No.0462 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

**========================**

**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

**========================**

Tuesday, 05 December 2023

# ANNOUNCEMENTS

none

# TABLINGS

none

COMMITTEE REPORTS

**1. The Acting-Chairperson of the Co-operative Governance, Traditional Affairs, Research, Development and e-Government Portfolio Committee, Hon. B P Mncube, tabled the Committee’s Oversight Report on** **the Annual Report of the Department of Co-operative Governance and Traditional Affairs (CoGTA) for the 2022/2023 financial year, as attached:**

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**CoGTA & E-Gov Portfolio Committee Oversight Report on the Gauteng Department of Co-operative Governance and Traditional Affair’s Annual Report: 2022/23 FY**

| ***Co-operative Governance and Traditional Affairs Committee Annual Oversight Report*** | | | | |
| --- | --- | --- | --- | --- |
| **Committee Details** | | | | |
| **Name of Committee** | | **CoGTA & E-Gov Committee** | | |
| **Name of Department** | | **Committees** | | |
| **Which Financial Year** | | **2022/23 FY** | | |
| **Committee Approvals** | | | | |
|  | **Name** | | **Signed** | **Date** |
| **Researcher** | Mr. Sizwe Nene | |  |  |
| **Coordinator** | M. Jabulile Nyembe | |  |  |
| **Hon. Acting Chairperson** | Ms. Busisiwe Mncube | |  |  |

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| **ACRONYMS** |
|  |

AG Auditor General

AR Annual Report

APP Annual Performance Plan

BCM Budget Cycle Model

B2B Back to Basics

CDWs Community Development Workers

CDWP Community Development Worker Programme

CEF Capital Expenditure Framework

CFO Chief Financial Officer

CoGTA Cooperative Governance and Traditional Affairs

DHS Department of Human Settlement

DCoGTA Department of Cooperative Governance and Traditional Affairs

DoRA Division of Revenue Act

EPWP Expanded Public Works Programme

FOSAD Forum of South African Directors General

FY Financial Year

GCR Global City Region

GDP Gross Domestic Product

GDP-R Gross Domestic Product for Region

GEYODI Gender, Youth and Disabilities

GPG Gauteng Provincial Government

GPC Gauteng Planning Commission

GPT Gauteng Provincial Treasury

GRAP Generally Recognized Accounting Certificate

HR Human Resources

HH Households

ICT Information Communication Technology

IGR Inter-Governmental Relations

IUDF Integrated Urban Development Framework

IDP Integrated Development Plan

LED Local Economic Development

LG Local Government

MEC Member of the Executive Council

MIG Municipal Infrastructure Grant

MISA Municipal Infrastructure Support Agency

MTEF Medium Term Expenditure Framework

MFMA Municipal Financial Management Act

MTEF Medium Term Expenditure Framework

NDP National Development Plan

OPCA Operation Clean Audit

PDMC Provincial Disaster Management Centre

PEBA Programme Evaluation and Budget Analysis

PFMA Public Finance Management Act

POA Programme of Action

PSMO Public Sector Oversight Model

SALGA South African Local Government Association

SAICA South African Institute of Civil Engineers

SMS Senior Management Services

SWHs Solar Water Heaters

SOM Sector Oversight Model

TC Traditional Councils

TL Traditional Leadership

ToR Terms of Reference

WC/WDM Water Conservation/Water Demand Management

WWTW Wastewater Treatment Works

**PORTFOLIO COMMITTEE ON CoGTA AND e-GOV**

**06 December 2023,**

The Hon. Acting Chairperson of the Co-operative Governance and Traditional Affairs & E-Government Portfolio Committee, Hon. Busisiwe Mncube, tables the Committee’s Oversight Report on the Annual Report of the Gauteng Department of Co-operative Governance and Traditional Affairs for the 2022/23 Financial Year as follows:

**1. EXECUTIVE SUMMARY**

The Portfolio Committee noted that the Department utilized an amount of R589 694 000. 00 (97%), compared with the allocation of R610 789 000. 00 in the 2022/23 FY. Therefore, the Department incurred an underspending of R21 095 000. 00 (3%). However, the reported expenditure is within the permissible threshold in terms of the Public Finance Management Act (PFMA).[[1]](#footnote-2)

The Portfolio Committee also noted that the Auditor General of South Africa (AGSA) findings was that the Department achieved a clean audit opinion for the year under review. The Portfolio Committee would like to commend the Department for maintaining a clean audit opinion in succession.

