

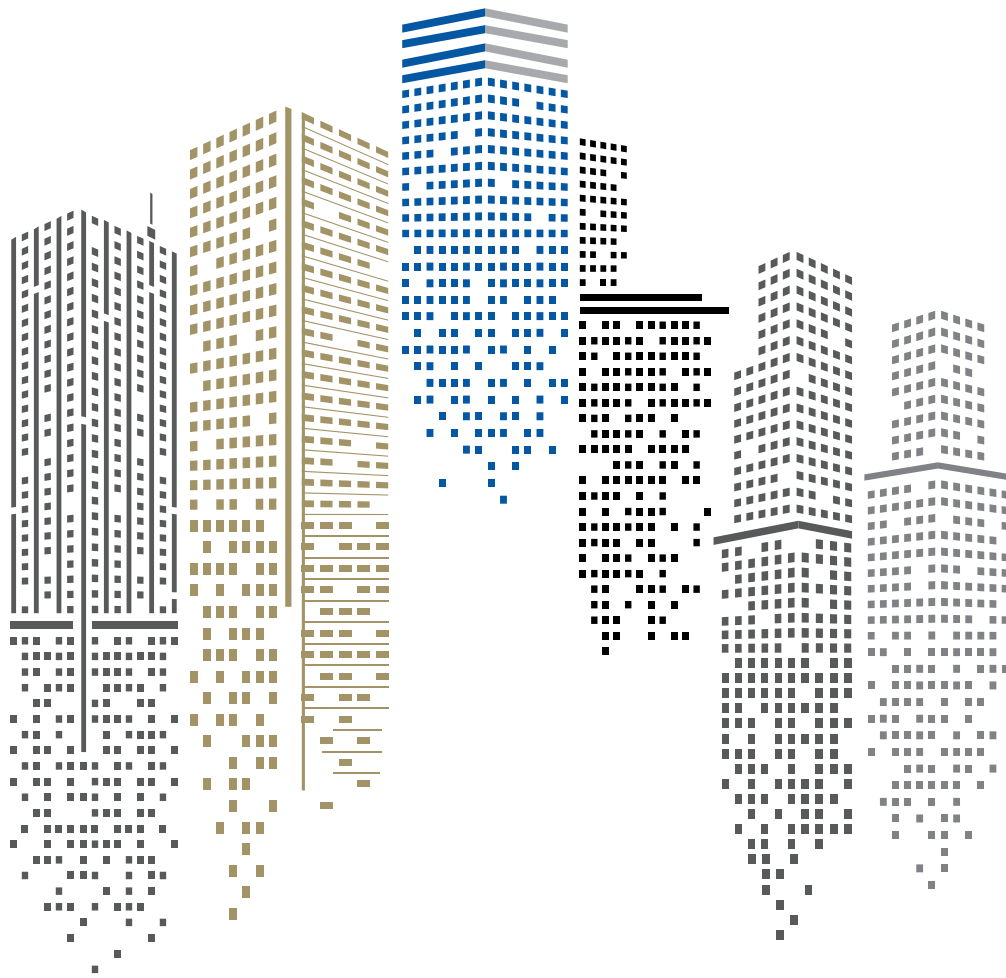


ANNUAL REPORT

2023 | 2024



GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF COOPERATIVE
GOVERNANCE AND TRADITIONAL AFFAIRS
PROVINCE OF GAUTENG

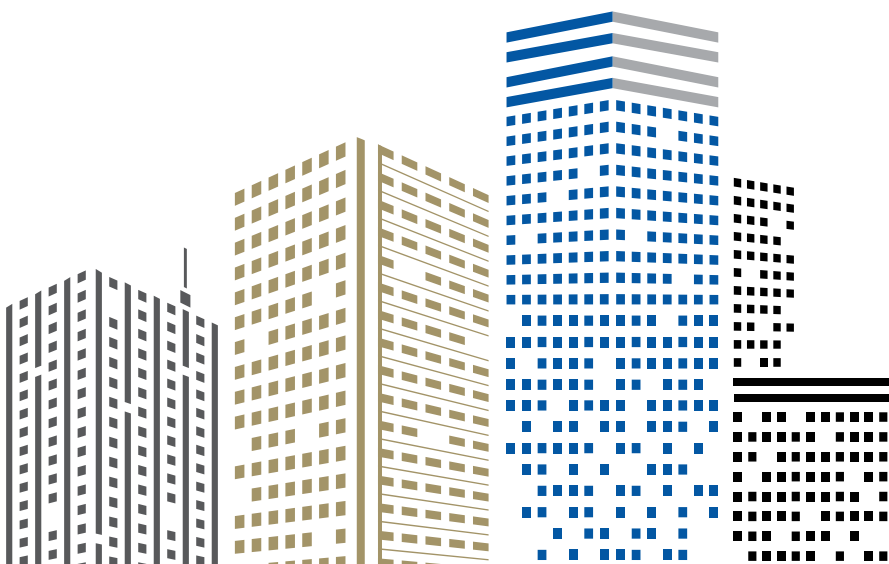
VOTE NO. 07

ANNUAL REPORT
2023 | 2024

*No sunrise will find us
where sunset left us. “
Days are never counted
backwards.*

- Premier Panyaza Lesufi

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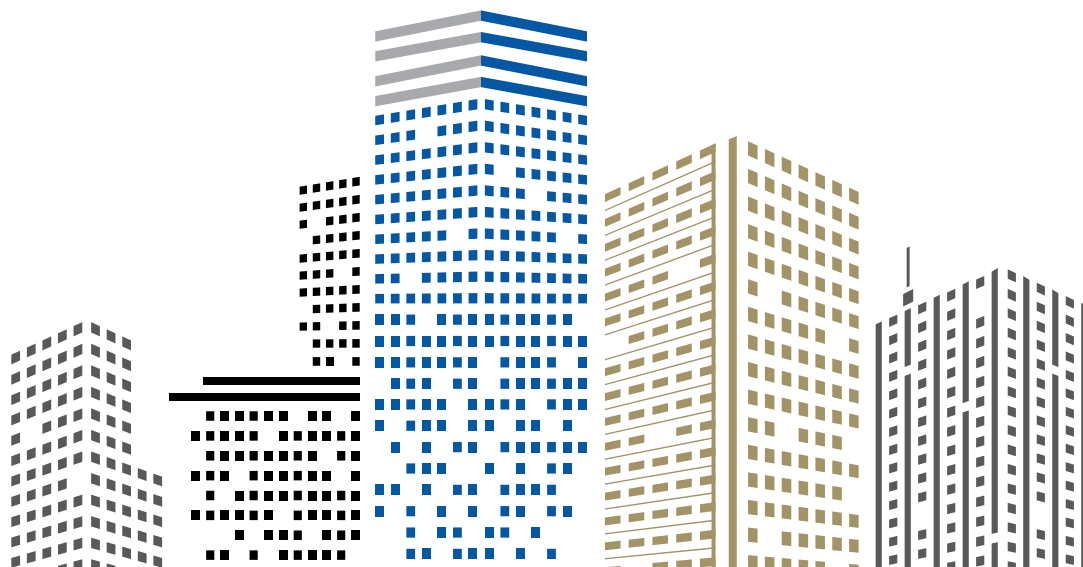
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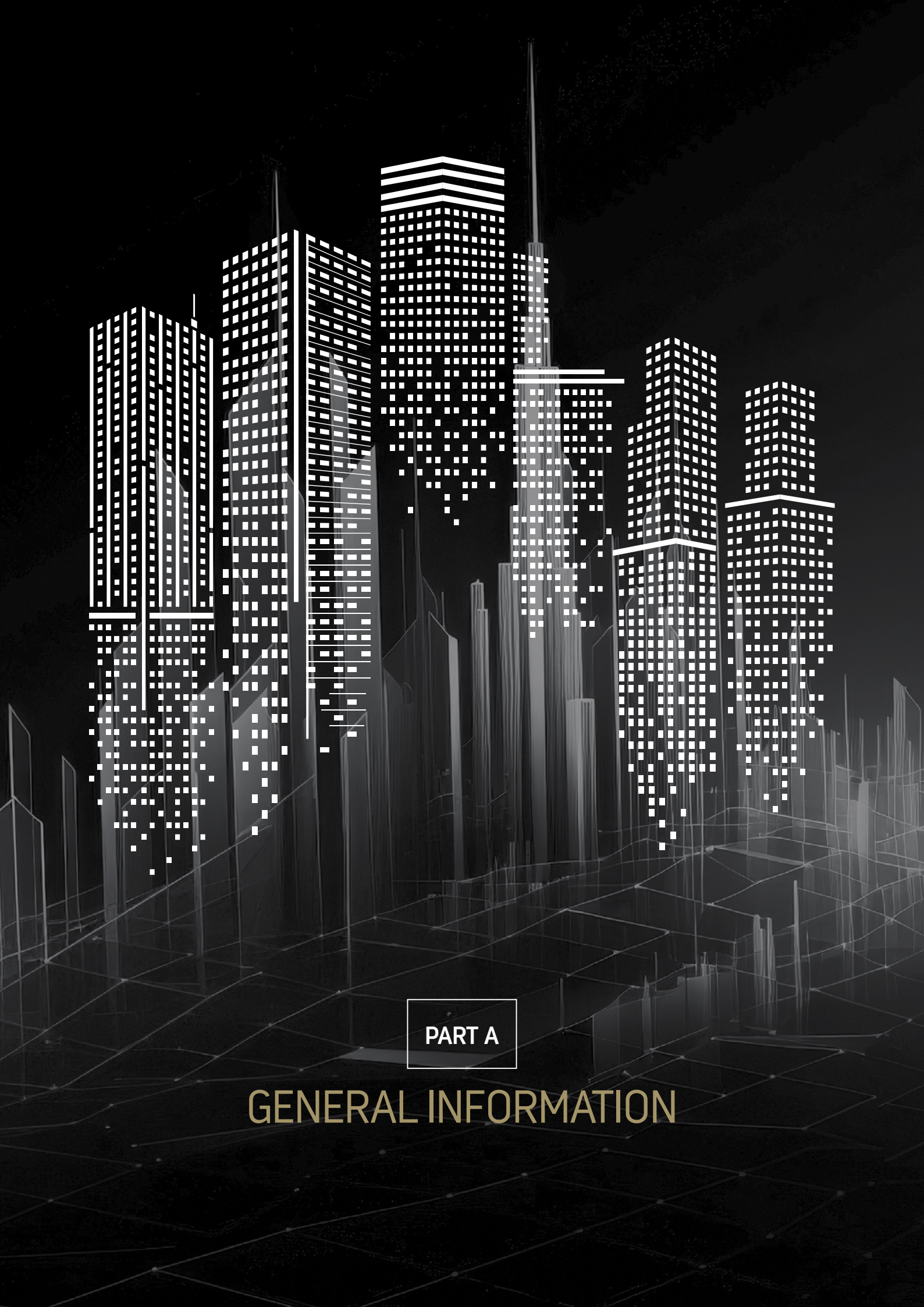
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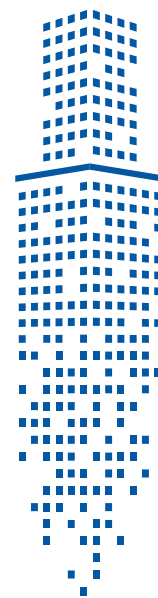


