department to explain the failure to achieve planned targets under the mentioned performance measures/indicators as outlined in the Annual Performance Plan (APP) as well as the department's fourth quarterly performance report. In its response, the Department reported the following reasons for failure to achieve planned targets were as follows;

- ❖ The Institutionalization of Batho Pele in 5 Municipalities: that there are no dedicated units for this programme in municipalities and there is a slow pace in approval of Service Standards and Charter in municipalities;

- ❖ Number of municipalities supported to obtain clean audit outcomes: Municipalities fails to provide documentation for audit process and absence of municipal officials during the audit processes.
- ❖ Lack of competent staff within the Department to support municipalities to improve their financial management address key risk areas, put in place assurance levels and address root causes of poor financial controls. The Provincial Treasury has been tasked to support the Department and Municipalities to improve this area through the dedicated Municipal Finance Unit and implement the Integrated Municipal Support Plan (IMSP);
- ❖ Individual Performance Management assessments will be done monthly and quarterly basis in order to address non-performance and enforce consequent management;

The Committee further needed clarity on whether are there any plans put in place to address this failure since it's a recurring matter that the department seems to have a challenge to resolve it. The Department responded by reporting that Institutionalization of Batho Pele in 5 Municipalities: The Department has drafted Service Standards and Charter. These were circulated to all Municipalities to customize to their own Municipalities. All municipalities customized the drafts to be municipal specific. All municipal councils were supposed to have adopted these but only five has done so. The District Municipalities will be engaged to support municipalities under their jurisdiction in institutionalizing Batho Pele.

The Department further reported that a number of municipalities supported to obtain clean audit outcomes are as follows; CoGTA and Provincial Treasury in line with Object 6 of the Back to Basics Program have developed an Integrated Municipal Support Plan (IMSP) to assist Municipalities to improve their audit outcomes with emphasis placed on Municipalities who did not receive a clean for 2013/2014.

The plan includes amongst others to assist Municipalities to improve their records management and filing systems. Provincial Treasury will also roll-out of the hands-on support required. Working together we are monitoring the implementation of the audit plans.

The Committee further needed clarity on the status quo with regard to CFO forum meeting to address issue of unavailability of documents for audit purpose and the absence of municipal officials during the audit process. The Department in its response reported that the CFO forum is fully functional and it meets quarterly.

The Department reported that this forum is convened by Provincial Treasury through the IMSP, CoGTA and Provincial Treasury is focusing. The plan includes amongst others to assist Municipalities to improve their records management and filing systems. The Department further reported that five municipalities were selected to be assisted with their filing and records management systems are Thaba Chweu, Mkhondo, Msukaligwa, Emakhazeni and eMalahleni Local Municipalities. The Committee requested the Department to clarify the impact of over achievement of planned targets against its budget and also state the reason for their deviation. In its response, the Department reported that reason for deviation on over achieved targets were as follows,

- ❖ The 18 Municipalities supported to improve sound financial management: Assessment of financial management was conducted in all 18 local municipalities and a Provincial Committee led by the Provincial Treasury and the Department of CoGTA was established to assist municipalities in improving sound financial management by collecting debts owed by Government Department. There was no additional expenditure incurred in that process;
- ❖ 6 Community Outreach (Izimbizo/ radio slots): The additional 3 Community outreaches were done through Traditional cultural ceremonies by the Hon. MEC for the Department of CoGTA who addressed and interacted with

communities during the cultural event held by Traditional Leaders. The cultural ceremonies were already funded and no additional expenditure incurred by the Department for over achieving the target.

Municipal Administration

The Committee noted that the eMalahleni report indicates Section 60 or speaks to Council Committees which are Section 80 and 79 and requested the Department to clarify the matter. In its response, the Department reported that Section 60 has been removed from the eMalahleni report as the municipality has already corrected this matter.