The Department further reported that Municipal Viability Assessment were conducted in the Gauteng Metros.

In addressing poor revenue collection that is threatening the functionality of municipalities, the Department identified one hundred (100) residential and business debtors with potential high value accounts. These were handed over to Midvaal, Lesedi, Mogale City and Rand West City local municipalities.

The Department mentioned that the Gauteng Spatial Development Framework review has not been finalized to date.

On strategic risk assessments, the Department noted the following risks: inability to effectively support municipalities to be financially viable; disruption of the administrative and political operations in hung municipalities; as well as inadequate support for municipal service delivery on water and electricity infrastructure projects.

**2. INTRODUCTION**

The Annual Report (AR) of the Department of Cooperative Governance and Traditional Affairs (COGTA) as guided by the Legislative Sector Oversight Model (SOM), examines how budget vote 7 of the 2022/23 Medium Term Expenditure Framework (MTEF) budget allocation has been fulfilled to support and build capacity of municipalities. One of the key elements is the budget allocation of **R610 789 000. 00 (Inputs).** Also, this report will significantly assess the performance against the set targets **(Outputs)**as stipulated in the Revised Annual Performance Plan (APP) for the 2021/22 FY towards linking the realisation of: **Outcome 1 – improve municipal performance in line with the B2B pillars** for Programme one (Administration) and Programme two (Local Governance). **Outcome 2 – spatially integrated Cities and transformed communities in the GautengProvince**which focusses on Programme three (Development and Planning). **Outcome 4: deals with effective systems of Cooperative Governance** for Programme four (Governance) and finally another **Outcome 4: strengthened institution of Traditional Leadership** of Programme four (Traditional Institutional Management).

**3. PROCESS FOLLOWED**

* On the 31st of August 2023, the Speaker formally referred the Department of Cooperative Governance and Traditional Affairs Annual Report for the 2022/23 FY to the Portfolio Committee for consideration and reporting.
* On the 02nd of November 2023, the Portfolio Committee Researcher presented an analysis of the **Gauteng Department of Co-operative Governance and Traditional Affairs** Annual Report for the 2022/23 FY to the Portfolio Committee. The Portfolio Committee therefore acknowledged and considered Departmental questions emanating from the analysis.
* On the 09th of November 2023, the Department presented its Annual Report of the 2022/23 FY to the Portfolio Committee.
* On the 30th of November 2023, the Committee deliberated and unanimously adopted the **Gauteng** **Department of Co-operative Governance and Traditional Affairs** Annual report for the 2022/23 Financial Year with amendments.

**4. COMPLIANCE AND QUALITY**

The Annual Report was referred to the GPL by **30th August 2023*.*** The Portfolio Committee therefore noted that the Department complied with the Public Finance Management Act (PFMA) requirement that stipulates that all the Gauteng Departments should submit the AR by end of August in each financial year.

**5. STRATEGIC OVERSIGHT**

The local government equitable share is set to increase to 9.7 per cent of the Division of Revenue in 2023/24, according to the former Finance Minister, Honourable Mboweni. It has been highlighted that financial governance remains a challenge for many municipalities. Therefore, the Municipal Systems Improvement Grant is extended for the rollout of the District Development Model. According to the former Finance Minister, there is a need for strong collaboration and partnerships between municipal councils, labour, communities and the private sector around the principles of shared risk and shared reward. Further, Honourable Mboweni, explained that there needs to be a transition to smart local government and innovation. At the same time, well-functioning municipalities require that residents to pay for services rendered [[2]](#footnote-3).

In his state of the Nation Address (SONA), his excellency Honourable President Ramaphosa reiterated that there are concerted efforts to strengthen the local government infrastructure and accelerate service delivery through the District Development Model. The model brings all three spheres of government to focus on key priorities and implementation of critical high impact projects.