PART A

GENERAL INFORMATION

PART A

GENERAL INFORMATION



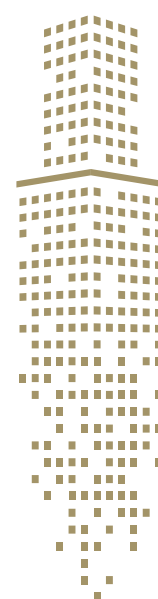
1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:	30 Simmonds Street Johannesburg 2000
POSTAL ADDRESS:	30 Simmonds Street Johannesburg 2000
TELEPHONE NUMBER:	010 345 0849
EMAIL ADDRESS:	Tafita.Mokoena@gauteng.go.za
WEBSITE ADDRESS:	www.gauteng.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

ABCD	Asset Based Community Development
AGSA	Auditor-General of South Africa
AO	Accounting Officer
B2B	Back-2-Basics
B-BBEE	Broad-Based Black Economic Empowerment
CAPEX	Capital Expenditures
CDW	Community Development Worker
CFO	Chief Financial Officer
CoE	City of Ekurhuleni
CoGTA	The Department of Cooperative Governance and Traditional Affairs
CoJ	City of Johannesburg
CoT	City of Tshwane
CWP	Community Work Programme
DDM	District Development Model
DID	Department of Infrastructure Development
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EEDSM	Energy Efficiency Demand Side Management
EXCO	Executive Committee

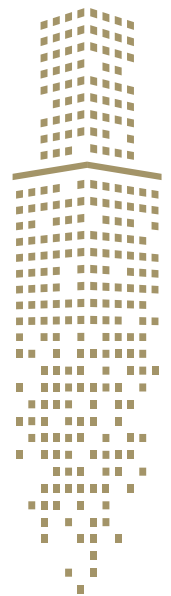
FNB	First National Bank
GBVF	Gender Based Violence and Femicide
GHG	Greenhouse gas
GPG	Gauteng Provincial Government
GPT	Gauteng Provincial Treasury
GSDF	Gauteng Spatial Development Framework
HIV	Human Immunodeficiency Virus
HoD	Head of Department
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
INEP	Integrated National Electrification Programme
IT	Information Technology
IUDF	Integrated Urban Development Framework
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LM	Local Municipality
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTSF	Medium Term Strategic Framework
NQF	National Qualifications Framework
NSP	National Strategic Plan
OPCA – PCC	Operation Clean Audit – Provincial Coordinating Committee
PFMA	Public Finance Management Act
POE	Portfolio of Evidence
PSCBC	Public Service Co-ordinating Bargaining Council
PTNG	Public Transport Network Grant
RFQ	Request for Quotation
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMS	Senior Management Service
ToR	Terms of reference
TR	Treasury Regulation
UIFW	Unauthorised, Irregular, Fruitless and Wasteful
UN	United Nations
UNFCC	United Nations Framework Convention on Climate Change
USDG	Urban Settlement Development Grant
WBWR	Ward-based War Room
WC	Western Cape
WRDM	West Rand District Municipality





Mr Jacob Mamabolo
Member of the Executive Council
(Infrastructure and Development and Cooperative
Governance and Traditional Affairs)

We are steadfast in our commitment to rebuilding and renewing a capable and developmental state, transforming government's engagements with it's citizens.



3. FOREWORD

The timeless wisdom of Kahlil Gibran, cited by Premier Panyaza Lesufi during the 2024 State of the Province Address, eloquently encapsulates the agility and responsiveness of the sixth administration: *"No sunrise finds us where sunset left us; days are never counted backwards"*.

Prudent financial spending and management are critical enablers of service delivery, illustrating that government's work extends beyond the political term, as evidenced by the budget cycle.

We are steadfast in our commitment to rebuilding and renewing a capable and developmental state, transforming government's engagements with its citizens, enhancing local government, and bolstering

public accountability and responsiveness to community needs and concerns.

Cooperative governance:

is pivotal to our efforts in achieving integrated development. To fulfil this mandate, the Department has actively supported and monitored municipalities and tribal authorities by:

- Implementing intergovernmental relations (IGR) systems, processes, and procedures;
- Monitoring, implementing, and reviewing the local government legislative framework;
- Supporting and monitoring the implementation of performance management systems (PMSs) across all Gauteng municipalities;

- Supporting municipalities with their human resources management and development systems;
- Supporting and monitoring the institution of traditional leadership;
- Coordinating and facilitating financial support to municipalities, led by the Gauteng Provincial Treasury; and
- Entrenching systems, structures, processes, and procedures of participatory democracy.

Achievements of the Medium-Term Strategic Framework (MTSF):

- To bolster our support for municipalities, the Department has deployed multidisciplinary teams led by senior managers and technocrats to enhance overall service delivery. This support encompasses municipal finance, capacity development, and infrastructure.
- The democratic state continues to address the legacy of unjust spatial development. The Department facilitated the development of the Gauteng Spatial Development framework and ensured its implementation. Additionally, it has supported municipalities in adopting the District Development Model (DDM).
- To enhance the financial resilience of municipalities through Municipal Finance Support, all Gauteng municipalities received assistance in developing and implementing simplified revenue plans aimed at improving collection. In the 2023/24 financial year, municipalities collected R 1.240 billion from Gauteng Provincial Government Departments for rates and services.
- Through Municipal Capacity Development Support, councillors and municipal officials received training in Accountability and Ethical Conduct. This initiative aims to enhance effective oversight and promote accountable, good corporate governance within municipalities.
- Municipal Infrastructure Support has facilitated the implementation of online metering systems for Large Power Users and commercial customers. Electricity loss has been identified as a significant factor contributing to revenue loss for municipalities, negatively impacting their financial viability.
- To enhance accountability in local government, the Department supported municipalities in improving their audit outcomes and addressing unauthorised, irregular, fruitless and wasteful expenditure (UIFW) in the municipalities.
- The Department provided financial and non-financial support to Traditional Councils to strengthen their capacity and enable them to effectively fulfil their functions.
- To promote stability within coalition governments in the province, a panel was established to provide mediation, negotiation, and conflict resolution support for resolving disputes in municipal councils. A draft Conflict Resolution Framework has been developed to guide the operations of coalition governments across the province.

Positive audit outcomes:

We are encouraged by the Department's consistent improvement in achieving positive audit outcomes.

Leading a Department with unwavering commitment to stringent internal controls, sound governance and accountability, despite the challenges faced in municipalities, is a point of pride.

In the 2022/23 financial year, the Gauteng Department of Cooperative Governance and Traditional Affairs (CoGTA) attained a clean audit with no material findings regarding the preparation of annual financial statements, annual performance reports, and compliance with laws and regulations.

Challenges for the financial year under review

We are concerned about the state of our municipalities, particularly regarding financial management issues. During the financial year under review:

- Three metropolitan municipalities received letters from National Treasury regarding their inability to spend capital infrastructure grants;
- Municipalities experienced declining cash flows, leading to difficulties in paying creditors and honouring payment arrangements for bulk services;
- The credibility of financial information and increasing UIF&W impacted audit findings significantly; and
- Municipalities are struggling to enforce consequences for poor or non-performance; leading to weak oversight in implementing consequence management measures.

We are prepared to intervene where municipalities cannot render services to our communities.

We are in advanced stages of finalising an agreement with PickItUp to ensure prompt collection of uncollected refuse and manage dumping in our province.

Additionally, Rand Water and Rand West Municipality will assist with addressing sewerage flow and ensuring water provision.

Promoting financial resilience:

We are intensifying our interventions to enhance financial resilience in municipalities by reviewing revenue management plans and implementing strategies to address identified gaps. However, these efforts are hindered by lack of transparency and unethical conduct, particularly in combating UIF&W, which remains a prevalent challenge across most municipalities. Many municipalities are also operating on unfunded budgets.

We are working with IGR structures to support municipalities in complying with payment arrangements with Eskom and Rand Water. While we acknowledge our current challenges, we have plans in place to mitigate them.

The Gauteng Department of CoGTA, in collaboration with the Gauteng Provincial Treasury (GPT), continues to facilitate government debt resolution processes as an intervention between Organs of State, addressing identified payment disputes.

CoGTA, in partnership with GPT, maintains ongoing engagements with Eskom to find amicable solutions for the overdue debt owed by delegated Gauteng municipalities. Additionally, both departments facilitate the implementation of financial relief plans offered by Eskom to assist struggling Municipalities.

The strategic focus over the medium to long term period

Energy response:

The prolonged electricity crisis has inflicted severe hardships on our province's residents and has profoundly hindered the growth of Gauteng's economy.

While energy falls outside our provincial mandate, the crippling impact of load shedding on state functionality and broader society compelled our intervention.

Following extensive consultations with the energy sector, we collaborated with the national energy committee, local government and energy experts to develop an energy crisis response plan. The announcement of R1.2 billion in funding during the State of the Province Address (SOPA), underscores our commitment to addressing this critical issue.

We adopted a five-point strategy to respond to this crisis:

- Eliminating all illegal power connections;
- Installing smart meters in every home and business;

- Improving revenue collection;
- Cleaning the indigent register; and
- Replacing all damaged transformers.

We are adding 100 megawatts of electricity to the grid to mitigate the impact of load shedding. This initiative of the Gauteng Provincial Government (GPG), implemented by City Power on our behalf, utilises Open Cycle Gas Turbine technology facilities located at Johnware and Durban Street. The project was launched on 17 April 2024.

We will continue to expand to 300 megawatts in the new financial year. This investment, combined with smart meters, will generate the necessary megawatts to shield our residents from up to two stages of load shedding,

In pursuit of energy resilience, we are spearheading a transformative initiative to integrate solar photovoltaic (PV) and battery storage systems into 21 government healthcare facilities. The first of these facilities was unveiled at the Diepkloof Clinic in Soweto. Our goal is to ensure that health facilities and schools are no longer impacted by loadshedding.

Solar farm:

The long-term plan, approved by the Sibanye-Stillwater Board, includes the land leases for six independent power producers appointed to develop a PV power station, known as a solar farm cluster, in Merafong Local Municipality.

This initiative aims to harness at least 800 megawatts of solar power to supply the electricity grid, marking a significant milestone for our province.