PROGRAMME 3: DEVELOPMENT AND PLANNING

The purpose of the programme is to facilitate and support integrated development planning at provincial level and within municipalities. Programme 3 has achieved 74.3% or 29 out of its 39 planned targets for the fourth 4th quarter of the 2014/15 financial year. The Committee noted that at the end of the fourth 4th quarter of the 2014/15 financial year, the actual expenditure for this programme amounted to 90.2% or R99 446 000 out of R110 264 000 adjusted allocation for the 2014/15. The Committee further noted that during the 2014/15 adjustment budget, the budget for this programme was reduced by R10 260 000.

Spatial Planning

The Committee noted with concern that the targets which were not achieved in this programme relate to the following performance indicators: number of municipalities in compliance with Spatial Planning and Land Use Management Act (SPLUMA), functional provincial spatial working group, number of title deeds handed to beneficiaries, number of created through town establishment projects, number of survey services rendered,

number of hearings conducted by Mpumalanga townships board frameworks, number of households with access to water, electricity, sanitation and waste management.

The Committee noted that in its Annual Performance Plan, the Department mentioned to have six (6) municipalities supported with municipal development proposals while in their fourth quarterly report it stated seven (7) municipalities and the Committee requested the Department to explain why did the Department deviate from their APP. The Department in its response reported that the number of municipalities supported with municipal development proposals were seven (7) and in accordance with the 2014/15 APP. These developments were a culmination of the assessment of municipal Spatial Development Framework (SDFs) throughout the province. Proposals that were identified as key that required support from the Department are as follows:

MUNICIPALITY	DEVELOPMENT PROPOSAL
1. Mkhondo Local Municipality	Development of a wall-to-wall Land Use Scheme
2. Dr. Pixley Ka Isaka Seme Local Municipality	Perdekop Precinct plan
3. Bushbuckridge Local Municipality	Acornhoek Precinct Plan
4. Thembisile Hani Local Municipality	Spatial Development Framework (SDF) review
5. Dr. J. S Moroka Local Municipality	SDF review
6. Steve Tshwethe Local Municipality	SDF review
7. Thaba Chweu Local Municipality	SDF review

Development and Planning

The Committee requested the Department to provide an explanation as to what impact did the over achievement of certain targets have in terms of the Department allocated budget for the 2014/15 financial year. The Department reported by indicating that there were no negative impacts resulting from the overachievement of certain targets as this achievement did not result to additional budget. The Department further reported that the achievement

happened as a result of improved systems. The additional activities did not require budget from goods and services, but were rather accommodated through the budget for the Compensation of Employees.

Termination of contracts

The Committee wanted an explanation as to what effect did the termination of contracts have on the allocated budget and what is the status quo with regard to new tenders' appointment that will be made during the 2015/16 financial year. In its response, the Department reported that the decision to discontinue with the projects resulted in under spending on the item during the year; however, the effect was minimized by reallocating the budget to other targets that required budget. The Department further reported that the status quo of the process, a legal opinion was obtained on the termination of the contracts for a number of service providers (conveyance, land surveyors and town planners). The conveyance service providers were given notices of termination and proper procurement processes are being put in place for the 2015/16 financial year.

The tender documentation for the conveyance service provider is projected for completion by end of August 2015, and it is expected that the appointment of service providers will be finalized by the 3rd quarter.

Survey Services Rendered

The Committee wanted to know on the number of survey services rendered by the Department since the Department didn't achieve planned targets due to budget reprioritization. The Department was requested to explain on what caused the targets not to be achieved since it was planned and budgeted.

The Department in its response reported that for the target of the 4th quarter, the total of 23 survey services was expected to be achieved and the actual output was 25 survey services and not 3 as reflected in the fourth quarter. It must be indicated that the figure that is shown on the fourth quarter is a typographical error and therefore is rectified.

The Committee further needed clarity on the under spending and on why did the Department fail to achieve other planned targets with reasons given that it is due to budget reprioritization, to what extend is this statement true.