Honourable President went further to mention that working with both public and private sector partners, government is implementing a range of measures to support municipalities in order to address inadequate and inconsistent service delivery in areas such as water provision, infrastructure build and maintenance. The government isfocusing on the appointment of properly qualified officials at a local level to ensure effective management and provision of services[[3]](#footnote-4).

**6. NATIONAL, PROVINCIAL AND DEPARTMENTAL PRIORITIES**

The Gauteng Premier, Hon. Makhura echoed the same sentiments as the President, in that the introduction of the mentioned model would address service delivery gaps because of municipalities working in silos[[4]](#footnote-5).

It builds the capability of the state where it has been most broken. A broad range of critical work is being done across government to strengthen the capacity of local government, as the sphere of government closest to the people, to achieve its developmental mandate of finding sustainable ways to meet the social, economic and material needs of communities and improve the quality of their lives.

During the Gauteng Budget Speech 2020, the Hon. former Member of the Executive Council Ralehoko-Nkomo has outlined that support to local government on skills, financial management, service provision, infrastructure building and maintenance is key. An amount of R19, 5 billion has been allocated over the MTEF period to enable the Gauteng municipalities to deliver basic and municipal infrastructure[[5]](#footnote-6).

The former Gauteng Premier, Hon. Makhura stressed the same sentiments as the President, in that the pandemic has also enabled the province to strengthen seamless coordination and collaboration within the integrated Gauteng City Region and it has made the rollout of the District Development Model more practical and urgent. The matter of great concern is that the financial position of many municipalities deteriorated during COVID-19 due to the loss of over R8.75 billion in revenue between April and July 2020 in municipalities. The loss had negative implications for service delivery and affected the resilience of municipalities. This resulted in a decline in spending on CAPEX projects by 42% and a decline in cash collection due to suspended credit control measures. Several municipalities struggled to pay their creditors such as Eskom and Rand Water.

The government pledges to work with all municipalities in the province to improve their financial viability which was impacted by the national lockdown. There is an established Multi-Disciplinary Team of Revenue Experts as part of the Debt Management Committee (DMC) to help struggling municipalities to develop an Integrated Revenue Enhancement and Debtors Management Plan and to ensure accurate billing. **As a result of the work of this committee, an amount of R1.62 billion was paid by the provincial government to municipalities between April 2020 and the end of December 2020[[6]](#footnote-7).**

Another area of great concern is Emfuleni municipality, which was placed under partial administration in 2018, continues to experience serious challenges which are negatively affecting its capabilities to provide uninterrupted services to residents. Several interventions are being implemented by national government and State-Owned Entities to address service delivery and governance challenges[[7]](#footnote-8).

**PERFORMANCE PER PROGRAMME INFORMATION FOR THE ANNUAL REPORT OF THE 2020/21 FY**

**PROGRAMME 1: ADMINISTRATION**

This programme focusses on strengthening the administrative capacity and capability of the Department, to ensure that the Department can deliver on its policy and legislative mandate.

**Sub programme: Human Resources**

The department planned to **fill 50% women in senior management service (SMS) positions in the 2022/23 FY** and this was not achieved. The Department fell short of the target by 15%. **This was the case during the previous financial year. The portfolio committee should note this with concern and propose a resolution in advocating the policy implementation.**

In relation to **reach 5% employment equity target for people living with disabilities for the 2022/23 FY,** the Department outlines that 2, 7% has been attained. It is reported that 2, 3% fell short of the target and this is associated with a significant competition among GPG departments.

**Sub programme: Finance Management**

The Portfolio Committee noted that in relation to the municipal performance in line with the B2B pillars, the Department planned to process 100% of undisputed invoices within fifteen (15) days for the 2022/23 FY. The Department indicates that 95, 5% of invoices has been paid and has fallen short by 4, 5%. The grounds for deviations are related to the scourge of electricity blackouts preventing the Department from processing payments on time.

**Sub programme: Transformation**

The Portfolio Committee noted that in terms of fulfilling its constitutional obligation of building capacity in local government, the Department reported that it delivered on the **training initiative (Municipal Public Accounts NQFL 3, 4 and 5 and Accountability and Ethical Conduct) for the 2022/23 FY.** The capacity building includes municipal officials and councillors, members of the traditional councils. The portfolio committee should welcome this initiative because it empowers the targeted group on matters of ethics and accountability through service delivery.