Microgrid:

As part of a Memorandum of Agreement (MOA) with City Power, we have launched a pilot microgrid in the community of Alexandra Township. This initiative provides a stand-alone solution to meet basic power needs of low-income households within townships and informal settlements.

We plan to expand this initiative to at least 13 more communities across the province.

Operation Khanyisa iGauteng Transformer Replacement Programme:

Through the Energy Crisis Response Plan, we partnered with Eskom and our implementing agent, City Power, to deliver 429 transformers.

To date, over 345 transformers have been installed and activated, benefitting at least 40,000 households in townships.

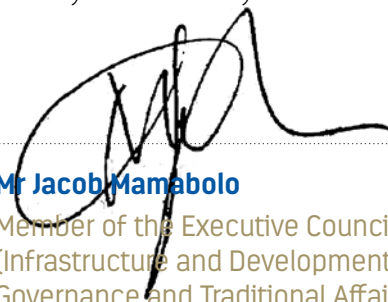
Appreciation and acknowledgements

We extend our sincere appreciation to the Portfolio Committee, led by Honourable Fasiha Hassan, for their invaluable support. We also acknowledge the outstanding efforts of our departmental heads (HODs) and the Executive Management Team. To all our staff members, we convey our deep gratitude for your unwavering commitment, professionalism and dedication to public service.

In the spirit of altruism, let us continue to strive even harder to ensure that service delivery becomes a tangible reality in all our communities.

Ultimately, what truly really matters is not merely what we have built or acquired, but what we have shared. It is not solely our competency that defines us, but also our character. Beyond personal successes, it is the impact we make that truly signifies our journey together.

I am genuinely humbled to have embarked on this journey with each of you.



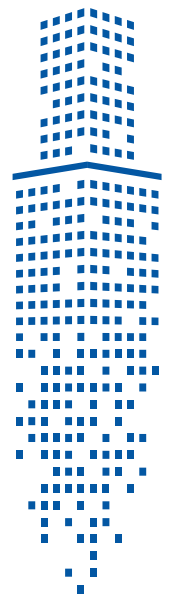
Mr Jacob Mamabolo
Member of the Executive Council
(Infrastructure and Development and Cooperative Governance and Traditional Affairs)

Date: 31 July 2024



Dr Darion Barclay
Accounting Officer

It is crucial to recognise the dynamic nature that has shaped the scope of our operations



4. REPORT OF THE ACCOUNTING OFFICER

As the Accounting Officer, it is my duty and responsibility to establish and implement a robust system of internal control. The system is designed to ensure the integrity and reliability of the performance information, human resources data and annual financial statements, providing reasonable assurance of their accuracy and trustworthiness.

This report for 2023/24, reflects the department's operations, performance information, human resources data and financial affairs for the fiscal year ending on 31 March 2024. Our priorities continue to be service delivery, revenue collection, financial management and development. We highlight our efforts, interventions and initiatives aimed at achieving functional municipalities, responding to

reports by the Auditor-General of South Africa (AGSA), and addressing water and energy challenges.

This reporting period coincided with the conclusion of the sixth administration, characterised by a range of challenges alongside notable achievements, as outlined in this report. We adjusted implementation plans and significantly intensified our efforts. As we review the contents of this report, it is crucial to recognise the dynamic nature that has shaped the scope of our operations during this reporting period.

Our Back to Basic Programme continues to yield positive results, demonstrated by our recent awarding of bursaries to five additional learners with disabilities in the province. These awards are part of the department's ongoing commitment to improving performance and delivering on our goals.

Local Government

In the context of ongoing recovery from the socio-economic setbacks caused by the Covid-19 pandemic, the 2023/24 reporting year presented additional challenges exacerbated by the water and energy crisis experienced throughout the province.

Promoting functional municipalities remains a key focus area for us. Revenue collection has long been a significant challenge across many of our municipalities. To address this, Gauteng CoGTA, in collaboration with Gauteng Treasury, has established a Debt Management Committee (DMC), to facilitate the resolution of government debts through IGR interventions. The DMC oversees the implementation of the Government Debt Strategy through quarterly engagements and weekly working sessions. Notably, the DMC successfully assisted the Emfuleni Municipality in collecting R138 550 898.00 from government departments, between April and December 2023.

Amidst pervasive energy challenges affecting almost every aspect of life, Gauteng also faced a cholera outbreak that exacerbated our ongoing water-related issues during this period. Revenue collection continues to be critical for the stability of our municipalities. As part of our efforts, we provided capacity to three municipalities - Mogale City, Randwest Municipality and City of Emfuleni – to implement simplified revenue plans.

As part of our mandate to support municipalities in delivering quality services to communities, we streamlined our activities and leveraged mutual strengths to enhance government planning, interventions and responses to community challenges. To improve financial accountability within the District Development Framework (DDM), we engaged the South African Institute of Chartered Accountants (SAICA) to assist municipalities in the province with governance issues, strengthening internal controls, compliance with laws and regulations, and audit-related support.

During the reporting period, eight municipalities - Tshwane, Johannesburg, Ekurhuleni, Lesedi, West Rand, Emfuleni, Merafong, and Mogale – received support to enhance participation in community-based local governance processes through the Asset Based Community Development (ABCD) approach. On 25 July 2023, CoGTA launched the application of the ABCD model in the City of Ekurhuleni. We also plan to expand this methodological approach to community engagement to other regions of the province.

This project provides an opportunity to align departmental interventions with community-driven initiatives. The methodology ensures meaningful community participation and strengthens sectors such as Health, Economic Development and Community Safety. This aligns with the GPG's heightened priorities aimed at enhancing living conditions in townships, informal settlements, and hostels.

All our targeted groups were successfully reached through our civic awareness initiatives across all the provincial regions. We observed a significant demand for voter education in preparation for the upcoming general elections.

The previous year, an action plan was submitted regarding the Department's IGR. This plan was successfully implemented, resulting in the achievement of 100% of our targets, including the establishment of four functional IGR structures.

As the Gauteng government, we are committed to revitalising our old central business districts (CBDs). To this end, the Executive Council has approved a strategy aimed at revitalising and rejuvenating our CBDs. We are currently developing a comprehensive programme to breathe new life into these areas. Mindful of previous unsuccessful initiatives, we are prioritising a thorough review to learn from past mistakes. This approach will help ensure we avoid repeating errors and achieve sustainable success in our revitalisation efforts.

We also mobilised municipalities to collaborate with us as we develop and implement our strategy to revitalise our CBDs. I am pleased to announce that work will commence at 10 pilot sites across six municipalities: Mogale City, City of Johannesburg, Emfuleni, City of Ekurhuleni, Midvaal Local Municipality, and City of Tshwane. We have already identified specific sites where we will partner with municipalities, the private sector, development institutions, sector departments and communities, to implement revitalisation interventions in these cities.

We have purposefully structured the programme for optimal sustainability. The interventions and lessons learnt from these pilot sites will accelerate the rollout process to revitalise other CBDs across the province as well.

Development Planning

During this period, Gauteng, like the rest of the country, faced significant infrastructure service delivery backlogs, adversely affecting economic growth and influencing our development plans.

The DDM emphasises collaborative planning across the three spheres of government, as well as the private sector.

We monitored our municipalities' efforts in managing water losses, ensuring energy supply, and responding to related challenges. In the City of Tshwane, interruptions in business forums, delays in supply chain management processes and poor contractor performance contributed to reduced spending on capital expenses (CAPEX). Similarly, delays in supply chain management processes also had a negative impact on the City of Johannesburg.

We actively engaged with metros to support them in improving project management. As part of this effort, we recommended the appointment of service providers for a three-year period, to mitigate project delays.

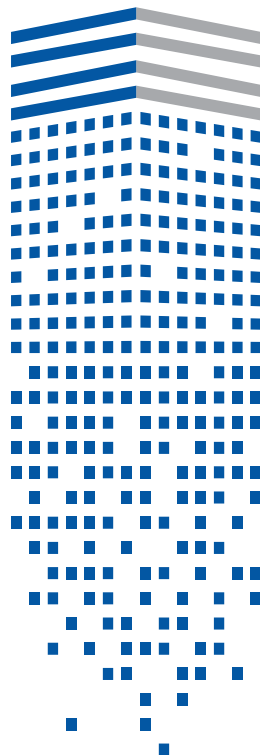
We collaborated with the Municipal Infrastructure Support Agent and the South African Institution of Civil Engineering (SAICE) to address the shortage of project management personnel. Additionally, we recommended the intervention of the provincial security form to address interruptions in business forums.

We also observed that municipalities continue to face challenges in spending their grant funding, largely due to capacity constraints, including understaffing in the departments responsible for planning and implementing of infrastructure projects. Furthermore, there were challenges related to contractor performance, where contractors who had initially demonstrated capability and met all requirements for project execution failed to complete the projects. This led to contract terminations and subsequent re-advertisements, which further hindered progress.

Additional difficulties were experienced in the implementation of projects, exacerbated by community protests that halted progress. These issues were further compounded by so-called business forums, also known as the "Construction Mafia", demanding stake in projects. This resulted in contractors abandoning their work.

To address the issue, we are exploring an alternative intervention at Emfuleni Local Municipality where the Municipal Infrastructure Support Agent will take control of the projects. Additionally, the War Room has approved the Water and Sanitation Assets Management Master Plan, which aims to strengthen CAPEX project management, among other objectives. We are also experiencing delays and slow progress in the metros. In comparison to the past financial year, there has been no improvement in CAPEX expenditure at the City of Ekurhuleni.

Capacity is crucial for successful implementation and execution at every level of service delivery. In the reporting period, our municipalities have reported





high vacancy rates, particularly in water, electricity, and waste management sectors. For instance, the City of Johannesburg reported vacancy rates of 50% for refuse removal and 18% for water services. Emfuleni Local Municipality reported vacancies of 50%, 40% and 34% in water, electricity and refuse removal respectively, while Midvaal Local Municipality reported vacancies of 4%, 19% and 22% in these areas. These vacancies have significantly impacted service delivery, leading to delays in responding to emergencies such as burst water pipelines and infrastructure repairs.

Traditional Institutional Management

Preserving cultural heritage is essential for maintaining our social fabric. CoGTA remains committed to supporting the two institutions of traditional leadership in the province: Amandebele Ba Lebelo Traditional Council, led by Kgosi KC Kekana, and Amandebele Ndzundza Sokhulumi Traditional Council, led by iNkosi MP Mahlangu. Significant progress has been made in implementing policies, norms, standards, systems, and regulatory framework in the realm of traditional affairs. Support provided includes training and capacity-building programmes.

The Commission on Traditional Leadership Disputes and Claims in Gauteng was inaugurated by the Premier of Gauteng on 22 November 2022. The commission is tasked with resolving claims and disputes, guided by the claims register. Its establishment underscores the Gauteng Government's commitment to fortifying the institution of traditional leadership and recognising its role in nation building. The Commission is actively addressing claims and disputes from traditional communities across the Gauteng Province.