The Department reported that it has taken remedial actions in the 2015/16 financial year to align its budget and the actual activities required to meet the planned targets on a quarterly basis. The mismatch that was experienced in the 2014/15 financial year has been addressed through the implementation of measures for cost containment coupled with close monitoring of performance. The failure to meet the targets was partly caused by among others under performance which is currently put on the spot light for improvement.

Land Use Management Scheme

The Department has achieved eleven (11) targets out of five (5) planned targets on the number of municipalities implementing Land Use Management Scheme (LUMS) with the reason being that they had funds available for the implementation of LUMS. The Committee requested the Department to explain on whether the Department allocated more funds in this performance indicator than it requires. In its response, the Department indicated that the Department planned to assess 18 Municipalities implementing LUMS in the 2014-2015 APP. All 18 municipalities were assessed during the year. There was no allocation of additional budget, the cost drivers for the delivery of the target is travelling; hence, the other activities involve coordination. The implementation of cost containment leads to the promotion of coordination through telecommunication and emails.

PROGRAMME 4: TRADITIONAL INSTITUTION MANAGEMENT

The purpose of this programme is to support, strengthen and capacitate the developmental capacity and capability of traditional and royal councils to accelerate rural development. The programme comprises of three sub-programmes, namely, Traditional Institutional Administration; Rural Development Facilitation and Traditional Land Administration.

This programme has achieved 82% or 9 out of its 11 planned targets for the fourth 4th quarter of the 2014/15 financial year. At the end of fourth quarter, actual expenditure for this programme amounted to R91 231 000 or 98.2% of the R92 854 000 allocated for this programme in the 2014/15 financial year. The Committee noted that during the 2014/15 financial year, the budget for this programme was reduced by R8 429 000. The Department failed to achieve the following performance indicators which are of tools of trade provided to traditional councils and number of traditional council offices constructed.

The Committee requested the Department to explain why the Department failed to achieve all planned targets and utilize its entire allocated budget. The Department reported that the tools of trade for 2014/15 was not budgeted for, budget pressure was registered, however due to government financial capacity it could not be granted. This indicator is catered for in the 2015/16 fiscal year.

Traditional Institution Management

The Construction of Traditional Council offices was planned for 2014/15 financial year but due to late appointment of service providers this project could not be finalized. Currently, the Construction of Traditional Council offices is in progress and will be finalized by the end of the 3rd quarter for 2015/16 financial year.

Traditional Resource Administration

The Committee requested the Department to give an explanation on the status quo with regard to tools of trade provided to traditional councils output planned for the 2015/16

financial year. The Department reported that in the 2015/16 financial year, the Department has planned to procure new vehicles for all fifty eight (58) Senior Traditional Leaders and two (2) Kings as the current fleet has aged. Currently the Department has started a process of procuring this tool of trade and orders have been issued to the supplier.

The Committee further requested the Department to clarify on which budget allocation will this trade of tools fall under since it was planned for the 2014/15 financial year but the output planned is for 2015/16 financial year as stipulated the Department's fourth quarterly performance report. The Department in its response reported that the Department is engaging with Provincial Treasury for the possibility of funding the Tools of Trade to be procured for the Traditional Leaders. The Committee appreciated the efforts put by the Department in providing the tools of trade and requested the Department to fast-track the process.

PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS

The purpose of this programme is to provide strategic and political leadership to the House of Traditional Leaders. The Programme has two key sub-programmes, namely, administration of the House of Traditional Leaders and Committees and Local Houses of Traditional Leaders.

The Department has achieved 100% of its targets planned for the fourth quarter of the 2014/15 financial year on this programme. However, it was noted that at the end of the third quarter of the 2014/15 financial year, the actual expenditure for this programme amounted to 107.1% or R15 024 000 out of R14 031 000 which shows an over expenditure of 7.1% above the benchmark norm.