The portfolio committee also noted that **ten (10) learners with disabilities are reported to have benefited from bursaries** for the 2022/23 FY.

**PROGRAMME 2: LOCAL GOVERNANCE**

The Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as building the capacity and capability of local government to achieve its constitutional mandate. The performance of the programme can be summarized as follows:

**Sub programme: Municipal Administration**

The Department reported that **eleven (11) municipalities monitored on the extent to which anti-corruption measures were implemented** during the year under review.

The Department also mentioned that **eleven (11) municipalities have been supported on integrity management (training, awareness raising and workshops)** in the 2022/23 FY.

**Sub-programme: Public Participation**

The Portfolio Committee noted that in relation to **four (4) municipalities implementing Gender Based Violence and Femicide (GBVF) programmes,** the Department reported that the target was not achieved. The Department embarked on the process of acquiring the requisite skills as this is a specialized field.

However, the new financial year (2023/24) witnessed the gradual implementation of this target, having been reported in the first quarter.

In terms of **four (4) municipalities guided to promote participation in community based local governance processes through Asset Based Community Development (ABCD) approach,** the Department reported that nine (9) of those were conducted due to a demand of the government programme at hand.

The Department also reported that **nine (9) municipalities supported to resolve community concerns in the 2022/23 FY.**

Furthermore, the Department reported that **nine (9) municipalities supported to maintain functional ward committees in the 2022/23 FY.**

The Portfolio Committee noted that **five** **(5) voter education stakeholder engagement sessions were targeted during the 2022/23 FY, and this was achieved.** Voter education is quite significant to strengthen democratic principles. It makes citizens to be more active and be able to influence the voting outcomes through the ballot box. It provides every individual an opportunity to have a say on government policy, which is crucial for the countries’ constitutional democracy.

South Africa has witnessed a decrease in voter turnout across age groups in every subsequent election after the landmark 1994 national elections. Of major concern is the rapid decline in the registration rates for South Africans in the 18-19 and 20-29 age groups, especially since the 2014 national election. Ahead of the highly contested 01 November 2021 municipal elections, nearly 1.8-million eligible 18-19-year-olds decided against registering to vote, with registration rates among the 20-29 age group also declining since the previous 2016 elections.

The lack of youth voter turnout was, at the national elections in 2019, signalled by international election observers such as the Head of the Southern African Development Community (SADC) Observer Mission, Joseph Malanji, as a grave concern and a risk for the future of democracy in South Africa. Considering that more than 60% of South Africans are below the age of 35, a few generations of youth in future will make up the bulk of the electorate. This should be concerning to everyone. Voter turnout dipping below 50% for the first time in a democratic municipal election in South Africa is hopefully the inflexion point that should be re-evaluated to improve the state of the country’s democracy before one lose the value of one of its most essential pillars, voting (Dooms, 2021).

**Sub programme: Municipal Financial support**

The Department confirmed that **Lesedi and Midvaal municipalities provided with the capacity to implement the simplified revenue plans** during the year under review.

The Department also reported that **Mogale and Lesedi municipalities provided with the capacity to conduct data enrichment of large power and water users in the 2022/23 FY.**

The Department mentioned that **Emfuleni and Merafong municipalities supported with the deployment of revenue experts to develop and implement an integrated revenue enhancement debtor’s management** in the 2022/23 FY.

The Department further elaborated that **City of Tshwane and Rand West City municipalities provided with additional capacity to reduce unauthorized, irregular, fruitless and wasteful expenditure in the 2022/23 FY.**

**Sub programme: Capacity Development**

The Department reported **two (2) experts were placed in targeted municipalities to provide capacity support on legal and labour in the 2022/23 FY.**

In its commitment to ensure the appointment of municipal senior managers, the Department attests that **eleven (11) municipalities supported to comply with Municipal Structures Act (MSA) Regulations (Section 54A and 56) on the filling of technical positions for the 2022/23 FY.**

**PROGRAMME 3: DEVELOPMENT AND PLANNING**

This programme caters for the facilitation and coordination of municipal IDPs through credible, implementable, and aligned to national and provincial outcomes, plans and strategies. Development and Planning programme delivers outcome two (2): Spatially integrated Cities and Transformed Communities of the Gauteng Province. The performance of the programme can be summarized as follows:

**Sub programme:** **Spatial Planning**

The Department reported that it will **review one (1) final Gauteng Spatial Development Framework during the 2022/23 FY,** and this was not achieved. The Department cited two reasons for deviations, namely, unanticipated challenges related to additional need for stakeholder engagement due to district and local municipalities not providing comments during the 60-day period. Another challenge mentioned is related to the accessibility of the Gauteng Provincial Land Transport Framework.