I am pleased to report that all traditional councils have complied with the legislative requirements, and 100% of succession claims and disputes have been processed. The Department has also initiated training programmes to enhance collaboration between local government and our traditional councils.

The Gauteng Summer Customary Initiation season was successfully held from 14 December 2023 to 18 January 2024. Currently, planning is underway for the Winter Initiation season, which is scheduled to take place during the 2024 winter school holidays.

In Conclusion

As we transition towards the seventh administration, our focus on service delivery, revenue collection, financial management and development remain unwavering. Functional municipalities are central to our efforts, and we are committed to implementing interventions and initiatives that enhance their effectiveness.

Through inter-governmental initiatives and public/private partnerships, we will shape a landscape conducive for growth, development and prosperity for the people residing, working and investing in Gauteng.

Overview of the financial results of the Department:

Departmental receipts

Departmental receipts	2023/2024			2022/2023		
	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
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capwital assets	229	198	31	213	200	13
Transfers received						
Fines, penalties and forfeits	0	0	0	0	3	(3)
Interest, dividends and rent on land	45	17	28	38	14	24
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	124	550	(426)	119	39	80
Total	398	765	349	370	256	114

Due to the nature of its services, the Department does not generate significant revenue. However, during the reporting period, there was an increase in revenue collection compared to the prior year and projected budget. The increase primarily stemmed from departmental debt payments received from former employees who owed the Department, while revenue from other sources was relatively lower.

The Department relies primarily on Persal transactions to generate revenue, as there is no building to house staff, and no parking fees are collected from officials. Apart from Persal transactions, there are no other ways sources of revenue for the Department.

Programme Expenditure

Programme Name	2023/2024			2022/2023		
	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	177 075	174 801	2 274	165 052	159 591	5 461
Local Governance	286 243	279 372	6 871	276 463	265 178	11 285
Development and Planning	592 473	591 647	826	148 926	148 762	164
Traditional Institutional Management	24 704	22 967	1 737	20 348	16 163	4 185
Total	1 080 495	1 068 787	11 708	610 789	589 694	21 095

During the period under review, the Department was allocated an equitable share of R1 080 495 000. Of this amount, R1 068 787 000 was spent, representing a 99% expenditure on the allocated budget. An amount of R11 708 000 will be surrendered to the Provincial Revenue Fund (PRF).

The following is an overview of the Departmental expenditure on programmes:

- The Administration Programme was allocated a total budget of R177 075 000, of which R174 801 000 was spent, amounting to 99% of the total budget allocated.
- The Local Governance Programme was allocated a total budget of R286 243 000, of which R279 372 000 was spent, resulting in 98% expenditure of the allocated budget.
- The Development and Planning Programme was allocated a budget of R592 473 000, of which an amount of R591 647 000 was spent, amounting to 100% expenditure of the allocated budget.
- The Traditional Institutional Development Programme received the lowest budget allocation during the reporting period, totalling R24 704 000. Of this amount, R22 967 000 was spent, representing 93% of the total budget allocated.

The Department experienced under-expenditure due to all critical positions not being filled during the year under review.

The Department did not incur any unauthorised, fruitless, or wasteful expenditure, did not enter into any public-private partnerships, did not discontinue any activities, and did not conclude any unsolicited bid proposals during the reporting period.

Virements

- The Department requested a virement of R3 million during the reporting period to support programme 1 and 4.
- The virement is intended to cover the shortfall in operational expenses, including projects on revenue management, multi-disciplinary task teams deployed in municipalities, and payments related to the work of the Commission on Traditional Leadership Disputes and Claims.

Rollovers

- The Department did not request any rollovers.

Public-Private Partnerships.

- The Department did not enter into any public-private partnerships, nor does it have plans to do so in the near future.

Discontinued Activities/Activities to be Discontinued.

- There were no activities discontinued, and the Department has no plans to discontinue any of its activities.

Unsolicited Bid Proposals

There were no unsolicited bid proposals concluded.

Gifts and Donations Received

- Even though there were some staff members who declared donations, gifts, or designated amounts from non-related parties, the Department did not receive any donations from non-related parties.

Exemptions and Deviations received from National Treasury.

- The Department did not receive any deviation or exemption from the reporting requirements of the Public Finance Management Act (PFMA) or Treasury Regulations (TR).

Events after the Reporting Date.

- There were no favourable or unfavourable events after the reporting date.

Acknowledgement/s or Appreciation

Thank you CoGTA team for all your hard work. It does not go unnoticed.

Approval and sign-off



Dr Darion Barclay

Accounting Officer
Department of Co-operative Governance and
Traditional Affairs

Date: 31 July 2024



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

I hereby confirm that, to the best of my knowledge and belief, the following statements are true:

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate, and 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 F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- I, as the Accounting Officer, am responsible for the preparation of the annual financial statements and for the judgements made in this information.
- I am also responsible for establishing and implementing a system of internal control 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 2024.

Yours faithfully

Dr Darion Barclay

Accounting Officer
Department of Co-operative Governance and Traditional Affairs

Date: 31 July 2024

6. STRATEGIC OVERVIEW



VISION

Sustainable, Smart, Inclusive Cities and Communities in the Gauteng City Region.



MISSION

To drive an effective cooperative governance system to build sustainable municipalities, inclusive communities, and the institution of Traditional Leadership in the Gauteng City Region

Value	Description
Respect	We treat employees, customers, partners and suppliers with mutual respect and sensitivity, recognising the importance of diversity. We respect all individuals and value their contributions.
Integrity	We employ the highest ethical standards, demonstrating honesty and fairness in every action and service we provide.
Caring	We ensure that we empathise with citizens, treating them with consideration and respect. We foster effective communication of services, products, information, and problems, which may hamper or delay the efficient delivery of services to promised standards. Our practice aligns with Batho Pele principles.
Accountability	We accept our individual and team obligations, and we meet our commitments to service delivery. We will account for our performance in all of our decisions and actions.
Innovation	We enable municipalities to introduce modern and innovative procedures and systems for the delivery of services. We are creative in our thoughts and in the execution of our duties. We seek innovative ways to solve problems and enhance effectiveness and efficiency within the context of the law.

7. LEGISLATIVE AND OTHER MANDATES

The Department derives its mandate from the Constitution of the Republic of South Africa, 1996, (Act No. 108 of 1996) and other related national and provincial legislation. The following sections are extracts from the Constitution, which have a direct bearing on the province and municipalities in terms of delivering on their respective constitutional mandates.

Section 139 (1)

The Provincial Executive may intervene if a municipality fails to fulfil an executive obligation.

Section 152 (1)

- Provide democratic and accountable government for local communities;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;

- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of local government.

Section 152 (2)

- A municipality must strive, within its financial and administrative capacity, to achieve the objectives as set out in subsection (1). Municipalities must provide a democratic and accountable local government. Councillors must be elected through a democratic process and must report back to their constituencies on decisions taken by the council.

Section 154 (1)

Support and strengthen the capacity of municipalities to:

- Manage their own affairs;
- Exercise their powers; and
- Perform their functions.

Section 154 (2)

- Draft provincial legislation that affects the status, institutions, powers or functions of local government for approval by the Provincial Legislature.
- Publish it for public comment before it is introduced in Parliament or at Provincial Legislature in a manner that allows organised local government, municipalities, and other interested persons an opportunity to make representation with regard to the draft legislation.

Section 155 (6)

Provincial Legislature must:

- Determine the different types of municipalities to be established in the province;
- Monitor, support and promote the development of local government and see to the effective performance by municipalities of their functions as per Schedules 4 and 5; and

- Regulate the exercising by municipalities of their executive authority (Section 156 (1)).

Section 164

- Any matter concerning local government not dealt with in the Constitution may be prescribed by national legislation or by provincial legislation within the framework of national legislation.

Chapter 12

- Recognition of the institution of traditional leadership.

7.1. LEGISLATIVE AND POLICY MANDATES

In turn, the above constitutional provisions inform the following extracts from legislation:

Municipal Structures Act (No. 117 of 1998)

Provides for the establishment of municipalities, specifying the categories and types of municipalities, and setting guidelines for the establishment and functions of ward committees.

Municipal Systems Act (No. 32 of 2000) - Amended Systems Act (July 2011)

Establishes core principles, mechanisms and processes to facilitate municipalities in progressing towards the social and economic upliftment of local communities. It also aims to ensure universal access to essential services that are affordable to all.

Municipal Finance Management Act (No. 56 of 2003)

Aims to ensure the secure, sound, and sustainable management of the fiscal and financial affairs for municipalities and municipal entities. It establishes norms, standards and requirements to promote transparency, accountability, and clear lines of responsibility in these matters.

Municipal Property Rates Act (No. 6 of 2004)

Regulates a municipality's power to levy rates on property and to exempt certain properties from rates in the national interest. It also enables municipalities to implement a transparent and fair system of exemptions, reductions, and rebates through their rating policies.

Gauteng Type of Municipalities Act (No. 3 of 2000)

Determines the types or categories of municipalities that can be established in the province.

Rationalisation of Local Government Affairs Act (No. 10 of 1998)

Provides for the rationalisation of the legislative and administrative framework for the local sphere of government.

Gauteng Privileges and Immunities of Councillors Act (No. 1 of 2002)

Defines the privileges and immunities of councillors in Gauteng municipalities.

Disaster Management Act (No. 57 of 2002)

Provides for an integrated and coordinated disaster management policy. The act focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, and rapid and effective responses to disasters, as well as post-disaster recovery.

Gauteng Land Administration Act (No. 11 of 1996)

Provides for the acquisition and disposal of land owned by the Gauteng Provincial Government.

Development Facilitation Act (No. 67 of 1995)

Facilitates and accelerates the implementation of the Reconstruction and Development Programme and associated projects.

Public Finance Management Act (No. 01 of 1999 as amended)

Enables public sector managers to enhance accountability by eliminating waste and corruption in the use of public funds.

Division of Revenue Act as amended

Provides for equitable division of revenue anticipated to be raised nationally among the national, provincial, and local spheres of government for each financial year, defining the responsibilities of each sphere accordingly.

Promotion of Administrative Justice Act (No. 03 of 2000)

Enacts the constitutional right to just administrative action for any member of the public whose rights have been adversely affected, ensuring efficient, effective, and legitimate administration across all spheres of government.

Promotion of Access to Information Act (No. 02 of 2000)

Enacts the constitutional right of access to any information held by the State and private persons, which is required for the exercise or protection of any other right.

Protection of Personal Information Act (POPIA) (came into effect on 1 July 2020)

Guides the protection of personal information, aligning with the broader Constitutional right to privacy. It regulates the entire process of handling personal information, from its collection, to its destruction.