The Committee requested the Department to explain on how is the over expenditure going to be funded. The Department reported that the overspending was funded

through savings from other program. The Committee further requested an explanation as to what are the steps taken by the Department to ensure that proper budgeting is done for this programme. In its response, the Department reported that all the plans have been properly costed and strict cost containment measures have been put in place to ensure that the programme does not over spend.

The Committee requested the Department to explain on how the Department will ensure that issues of over expenditure in the 2015/16 financial year are prevented and does not affect service delivery. The Department reported that the Department has ensured that the 2015/16 annual performance plan is properly funded and supported by a credible procurement plans. Monthly and quarterly budget reviews will be conducted to monitor progress in terms of spending.

7. FINDINGS

After the interaction, the Committee found that:

- a) The Department underspent by a total amount of R4 000 000.00 or 0,9% missing the Treasury benchmark norm of 100% in this 4th quarter;
- b) The construction of four (4) Traditional Council Offices is not completed;
- c) There was no correlation between the budget and the planned targets;
- d) The Mpumalanga House of Traditional Leaders does not support the Spatial Planning and Land Use Management Act (SPLUMA) in as far as the rights for the allocation of land, sites between traditional leaders and municipal councils is concern;
- e) Issuing of title deeds is still a challenge in Traditional communities which needs an urgent interventions, though it has been indicated that, the Department of Rural Development and Land Reform (DRDLR) is busy with policy reforms regarding the acceptable form of ownership in Traditional areas; thus the

processing of new applications for land release to provinces and municipalities is on hold;

- f) The contracts of conveyance service providers, land surveyors and town planners have been terminated;
- g) Department is in the process of procuring vehicles (tools of trade) for the 58 Senior Traditional Leaders and two (2) Kings as the current fleet has aged.

8. RECOMMENDATIONS

The Committee recommends that the Department must:

- a) Ensure that its budget spending is in line with the Treasury benchmark to avoid under and overspending;;
- b) Ensure that it adheres to its deadline of completing the Construction of Traditional Council Offices by the 3rd quarter of 2015/16 financial year (December 2015);
- c) Ensure that its planned targets are in line with the allocated budget and strengthen monitoring to prevent under and over expenditure;
- d) Submit a progress report on the engagement between the Minister of Rural Development and Land Reform and the National House of Traditional Leaders on SPLUMA; as well as the amended memorandum of understanding before 30 September 2015;
- e) Submit a progress report on the policy reforms by the Department of Rural Development and Land Reform so as to expedite the issuing of title deeds before 30 September 2015;

- f) Ensure that the termination of contracts does not affect and compromise service delivery; cost effective and not lead to litigation and no incurring of cost (specification) and the contract management should be strengthened;
- g) Fast-track the procurement of the vehicles (tools of trade) for the 58 Senior Traditional Leaders and two (2) Kings and submit a progress before 30 September 2015;

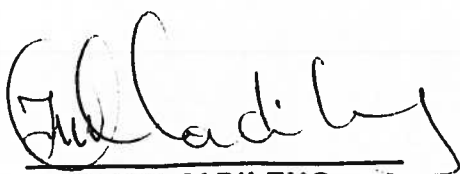
A progress report must be submitted to the Legislature on or before 30 September 2015.

9. CONCLUSION

The Chairperson wishes to express his gratitude to the MEC Hon RM Mtshweni; the HOD, representatives from SALGA and the senior officials of the Department of Co-operative Governance and Traditional Affairs for their active involvement during the deliberations on fourth quarterly report of the department.

The Chairperson further wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations on the 4th quarterly report of the Department of Co-operative Governance and Traditional Affairs and also thank the Legislature staff for the support they provided to the Committee during the deliberations.

Lastly, the Chairperson requests the august House to adopt the report with its recommendations.



**HON. WT MADILENG
CHAIRPERSON: PORTFOLIO COMMITTEE ON
HUMAN SETTLEMENTS AND CO-OPERATIVE GOVERNANCE &
TRADITIONAL AFFAIRS**

21/08/2015
DATE