**Sub programme: Integrated Development Planning Coordination**

The Department highlights that **eleven (11) consist of legally compliant and responsive IDPs in the 2022/23 FY.**

The Department also reported that **five (5) district municipalities were monitored on the implementation of one plans quarterly through the District Development Model (DDM) Inter-governmental Meeting.** Sector departments and municipalities provided progress on the implementation of one plans at the DDM meeting.

**Sub programme: Infrastructure Planning**

The Department reported that **nine (9) municipalities monitored on the implementation of infrastructure delivery programmes in the 2022/23 FY.**

The Department also reported that **five (5) districts monitored on the spending of national grants in the 2022/23 FY.**

The Department also reported that **nine (9) municipalities will be supported with technical skills capacity through multi-disciplinary teams (engineering and town planning)** during the year under review. However, only six (6) of those that received support and the metros fell short due to budgetary constraints.

Furthermore, the Department reported that the required budget to support the mentioned municipalities was R16 000 000. 00 and only R8 000 000. 00 was made available for the programme.

The Portfolio Committee noted that **nine (9) municipalities monitored on the adaptive responses to the climate change impacts on water supply services and use.** In terms of implementing water conservation/water demand management, the Department mentions that **nine (9) municipalities supported on water security interventions.**

**Sub programme: Energy Office**

The Department reported that **two (2) municipalities (Emfuleni and Merafong) will be supported to implement online metering system for large power users and commercial customers meters in the 2022/23 FY.**

However, Emfuleni municipality has experienced the total number of installations of about thirty-nine (39). In the same light, Merafong municipality was not supported pending the Service Level Agreement (SLA), but the service provider has been appointed. **Noting that the online metering installations for Merafong municipality has been delayed for years, the portfolio committee should invite the municipality to give accounts on the long outstanding service delivery programme.**

**Sub programme: Disaster Management**

The Department shares that **one (1) Master System Plan** was completed and feedback received from COGTA IT in the 2022/23 FY. **In terms of the portfolio committee’s oversight and scrutiny, the Department should be invited to present on the master plan.**

**PROGRAMME 4 : GOVERNANCE**

This programme focuses on the nature and quality of intergovernmental and stakeholder relations across spheres and sectors. The assumption is that if these structures and instruments are functional then matters of public interest and concern will be dealt with and that these engagements will lead towards attainment of the impact statement. The performance of the programme can be summarized as follows:

**Back to Basics:** **Sub programme**

The Department reported that that **four (4) municipalities will be measured against the B2B indicators in terms of their functionality.** Although the municipalities have not been mentioned, this target was achieved, and the Department tabled four (4) reports on the implementation of the support plans.

**Sub programme: Inter-Governmental Relations (IGR)**

The Department reported having plans that **four** **(4) IGR structures will be convened in accordance with the framework in the 2022/23 FY and this was attained.**

**PROGRAMME 5: TRADITIONAL INSTITUTIONAL MANAGEMENT**

This programme functions to promote and facilitate viable and sustainable traditional institutions and to support and enhance the capacity of traditional leadership and local governance institutions.

The Department reported that it has achieved all the planned targets for the year under review, except conducting awareness campaigns on anti-Gender Based Violence and Femicide (GBVF) to restore the social fabric.

In relation to Aspiration five of the African Union Agenda 2063, the Department has demonstrated an Africa with a strong cultural identity, common heritage, values, and ethics.

South Africa’s constitutional democracy acknowledges the right of people from all walks of life to make meaningful contribution on state affairs (traditional leaders in this case). In terms of the legislative mandate, this is governed by the Traditional Leadership and Governance Framework Act (No. 41 of 2003).