Intergovernmental Relations Framework Act (No. 13 of 2005)

Establishes a framework for national, provincial, and local government to promote and facilitate intergovernmental relations, as well as providing a mechanism and procedure to facilitate the settlement of intergovernmental disputes.

Municipal Demarcation Act (No. 27 of 1998)

Established the Municipal Demarcation Board, which is an independent authority responsible for determining municipal boundaries and determining wards within municipalities.

Municipal Electoral Act (No. 27 of 2002)

Establishes the Independent Electoral Commission (IEC) and regulates local elections.

Gauteng City Improvement District Act (No. 12 of 1997)

Provides procedures for the formation and independent management of city improvement districts to fund the provision of services beyond those ordinarily provided by a municipality, aimed at facilitating investment in the city improvement district.

Fire Brigade Services Act (No. 99 of 1987)

Provides for the establishment, maintenance, employment, coordination and standardisation of fire brigade services and related matters.

Traditional Leadership and Governance Framework Act (No. 41 of 2003)

Provides for the recognition of traditional communities, the establishment and recognition of traditional councils, and the establishment of the Commission on Traditional Leadership Disputes and Claims.

National House of Traditional Leadership Act (No. 22 of 2009)

Paves the way for the establishment of the National House of Traditional Leaders.

Gauteng Traditional Leadership and Governance Act (No. 4 of 2010)

Provides for the establishment and recognition of traditional communities in the province.

Gauteng Local Government Laws Amendment Act (No. 1 of 2006)

Amends certain Gauteng Province laws related to local government to remove references to defunct institutions and inconsistencies with other legislation. It also repeals laws that are contrary to the Constitution of South Africa or that are no longer useful.

Local Government Amendment Laws Act (No. 19 of 2008)

Extends the term of office of ward committees to align it with the term of the council. It also establishes the legislative foundation for the funding model for ward committees.

Removal of Graves and Dead Bodies Ordinance (No. 7 of 1925)

Provides procedures for exhumations and re-interment.

Skills Development Act (No. 97 of 1998)

Provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.

Employment Equity Act

Serves as a mechanism to redress the effects of unfair discrimination and assist in the transformation of workplaces, to reflect a diverse and broadly representative workforce.

Organised Local Government Act (No. 52 of 1997)

Provides for the recognition of national and provincial organisations representing different categories of municipalities.

Spatial Planning and Land Use Management Act (No. 16 of 2013)

Makes provision for inclusive developmental, equitable and efficient spatial planning across different spheres of government.

Updates to Institutional Policies and Strategies

Our policy mandates encapsulate our vision, defining our actions and motivations in addressing the broader public interest. Our programmes and plans are aligned with relevant international frameworks that influence policies in Gauteng and South Africa.

Medium Term Strategic Framework Organised Local Government Act (No. 52 of 1997)

The primary planning framework of the government is the Medium Term Strategic Framework (MTSF), which aligns with the electoral cycle and aims to achieve the priorities of the National Development Plan (NDP) 2030. It encompasses government commitments and outlines specific actions. The MTSF is crucial for bringing coherence and continuity to government's planning system. The current MTSF informs the outcome statements, strategies, and plans of Gauteng CoGTA.

Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) outline a global agenda aimed at ending poverty, protecting the planet, and ensuring peace and prosperity for all. The SDGs recognise that eradicating poverty, including extreme poverty, is a crucial global challenge and essential for sustainable development.

CoGTA's mandate aligns with goal 11 of the SDGs which focuses on "making cities and human settlements safe, resilient and sustainable".

National Development Plan, Vision 2030

The National Development Plan (NDP) outlines a vision for South Africa to achieve its socio-economic goals by 2030. It is a comprehensive programme aimed at realising the country's ambitions, emphasising the need for coherence and collaboration across sectors and government levels. The NDP focuses on three main priorities:

- **Chapter 3 - Economy and Employment:** This chapter aims to achieve full employment, decent work and sustainable livelihoods.

- **Chapter 13 - Building a Capable State:** This chapter envisions a transformative and developmental role for the state, emphasising the importance of a capable and efficient government.
- **Chapter 14 - Promoting Accountability and Fighting Corruption:** This chapter advocates for zero tolerance of corruption, emphasising the importance of accountability and transparency in government.

NDP Implementation Plan

The NDP Implementation Plan translates the development strategy into a dynamic document with action plans at the national, provincial, and departmental levels. The main principles guiding the Implementation Plan include:

- **Alignment:** Ensuring that all government plans, policies, and programs are aligned with the NDP's objectives and goals.
- **Integration:** Integrating the NDP's priorities into existing government plans and strategies to ensure a cohesive approach to development.
- **Partnerships:** Fostering partnerships between government, civil society, and the private sector to enhance the implementation of the NDP.
- **Monitoring and Evaluation:** Establishing mechanisms to monitor and evaluate the progress of NDP implementation, ensuring accountability and transparency.
- **Innovation:** Encouraging innovative approaches and solutions to address development challenges and achieve the NDP's goals.
- **Sustainability:** Promoting sustainable development practices that balance economic, social, and environmental considerations.
- **Citizen Participation:** Engaging citizens in the implementation of the NDP to ensure that their needs and priorities are addressed.

- **Capacity Building:** Strengthening the capacity of government institutions and stakeholders to effectively implement the NDP.

The Implementation Plan is institutionalised through various strategic and operational documents, including Strategic and Annual Performance Plans, Integrated Development Plans (IDPs) and Budget Implementation Plans. The primary objective of the five-year implementation plan is to advance and guide short and long-term planning in alignment with the priorities of the NDP. In response, Gauteng CoGTA's strategic approach is aligned with the NDP Implementation Plan. This ensures that the Department's activities and programmes are directed towards achieving the broader development goals of the country, as outlined in the NDP.

Inter-Governmental Relations (IGR) Strategy

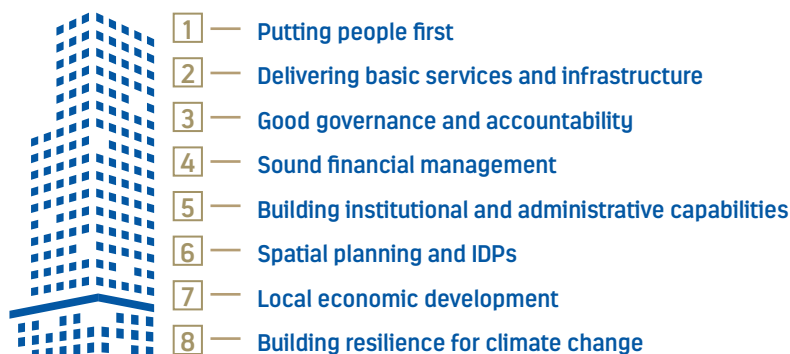
The Constitution mandates that spheres of government must cooperate in several key areas to ensure effective governance:



By adhering to these principles, spheres of government can work together to address the needs of citizens and promote good governance across the country.

Back-to-Basics Approach (B2B) Phase 2

The B2B programme has been revamped and refined to encompass eight core pillars:



The programme's methodology is guided by the following principles:

- **Multi-Departmental Collaboration:** Working across government levels and sectors to address municipal challenges.
- **Performance Enhancement:** Improving local government performance and systems.
- **Community Engagement:** Strengthening engagement through initiatives like the Ntuhisano Service Delivery Outreach Programme.
- **Integrated Support:** Providing a comprehensive and hands-on approach to supporting municipalities.

The B2B programme aligns closely with the NDP, which emphasises the need for “functional municipalities and capable local machinery” to create safe, healthy and economically sustainable areas “where citizens and people can work and socialise”. Additionally, the Integrated Urban Development Framework provides a foundation for Priority 3 of the B2B programme, focusing on transforming the local space economy and “densifying and integrating communities to improve sustainability”. In essence, the B2B programme recognises that local government is where citizens primarily engage with government.

For the B2B programme to succeed, it requires effective implementation and sufficient resources. Performance is evaluated using specific indicators to assess effectiveness.

Integrated Urban Development Framework

The Integrated Urban Development Framework (IUDF) is a key urban policy aimed at reshaping urban spatial patterns by fostering compact, well-coordinated cities. Its primary goal is to transform urban areas by focusing on infrastructure development and unlocking the full potential of cities.

Gauteng Spatial Development Framework - 2030

The Gauteng Spatial Development Framework (GSDF) shares common objectives with the IUDF, and aligns with other related policy frameworks, guided by the Spatial Planning and Land Use Management Act (Act 16 of 2013). It also incorporates the specific principles of the NDP which provide for spatial justice, sustainability, resilience, quality and efficiency.

Against this backdrop, the GSDF aims to align, coordinate and harmonise public infrastructure investment with the principles of spatial development logic. This approach is rooted in fostering inclusive provincial economic growth, revitalising townships and driving spatial transformation.

Integrated Development Planning

The Integrated Development Plan (IDP) is a crucial tool in the arsenal of developmental local government. It is closely intertwined with Local Economic Development, aiming primarily to foster economic growth while addressing spatial planning, transport planning, infrastructure development and regulation. As such, municipalities are mandated to prepare annual and five-year IDPs, delineating development goals, projects, programmes, and their corresponding outcomes.

Local Economic Development

Local Economic Development (LED) endeavours to cultivate competitive, sustainable, and inclusive local economies. As per Sections 152 and 153(a) of the South African Constitution, local government is tasked with “promoting social and economic empowerment” and should structure and manage its administration and budgeting and planning processes to prioritise the basic needs of the community, and promote its social and economic development. To achieve this, the LED Framework mandates local government to:

- Enhance good governance;
- Elevate service delivery;
- Foster public and market confidence in municipalities;
- Advance spatial development; and
- Strengthen the comparative advantage and competitiveness of Districts and Metros.

Consequently, municipalities are mandated to establish an environment conducive to local economic development by providing infrastructure and quality services.

Asset Based Community Development Model

The Asset Based Community Development Model (ABCD) is grounded in the Constitutional principle of participatory democracy, empowering communities to harness their potential and use it to engage with government and stakeholders. It operates on the premise that communities can lead their own

development by identifying and mobilising their hidden, overlooked and often underestimated assets, including people, community groups, associations, clubs (social assets), and utilising public assets to create economic opportunities. In essence, the ABCD aligns with participatory developmental approaches, giving substance to community participation. Gauteng CoGTA actively assists municipalities in implementing the ABCD model.

National Energy Efficiency Strategy

A strategic document developed by Government to steer the implementation of energy-efficient practices throughout South Africa.

Addis Ababa Agreement

A framework for guiding the implementation of the New Urban Agenda, with a particular focus on infrastructure, technology, and the development of micro, small and medium enterprises.

Paris Agreement

A landmark international accord that aims to reduce and limit greenhouse gas (GHG) emissions, promoting a shift towards low-carbon development. Article 4.19 of the Agreement encourages urges signatory nations to develop and communicate long-term, low GHG emission development strategies to the United Nations Framework Convention on Climate Change (UNFCCC) by 2020.

African Union 2063 Agenda

The African Union 2063 Agenda (Agenda 2063) is a strategic framework for Africa’s socio-economic transformation, aiming for an integrated, prosperous and peaceful continent through inclusive growth and sustainable development.

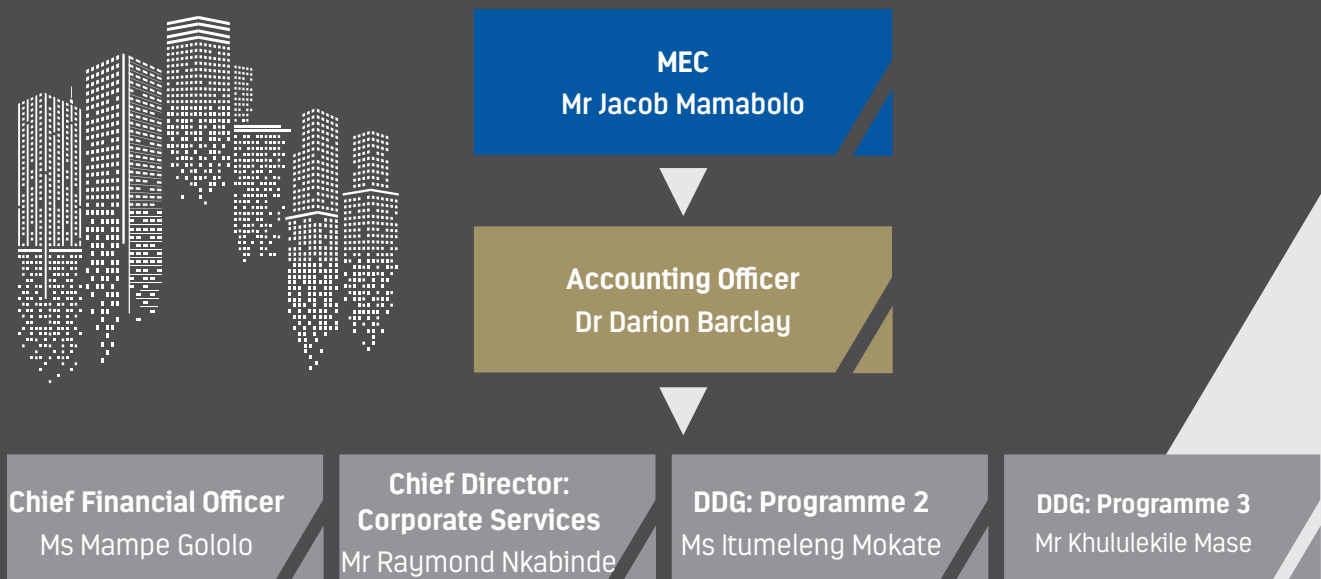
Sendai Framework for Disaster Risk Reduction 2015-2030

A voluntary framework aimed at reducing disaster risk. It builds on the Hyogo Framework of Action (HFA) 2005-2015, emphasising the importance of understanding all aspects of disaster risk, including exposure, vulnerability and hazards. It also focuses on strengthening disaster risk governance and accountability.

Disaster Management Framework

A framework guided by the National Disaster Risk Reduction Strategy, outlining strategies for national, provincial and local governments. Its objective - by 2030 - is to enhance resilience among vulnerable populations and reduce their exposure to climate-related extreme events and other economic, social and environmental shocks. The framework also aligns with the UN SDGs.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MINISTER/MEC

There are no entities reporting to the MEC.

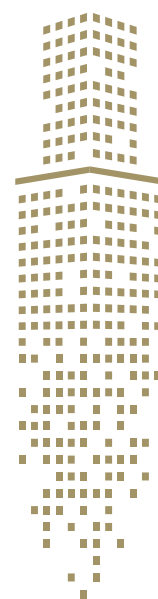




PART B

PERFORMANCE INFORMATION

PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (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 125 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. SERVICE DELIVERY ENVIRONMENT

The Gauteng Department of Cooperative Governance and Traditional Affairs (CoGTA), in collaboration with the Gauteng Provincial Treasury (GPT), established a Debt Management Committee (DMC) to address outstanding government debts.

This committee serves as an Inter-Governmental Relations (IGR) intervention between the various organs of state. The DMC convenes quarterly meetings with municipalities and government departments to negotiate and agree on a plan for settling outstanding debts owed to municipalities.

In addition to the quarterly engagements, working sessions are held between affected departments and individual municipalities. These sessions focus on implementing the resolutions from the DMC engagements and addressing any other issues that may arise between meetings.

SERVICE DELIVERY IMPROVEMENT PLAN

The Department has finalised a service delivery improvement plan. The following tables outline the service delivery plan and accomplishments thus far.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Reduction of government debt owed to municipalities	Municipalities and communities	3 Municipalities supported with the implementation of the government debt reduction strategy.	9 Municipalities supported with the implementation of the government debt reduction strategy.	9 Municipalities supported with the implementation of the government debt reduction strategy.

Batho Pele arrangements with beneficiaries (consultation access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
4 Quarterly engagements at an agreed venue	4 Quarterly engagements at an agreed venue	4 Quarterly engagements at an agreed venue
9 Meetings held with municipalities	9 Meetings held with municipalities	9 Meetings held with municipalities

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
1 Annual report produced	1 Annual report produced	1 Annual report produced

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
2 Quarterly DMC meetings with municipalities and provincial departments within a week of receipt	4 Quarterly DMC meetings with municipalities and provincial Departments within a week of receipt	4 Quarterly DMC meetings with municipalities and provincial departments within a week of receipt

2.2. ORGANISATIONAL ENVIRONMENT

Between 2019 and 2024, the Department experienced turnover in key leadership positions, including three changes in Accounting Officers and two Chief Financial Officers (CFOs). Additionally, several Senior Management Services (SMS) personnel resigned, and some were lost to COVID-19. Currently, there are six vacant SMS posts. The Department is currently reconsidering Circular 49 of 2023, which outlines cost containment measures, and its impact on the recruitment of new employees, to fill these vacancies.

Since the 2018 Bank of Lisbon building fire outbreak, the Department has been without a permanent office building. Its staff are currently accommodated in separate buildings in Johannesburg CBD and Midrand. In collaboration with the Gauteng Department of Infrastructure Development, efforts are underway to secure suitable accommodation for the staff.

2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no legislative changes in the year under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

3.1. OUTCOME 1- IMPROVED MUNICIPAL PERFORMANCE IN LINE WITH B2B PILLARS.

The Department has supported municipalities in enhancing their performance by providing training to councillors and municipal officials on Accountability and Ethical Conduct. This initiative aims to promote effective oversight, accountability and good corporate governance. Between April 2019 and March 2024, a total of 426 councillors and officials benefitted from these capacity-building initiatives. Additionally, the Department has assisted municipalities in reviewing their organisational structures, systems, policies, strategies and processes, to enhance their organisational performance.

Moreover, the Department supported municipalities in complying with the Municipal Staff Regulations (MSRs) regarding the appointment of senior managers and other critical technical positions to enhance their overall performance. By the end of the five-year period (2019-2024), there were 115 approved senior management positions in Gauteng municipalities, with 86 posts filled and 29 vacant. This resulted in an overall senior management vacancy rate of 25% across the municipalities.

Outcome 2 - Spatially integrated cities and transformed communities in the Gauteng Province.

The Department conducted a review of the Gauteng Spatial Development Framework (GSDF) 2030 and facilitated its implementation province-wide. As of the end of the 2023/24 financial year, an implementation report was compiled for the reviewed GSDF 2030, detailing the extent of adherence to the framework's Spatial Governance Directives by all Gauteng Provincial Government departments. Additionally, draft Annual Performance Plans (APPs) for the 2024/2025 period were developed for the entities.

In 2019, the District Development Model (DDM) was introduced to strategically plan for long-term economic development, growth, and job creation, aiming to rectify historical inequalities. Central to the approach is spatial targeting and collaborative development, involving all levels of government to create "One Plan" per district. The Department supported all provincial districts in formulating their One Plan, and a DDM hub was established in Sedibeng District.

Outcome 3 - Effective systems of cooperative governance.

The Department's mandate underscores the significance of cooperative governance for integrated development. In line with this, it supported and monitored municipalities and tribal authorities by implementing IGR systems, processes, and procedures. The Department also managed the implementation and review of the local government legislative framework to enhance cooperative governance among the three spheres of government and traditional authorities. Additionally, the Department assisted municipalities in solidifying systems, structures, processes, and procedures for participatory democracy.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. PROGRAMME 1: ADMINISTRATION

Purpose: The continued adherence to the B2B pillars will serve as a gauge of municipal functionality and ethical conduct, indicating the effectiveness of service delivery. Municipalities achieving a minimum of 80% satisfaction levels in stakeholder surveys will demonstrate functionality and sustainability.

Sub-programmes

- Human Capital Management
- Finance Management Services
- Supply Chain Management
- Transformation Programmes

Table 1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Administration									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Improved municipal performance in terms of the B2B approach.	Employment Equity target reached for women in SMS positions and people with disabilities.	Number of reports on Employment Equity targets reached (50% Women in SMS positions and 7% people with disabilities).	35% of Women at the SMS level. 2,5% of employees with disabilities.	35% of Women at the SMS level. 2,7% of employees with disabilities.	4 Reports on Employment Equity targets reached (50% of Women in SMS positions and 7% people with disabilities).	2 Reports on Employment Equity targets reached.	None.	N/A.	The indicator was reviewed to make it SMART.

Finance									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Improved municipal performance in terms of the B2B approach.	Procurement from women-owned companies.	Percentage of procurement from women-owned companies.	20% of procurement from women-owned companies.	45.31% of procurement on RFQs from women-owned companies.	40% of procurement on RFQs from women-owned companies.	46% of procurement on RFQs from women-owned companies.	None.	N/A.	The indicator was reviewed to make it SMART.
Transformation programmes									
Improved municipal performance in terms of the B2B approach.	Capacity building initiatives for Ward Committee Members and CDWs on GBVF.	Number of capacity building initiatives for CDWs and Ward Committee on GBVF.	Terms of Reference partially approved pending budget reappropriation. Training moved to the next financial year.	1 Ward Committee Capacitated on GBVF issues per region.	4 Capacity building initiatives on GBVF for CDWs & Ward Committee Members.	1 Capacity building initiative on GBVF for Ward Committee Members and CDWs on GBVF conducted.	None.	N/A.	The indicator was reviewed to make it SMART.