“*Provides for the recognition of traditional communities as well as the establishment and recognition of Traditional Councils and the establishment of the Commission on Traditional Leadership Disputes and Claims*”.

**6. TECHNICAL OVERSIGHT**

The Portfolio Committee noted that the Annual Report performance of the Gauteng Department of COGTA for the 2022/23 FY has noted a clean audit opinion from the Auditor General. This demonstrates that the financial statements were free from material misstatements and there are no material findings on reporting on performance objectives or non-compliance with legislation. Worth notably, the Department has maintained a clean audit opinion since the outset of the 6th government administration. The fact that COGTA is regarded as a custodian of Gauteng municipalities, one can argue that it is setting a good precedence over the municipal councils to strive for better audit outcomes that should translate to service delivery.

**7. BUDGET OVERSIGHT**

This section is based on financial management (performance) by the Department as at the end of the 2022/23 FY, which comprise of four quarters. The focus is essentially on the overall budget expenditure, expenditure within programmes and expenditure by economic classification. In terms of the SOM Analytical Tools, the following analysis will be centred on the “budget variance study”.

**7.1 Overall Departmental budget expenditure: 2022/23 FY**

The budget variance study tool illustrates that the Department spent R153 303 000. 00 (95%) in the first quarter of the year under review. One can note that the Department’s expenditure is in line with the PFMA. However, the expenditure accounted for in the second quarter of the financial year is below 90% at R134 353 000. 00 (84%). During the third quarter of the year there is improvement of expenditure to almost 100%. The last quarter of the financial year is recorded at 111%, and of which the overall spending is sitting at 97%.

**Expenditure per programme: -**

**PROGRAMME INFORMATION**

This section is about how the Department has performed during the 2019/20 FY in respect of the planned outputs in line with the strategic goals. The expenditure pattern will be summarized as follows:

On **Programme 1: Administration:** The **Budget Variance Study**highlights that the programme’s expenditure has remained the same at 98% for both 2021/22 FY and 2022/23 FY. It only varied on budget allocations determined from the financial years as can be seen on the table above.

On **Programme 2: Local Governance:** as a**core business service delivery output,** the Department has once more spent 96% during the comparative financial years. It is worth noting that the budget allocations together with expenditure is very distinct as shown above.

On **Programme 3: Development and Planning:** The Department indicates there was an expenditure of R127 702 000. 00 (100%) in the 2021/22 FY, in comparison with R148 762 000. 00 (100%) for the year under review.

On **Programme 4: Traditional Institutional Management:** The **Budget Variance** Study shows that this programme spent R13 004 000. 00 (87%) in the previous financial year, in contrast with R16 163 000. 00 (79%) expenditure as at the end of the year under review. This programme is deemed as the major contributor of underspending as at the financial year.

Although the Department achieved most of the targets, it should be noted that senior management positions remained vacant during the year under review, and this contributed to the under-expenditure reported.

**THE FINANCIAL PERFORMANCE OF PER SUB-PROGRAMMES FOR THE 2022/23 FY.**

**Administration Sub-programmes**

On the **Office of the MEC**, the Department spent R5 710 000. 00 (100%) against the allocated budget of R5 713 000. 00 in the 2022/23 FY. Under corporate services, the Department spent nearly 100%, at R153 881 000. 00, of which R159 339 000. 00 was allocated. **The reported financial expenditure should be measured with performance targets on the Department’s APP. This will determine the impact on service delivery.**

**Local Governance Sub-Programmes**

**The Budget Variance Study tool** presents positive financial expenditure with the exception for municipal administration and municipal performance monitoring, reporting and evaluation (which has spent below 90%). Sub programmes such as public participation, capacity development and municipal performance monitoring, reporting & evaluation utilised more than 90% of their total expenditure.

One can argue that the expenditure portrayed above is significant, especially since the programme in question receives the lion’s share of the budget and being the key service delivery output. Arears of improvements on municipal administration based on the filling of vacant positions needs to be addressed. This will ensure that the Department has a fully-fledged organisational structure.