Table 2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
Outcome 1: Improved municipal performance in line with the B2B pillars	Employment Equity target reached for women in SMS positions and people with disabilities.	Number of assessments conducted to ascertain the percentage of employment equity targets reached (50% women in SMS positions and 7% people with disabilities).	35% Women at SMS level. 2,5% of employees With disabilities.	35% of Women at SMS level. 2,7% of employees with disabilities.	2 Assessments conducted to ascertain the percentage of employment equity targets reached (50% women in SMS positions and 7% people with disabilities).	2 Assessments were conducted to ascertain the percentage of employment equity targets reached (50% women in SMS positions and 7% people with disabilities).	None.	N/A.

Programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
	Invoices paid in 15 days.	Percentage of invoices paid in 15 days.	99.25% of invoices were paid in 15 days.	95.5% of undisputed invoices were paid in 15 days.	100% of undisputed invoices paid in 15 days.	95.75% of undisputed invoices were paid within 15 days.	4.25% of undisputed invoices were not paid within 15 days.	Late certification of invoices by end users.
	Procurement from women-owned companies.	Percentage of procurement on RFQs from women-owned companies.	20% of procurement from women-owned companies.	45.31% of procurement on RFQs from women-owned companies.	40% of procurement on RFQs from women owned companies.	46.9% of procurement on RFQs from women owned companies.	None.	The Department emphasised women-owned companies when procuring through the RFQ process.
	Learners with disabilities awarded with bursaries.	Number of learners with disabilities awarded with bursaries.	10 Learners with disabilities awarded bursaries.	10 Learners with disabilities awarded bursaries.	10 Learners with disabilities awarded bursaries.	15 Learners with disabilities were awarded bursaries.	An additional 5 learners with disabilities were awarded bursaries.	The Department received overwhelming applications from learners with disabilities.
	Municipalities implementing GBVF programmes.	Number of Municipalities monitored on the implementation of GBVF responsive programmes (Final M&E Plan for NSP on GBVF) (Pillar 2: Prevention and Restoration of Social Fabric).	0 Municipalities monitored on the implementation of GBVF responsive programmes.	0 Municipalities monitored on the implementation of GBVF responsive programmes.	2 Municipalities monitored on the implementation of GBVF responsive programmes.	2 Municipalities monitored on the implementation of GBVF responsive programmes.	None.	N/A.
	Increased awareness on GBVF amongst traditional leadership communities.	Number of Anti GBVF interventions/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti GBVF interventions/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	Planning meeting for the anti GBVF program me held. Anti GBVF Interventions/ Campaigns for traditional leadership not held.	2 Anti GBVF interventions/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti GBVF interventions/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	None.	N/A.

Programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
	Capacity building initiatives on GEYODI & GBVF Mainstreaming (Transformation Programmes).	Number of capacity-building initiatives on GEYODI & GBVF Mainstreaming	Terms of reference partially approved pending budget reprioritisation. Training moved to the next financial year.	1 Ward Committee capacitated on GBVF issues per region.	4 Capacity-building initiatives on Gender Mainstreaming & GBVF.	4 Capacity-building initiatives on Gender Mainstreaming & GBVF.	None.	N/A.

Linking performance with budgets

The Administration Programme was allocated a total budget of R177 075 000, of which R174 801 000 was spent, representing an average of 99% of the total allocated budget. In the 2023/24 Annual Performance Plan (APP) for the Administration Programme, nine (9) targets were planned. Eight (8) of the planned targets were achieved, accounting for 89%, while one (1) target, representing 11%, was not achieved.

Sub-programme expenditure

Sub- Programme Name	2023/2024		2022/2023	
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation
Office of the MEC	R'000	R'000	R'000	R'000
	5 663	5 637	26	5 710
Corporate Services	171 412	169 164	2 248	153 339
Total	177 075	174 801	2 274	159 591
				5 461

Strategy to overcome areas of under performance

End users and line managers are expected to certify invoices promptly. Late submission of invoices will result in consequences being applied.

4.2. PROGRAMME 2: LOCAL GOVERNANCE

Outcome 1 - Improved municipal performance in line with the B2B pillars

Purpose: The sustained performance on B2B pillars will serve as an indicator of the functionality and ethical standards of municipalities, further illustrating the effectiveness of service delivery. Municipalities that achieve a minimum of 80% satisfaction levels in stakeholder surveys in relation to the B2B pillars, will further demonstrate functionality and sustainability.

Outcome 3 - Effective Systems of Cooperative Governance

Purpose: The outcome indicator i.e., *Number of Joined-up district level plans*, is crucial for success. Therefore, there must be a focus 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, matters of public interest and concern will be addressed, leading towards attainment of the impact statement.

Sub-programmes

- Municipal Administration
- Municipal Finance Support
- Public Participation
- Capacity Development
- Municipal Performance Monitoring, Reporting and Evaluation



Table 3: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: Municipal Administration									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual achievement 2023/2024 until date of re-tableing	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Improved municipal performance in line with the B2B pillars.	Metro system of government implemented.	Number metro system of government implemented.	New indicator.	New indicator.	9 Powers and functions and the single-tier system of local government pillars implemented in line with the approved implementation plan (Pillars 1 to 9).	0 Powers and functions and the single-tier system of local government pillars implemented in line with the approved implementation plan (Pillars 1 to 9).	9 Powers and functions and the single-tier system of local government pillars were not implemented in line with the approved implementation plan.	The project is a multiyear project and requires different stakeholders to agree at different stages before the process can move forward. The approval for the next stage was not received.	The internal processes have been put in place and the way forward has to be a political decision.
	Functional and stable municipal councils and related committees - Stable coalition governments.	Number of municipalities with functional municipal councils and related committees.	New indicator.	New indicator.	11 Municipalities with functional municipal councils and related committees.	11 Municipalities monitored on the functionality of municipal councils and related committees.	None.	None.	N/A.
		Percentage of mediation requests from coalition-type municipalities processed.	New indicator.	New indicator.	100% of Mediation requests are processed.	The panel for conflict resolution was established. No mediation requests were received in the period under review.	None.	N/A.	The panel has been established and is available for conflict resolution.

Sub-programme: Municipal Administration									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
	Strengthened research and development capability to provide evidence-based municipal support and interventions.	Number of capacity-building partnership agreements concluded.	New indicator.	New indicator.	3 Capacity-building partnership agreements concluded (CSIR, GCRO and UJ).	There were no targets in the first two quarters of the financial year. The revised APP came into effect in quarter three.	None	N/A.	The partnerships once established, will be ongoing. Research will be conducted as outlined in the 2024 APP.

Sub-programme: Municipal Finance Support									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Improved municipal performance in line with the B2B pillars.	Municipalities provided with capacity to implement the simplified revenue plans.	Number of municipalities provided with the capacity to implement the simplified revenue plans to improve revenue collection.	3 Municipalities provided with the capacity to implement the simplified revenue plans.	2 Municipalities (Lesedi and Midvaal) were provided with the capacity to implement the simplified revenue plans.	2 Municipalities provided with capacity to implement the simplified revenue management plans. (Randwest and Emfuleni LMs).	2 Municipalities provided with capacity to implement the simplified revenue management plans. (Randwest and Emfuleni LMs).	None.	N/A.	The target has been revised to make it specific

Sub-programme: Municipal Finance Support									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	* Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
	Local municipalities provided with capacity to undertake data enrichment of large power and water users.	Number of municipalities provided with capacity to undertake data enrichment of large power and water users.	3 Municipalities provided with the capacity to undertake data enrichment of large power and water users (Mogale City LM, Emfuleni LM and RWCLM).)	2 Municipalities (Mogale and Rand West City) were provided with the capacity to undertake data enrichment of large power and water users.	3 Municipalities provided with capacity to undertake data enrichment of large power and water users (Merafong, Lesedi and Midvaal).	3 Municipalities provided with capacity to undertake data enrichment of large power and water users (Merafong, Lesedi and Midvaal).	None.	N/A.	The target has been revised to make it specific
	OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	Number of OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	None.	N/A.	The OPCA PCC intervention is ongoing, and has therefore been incorporated into the operational plan.

Sub-programme: Public Participation									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Improved municipal performance in line with the B2B pillars.	Civic awareness programmes implemented in provincial regions.	Number of civic awareness programmes implemented in provincial regions.	66 Civic awareness campaigns were supported during the financial year.	10 Civic awareness programmes implemented in provincial regions.	10 Civic awareness programmes implemented in provincial regions.	5 Civic awareness programmes implemented in provincial regions.	The information for the remaining quarters is contained in the table below.	N/A	The target has been revised to make it specific.
	Voter education stakeholder engagement sessions implemented in provincial regions to promote voter turnout.	Number of voter education stakeholder engagement sessions implemented in provincial regions	47 Voter education stakeholder engagement sessions implemented in provincial regions.	5 Voter education stakeholder engagement sessions implemented in provincial regions.	20 Voter education stakeholder engagement sessions implemented in provincial regions.	10 Voter education stakeholder engagement sessions implemented in provincial regions.		N/A	The target has been revised to make it specific.

Sub-programme: Capacity Development									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	* Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Improved municipal performance in line with the B2B pillars.	Experts placed in targeted municipalities to provide capacity support on legal and labour.	Number of experts placed in targeted municipalities to provide capacity support on legal and labour.	4 Experts (2 Organisational Development and Design Experts; 1 Local Government Labour Expert and 1 Local Government Legal Expert) placed in regional teams to support municipalities to address service delivery challenges.	2 Experts were placed in targeted municipalities to provide capacity support on legal and labour.	2 Experts placed in municipalities to provide capacity support (Local Government Labour Expert and 1 Local Government Legal Expert).	The Bid Evaluation Committee was held on 18-20 August 2023. Two bidders were recommended. Opinion was sought from Legal Service Unit (LSU) to clarify the issue of declaration of interest (SBD4),	2 Experts were not placed in municipalities to provide capacity support (Local Government Labour Expert and 1 Local Government Legal Expert)	The required service provider was not appointed on time.	The target has been revised to make it specific.

Sub-programme: Municipal Performance Monitoring, Reporting and Evaluation									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Improved municipal performance in line with the B2B pillars.	Municipal performance reports against the key performance areas of local government.	Number of municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	2 Quarterly municipal performance reports against the key performance areas of Local Government developed.	None.	N/A.	The target has been revised to make it specific.
	Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act compliant municipalities.	Number of Compliance reports in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, MSA and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, MSA and Remuneration of Public Office Bearers Act.	4 Compliance reports developed in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act and Municipal Structures Amended Act.	2 Compliance report developed in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act and Municipal Structures Amendment Act.	None.	N/A.	The target has been revised to make it specific.