**Development and Planning Sub-programme.**

The Portfolio Committee noted that Despite having encountered underspending during the year under review, the Department records nearly 100% expenditure from all its sub programmes. **The Portfolio Committee’s firm position towards the Department’s underspending over the past years have yielded positive outcomes in terms of non-financial and financial performance.**

**Traditional Institutional Management Sub-programmes**

 The Portfolio Committee noted that there was an underspending reported from all the sub programmes under Programme Four. Traditional Land Administration highlighted an expenditure of 89%. Both Traditional Resource Administration and Traditional Institutional Administration have recorded an expenditure of below 80%. Rural development facilitation reported zero spending during the year under review, as was the case in the previous financial year.

Since the Gauteng Traditional Houses are in the rural outskirts of the province, one would argue that any form of rural developmental projects would have developed the communities.

**TRANSVERSAL MAINSTREAMING/CROSS CUTTING ISSUES**

In relation to monitor and support the mainstreaming of gender, youth and people with disabilities in municipalities, the Department confirmed the creation of job opportunities. The Department achieved 2, 7% of employed people with disabilities, against the 5% which was initially targeted. The Department should strive to broaden the recruitment scope to attract more suitable candidates. In terms of employment equity, the Department currently has in its employ 35% of women at the senior management service level, as opposed to 50% target. One shares the same notion that the Department can attain this target through the natural attrition of male senior management service members. The Department also retained 22 699 job opportunities through the Community Work Programme (CWP) for category B municipalities.

**8. CONCLUSION**

The Portfolio Committee welcomes the report and the observation as a key stage in the reporting and accountability process. It is also critical for the Department to ensure the accuracy of its Annual Report as this becomes a public document once tabled in the House.

**9. PUBLIC INVOLVEMENT ON OVERSIGHT**

The Portfolio Committee invited Stakeholders from City of Joburg to participate in the process of annual report. However, there were no verbal or written inputs received from Stakeholders.

**10. OVERSIGHT ON RESOLUTION MANAGEMENT**

Information on the Department’s implementation of House Resolutions for the period under review

| **RESOLUTIONS MANAGEMENT** |
| --- |
| **RESOLUTIONS PASSED DURING ALL 4 QUARTERS LEADING UP TO THIS ANNUAL REPORT** |
| **Total number of Resolutions passed during the Previous Quarters** |
| *43* |
| **Nature of Resolutions** |
| *13 related to service delivery,12 related to Administration and 18 related to good governance* |
| **RESOLUTIONS / ACTIONS NOW DUE (OR PAST DUE)** |
| ***Number of Resolution Responses / Action now due*** |
| *The Committee received responses from the Departments on resolutions,* |
| **RESOLUTIONS CLOSED** |
| ***From those now due, how many Resolutions are now satisfactorily closed*** |
| The Committee Researcher has in a duly Committee meeting presented the analysis of the resolutions that were responded to by the Department to the Portfolio Committee. |
| **REASONS** |
| ***Reasons for Resolutions not yet closed*** |
| *Most of the resolutions have been declared closed as the Committee was satisfied with the responses received from the Department and those that are still open, the Committee will monitor continually the progress that will be made by the Department.* |
| ***Measures taken by the Committee to ensure speedy Closure of Resolutions due but still open*** |
| *The Committee will monitor continually the progress that will be made by the Department on the resolutions that are still open.* |

**11. FINDINGS, CONCERNS, PROPOSED RECOMMENDATIONS, AND IMPLICATIONS ON LAW MAKING**

This section deals with the findings, concerns and recommendations made by the Portfolio Committee when exercising its oversight function through scrutinizing the Annual Report of the GDCoGTA (2022/23 FY):

**11.1 Portfolio Committee’s Concerns**

The following are the Portfolio Committee’s Concerns on the GDCoGTA Annual Report (2022/23 FY):

**11.1.1.** The unfulfilled pledge made by government to work with all municipalities in the province to improve their financial viability which was impacted by the national lockdown.

**11.1.2. T**he slow progress that is being made by the established Multi-Disciplinary Team of Revenue Experts as part of the Debt Management Committee (DMC) to help struggling municipalities to develop an Integrated Revenue Enhancement and Debtors Management Plan and to ensure accurate billing.

**11.1.3.** The Emfuleni municipality which was placed under provincial administration in 2018 continues to experience serious challenges which negatively affects its capabilities to provide uninterrupted services to residents.

**11.1.4.** The Portfolio Committee noted that in relation to four (4) municipalities implementing Gender Based Violence and Femicide (GBVF) programmes, the target was not achieved.

**11.1.5.** The concern that was observed by the Portfolio Committee during the highly contested local government elections (LGE) of 01 November 2021, where nearly 1.8-million eligible voters aged between 18-19-year-olds decided against registering to vote, with registration rates among the 20-29 age group also declining since the previous 2016 elections.

**11.2 Proposed Committee Recommendations**

The following are the Portfolio Committee’s recommendations on the GDCoGTA Annual Report (2022/23 FY) which the Department should respond to by the **31 January 2024**

**11.2.1** The Department should provide the Portfolio Committee with a status report on the interventions in place to assist the municipalities in the province to improve their financial viability.

**11.2.2.** The Department should provide the Portfolio Committee with a progress report on the improvement made by the established Multi-Disciplinary Team of Revenue Experts as part of the Debt Management Committee (DMC) to help struggling municipalities to develop an Integrated Revenue Enhancement and Debtors Management Plan and to ensure accurate billing.

**11.2.3.** The Department should provide the Portfolio Committee with a progress report on the interventions being implemented by National, Provincial and State-Owned Entities to address service delivery and governance challenges in Emfuleni Municipality.

**11.2.4.** The Portfolio Committee should monitor the implementation of the Gender Based Violence and Femicide (GBVF) programmes in four (4) municipalities noting that there was a gradual implementation that was reported in the first quarter of the current financial year (2023/24).

**11.2.5.** The Department should share with the Portfolio Committee the plans that are in place to boost the moral especially of Youth and those who would be first time voters to woo them into voting in next year’s National elections.

**12. ACKNOWLEDGEMENTS**

The Acting-Chairperson, Hon. Busisiwe Mncube, wishes to thank the Hon. MEC Mr. Mzi Khumalo, the HOD, Dr. D Baclay together with his team from the Gauteng Department of Cooperative Governance and Traditional Affairs for their cooperation and participation in Portfolio Committee activities.

The Chairperson also wishes to acknowledge and express her gratitude to the Honourable Members of the Portfolio Committee on CoGTA and E-Gov; Mr. P. Malema; Ms. B Mncube; Mr. T Msimanga; Mr. N De Jager; Mr. B Dlamini; Mr. P Makwala; Ms. N Njokwe; Ms. A. De Lange; Ms I. Cilliers and Ms. D Mdlankomo.

Furthermore, the Portfolio Committee would like to express appreciation for the contribution of the following support staff: Group Committee Coordinator; Ms Z Pantshwa-Mbalo; Senior Committee Researcher; Ms S Nenweli; Committee Coordinator; Ms. J Nyembe, Committee Researcher Mr. S Nene; Committee Administrator; Ms. N. Mthembu; Hansard Recorder; Mr. N Mbonane; Service Officer; Ms. M Mnethwa, Communications Officer; Ms P Bulasigobo, and Information Officer Mr L Ncume for their dedication and commitment.

**13. ADOPTION**

In terms of Rule 117 (2)(c) read together with 164, the CoGTA and E-Gov Portfolio Committee presents the Oversight Report on the Gauteng Department of CoGTA Annual Performance Report for the 2022/23 FY for adoption, taking into considering the Committee comments and proposed recommendations made.

1. To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith. [↑](#footnote-ref-2)
2. Finance Minister, Enoch Godongwana| 2022| Budget Speech| Cape Town, National Assembly. [↑](#footnote-ref-3)
3. President Cyril Ramaphosa|2022| SONA| Cape Town, National Assembly. [↑](#footnote-ref-4)
4. Premier David Makhura| 2021| SOPA| Gauteng, Pretoria. [↑](#footnote-ref-5)
5. MEC Finance Nomantu Ralehoko-Nkomo| 2021| Budget Speech| Gauteng Provincial Legislature. [↑](#footnote-ref-6)
6. MEC Finance Nomantu Ralehoko-Nkomo| 2022| Budget Speech| Gauteng Provincial Legislature. [↑](#footnote-ref-7)
7. Premier David Makhura| 2022| SOPA| Gauteng, Pretoria. [↑](#footnote-ref-8)