Table 4: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: Municipal Administration								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	** Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation
Improved municipal performance in line with the B2B pillars	Reduced corruption in municipalities.	Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Linked to MTSF 2019 – 2024, Priority 1).	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	None.	N/A.
	Municipalities supported on ethics and integrity management.	Number of municipalities supported on ethics and integrity management.	11 Municipalities supported on ethics and integrity management.	11 Municipalities supported on integrity management (training, awareness raising and workshops).	11 Municipalities supported on ethics and integrity management.	11 Municipalities supported on ethics and integrity management.	None.	N/A.

Sub-programme: Municipal Finance Support								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Improved municipal performance in line with the B2B pillars.	Municipalities supported with capacity to implement simplified revenue plans to improve revenue collection.	Number of Municipalities supported with capacity to implement the simplified revenue plans to improve revenue collection.	3 Municipalities provided with the capacity to implement the simplified revenue plans.	2 Municipalities (Lesedi and Midvaal) were provided with the capacity to implement the simplified revenue plans.	3 Municipalities supported with capacity to implement simplified revenue plans to improve revenue collection. (Randwest City, Mogale City and Emfuleni LMs).	3 Municipalities were provided with the capacity to implement simplified revenue plans to improve revenue collection (Mogale City, Randwest City and Emfuleni LMs).	None.	N/A.
	Enriched billing data of large power and water users to improve revenue collection.	Number of large power and water users in targeted local municipalities billed accurately to improve revenue collection.	3 Municipalities (Mogale City LM, Emfuleni LM and RWC LM) provided with the capacity to undertake data enrichment of large power and water users.	2 Municipalities (Mogale and Rand West City) were provided with the capacity to undertake data enrichment of large power and water users.	60 Large power and water users in targeted local municipalities billed accurately to improve revenue collection. (Midvaal, Lesedi and Merafong LMs).	180 Large power and water users in targeted local municipalities were billed accurately to improve revenue collection (Midvaal, Lesedi and Merafong LMs).	120 Large power and water users in targeted local municipalities were billed accurately to improve revenue collection	Municipalities identified additional large power and water users during the extraction process.
	Municipalities supported to reduce Unauthorised, Fruitless and Wasteful Expenditure (Linked to MTSF 2019– 2024, Priority 1)	Number of municipalities supported to reduce Unauthorised, Fruitless and Wasteful Expenditure (Linked to MTSF 2019– 2024, Priority 1)	2 Municipalities (CoT and Rand West City LM) provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure through an in-depth assessment of the status quo).	2 Municipalities (CoT and Rand West City) were provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure.	4 Municipalities supported to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure (Mogale, Merafong, Emfuleni and Lesedi).	4 Municipalities supported to reduce Under Wasteful Expenditure. (Emfuleni, Merafong, Mogale and Lesedi LM).	None.	N/A.

Sub-programme: Municipal Finance Support								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
	Municipalities provided with capacity to undertake viability assessments and develop viability plans.	Number of Municipalities provided with capacity to develop viability plans.	New indicator.	3 Municipalities (CoT, CoJ and CoE metropolitan municipalities) were provided with capacity to undertake viability assessments and develop viability plans.	3 Local and 1 district Municipalities (Sedibeng District, Emfuleni, Midvaal and Lesedi LMs) were provided with capacity to develop viability plans.	4 Municipalities (Sedibeng District, Emfuleni, Midvaal and Lesedi LMs) with viability plans developed.	None.	N/A.

Sub-programme: Public Participation								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Improved municipal performance in line with the B2B pillars	Municipalities actively promoting and facilitating community participation.	Number of municipalities supported to promote participation in community-based local governance processes (Priority 1: Capable, Ethical and Developmental State).	2 Municipalities (Emfuleni LM and Mogale City LM) supported to promote participation in community-based local governance processes through the ABCD approach.	9 Municipalities guided to promote participation in community-based local governance processes through the ABCD approach.	9 Municipalities supported to promote participation in community-based local governance processes through the ABCD approach.	9 Municipalities were supported to promote participation in community-based local governance processes through the ABCD approach.	None.	N/A.
	Municipalities capable of recording, reviewing, responding to community concerns, and reporting.	Number of municipalities supported to respond to community concerns (Outcome-9: Sub-Outcome 2 - B2B Pillar 1).	9 Municipalities supported to resolve community concerns.	9 Municipalities supported to resolve community concerns.	9 Municipalities supported to respond to community concerns.	9 Municipalities were supported to respond to community concerns.	None.	N/A.
	Municipalities maintaining functional ward committees to promote the deepening of participatory democracy at local level.	Number of municipalities supported to maintain functional ward committees (Linked to MTSF 2019 – 2024, Priority 1).	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	None.

Sub-programme: Public Participation								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	** Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
	Civic awareness programmes implemented in provincial regions.	Number of targeted groups reached through civic awareness in provincial regions.	66 Civic awareness campaigns were supported during the financial year.	10 Civic awareness programmes implemented in provincial regions.	10 Targeted groups reached through civic awareness programmes in provincial regions.	11 Targeted groups reached through civic awareness in provincial regions.	The Department collaborated with various partners to deliver programmes, thus maximising available resources to deliver more.	N/A.
	Voter education stakeholder engagement sessions implemented in provincial regions to promote voter turnout.	Number of targeted groups reached through voter education and awareness in provincial regions.	47 Voter education stakeholder engagement sessions implemented in provincial regions.	5 Voter education stakeholder engagement sessions implemented in provincial regions.	10 Targeted groups reached through voter education and awareness in provincial regions.	21 Targeted groups reached through voter education and awareness in provincial regions.	There was a high demand for voter education due to the upcoming elections.	N/A.

Sub-programme: Capacity Development								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Improved municipal performance in line with the B2B pillars	Capacity-building interventions supported in municipalities.	Number of capacity-building interventions conducted in municipalities (Linked to MTSF 2019-2024, Priority 1) (B2B Pillar 5).	1 Capacity-building intervention (Accountability and Ethical Conduct) for 154 councillors and officials in 11 municipalities. All moderated POEs submitted to LGSETA for verification in December 2021 and January 2022. Awaiting final moderated results.	4 Capacity-building interventions conducted in municipalities for councillors and officials (MPAC Training NQFL 3, 4 and 5, and Accountability and Ethical Conduct Training).	4 Capacity-building interventions conducted in municipalities and councillors and officials (MPAC Training NQFL 3,4 and 5, and Accountability and Ethical Conduct Training).	4 Capacity-building interventions successfully completed. Statement of Results (SOR) issued for NQF L3 and Accountability and Ethical Conduct Certificates issued for NQF L4 and 5.	None.	N/A.
	Experts placed in municipalities to provide capacity support on legal and labour.	Number of Experts placed in municipalities to provide capacity support.	4 Experts (2 Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert) placed in regional teams to support municipalities to address service delivery challenges.	2 Experts were placed in targeted municipalities to provide capacity support on legal and labour.	2 Experts placed in municipalities to provide capacity support (1 Local Government Labour Expert and 1 Local Government Legal Expert).	2 Experts (1 Local Government Labour Expert and 1 Local Government Legal Expert) placed in municipalities to provide capacity support.	None.	N/A.

Sub-programme: Capacity Development								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
	Municipalities supported to comply with Municipal Staff Regulations (MSR) on the appointment of senior managers, and other critical technical positions (Linked to MTSF 2019- 2024, Priority 1).	Number of municipalities supported to comply with Municipal Staff Regulations (MSR) on the appointment of senior managers (Linked to MTSF 2019- 2024, Priority 1).	11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSR on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSR on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	None.	N/A.
	Municipalities supported to institutionalise performance management system (PMS) (Linked to MTSF 2019- 2024, Priority 1).	Number of municipalities supported to institutionalise the performance management system (PMS) (Linked to MTSF 2019-2024, Priority 1).	11 Municipalities supported to institutionalise performance management system.	11 Municipalities supported to institutionalise performance management system..	11 Municipalities supported to institutionalise performance management system.	11 Municipalities supported to institutionalise performance management system.	None.	N/A.
	Municipalities supported to comply with Municipal Staff Regulations (MSR) Chapter 2 Staff Establishment (Linked to MTSF 2019-2024, Priority 1).	Number of Municipalities supported to comply with Municipal Staff Regulations (MSR) Chapter 2 Staff Establishment (Linked to MTSF 2019-2024, Priority 1).	11 Municipalities supported to comply with Municipal Staff Regulations (MSR) Chapter 2 Staff Establishment.	11 Municipalities supported to comply with Municipal Staff Regulations (MSR) Chapter 2 Staff Establishment.	11 Municipalities supported to comply with Municipal Staff Regulations (MSR) Chapter 2 Staff Establishment.	11 Municipalities supported to comply with Municipal Staff Regulations (MSR) Chapter 2 Staff Establishment.	None.	N/A.

Sub-programme: Municipal Performance Monitoring, Reporting and Evaluation								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Improved municipal performance in line with the B2B pillars	Municipal performance reports against the key performance areas of local government.	Number of reports on performance of municipalities against the key performance areas of local government. .	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly reports measuring the performance of municipalities against key performance areas of local government.	4 Quarterly reports measuring the performance of municipalities against key performance areas of local government developed.	None.	N/A.
	Annual municipal performance reports compiled as per section 47 of the Municipal Systems Act.	Number of Section 47 reports compiled as prescribed by the MSA (Linked to MTSF 2019-2024, Priority 1, B2B Pillar 5).	1 Annual municipal performance report compiled for 2021/22 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2022/23 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2023/24 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2023/24 as per Section 47 of the Municipal Systems Act (MSA) developed.	None.	N/A.
	Increased provision and access to free basic services.	Number of municipalities monitored on the implementation of indigent policies (Sub-outcome 1, B2B Pillar 2).	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	None.

Sub-programme: Municipal Performance Monitoring, Reporting and Evaluation								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
	Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act compliant municipalities.	Number of reports on compliance of municipalities in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act and Municipal Structures Amended Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, MSA and Remuneration of Public Office Bearers Act	4 Compliance reports developed in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Reports on compliance of municipalities in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act and Municipal Structures Amended Act.	4 Reports on compliance of municipalities in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act and Municipal Structures Amended Act.	None.	N/A.
	MPRA compliant municipalities.	Number of municipalities guided to comply with the MPRA (Linked to MTSF 2019-2024, Priority 1, B2B Pillar 4).	9 Municipalities guided to comply with MPRA.	9 Municipalities guided to comply with MPRA.	9 Municipalities guided to comply with MPRA.	9 Municipalities guided to comply with MPRA.	None.	N/A.

Sub-programme: Back 2 Basics and Intergovernmental Relations								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Improved municipal performance in line with the B2B pillars.	Municipalities that are functional in terms of B2B indicators.	Number of reports on the implementation of Back 2 Basics support plans by municipalities.	4 Reports on the implementation of Back 2 Basics support plans by municipalities.	4 Reports on the implementation of the Back 2 Basics programme.	4 Reports on the implementation of the Back 2 Basics programme.	4 Reports on the implementation of the Back 2 Basics programme.	None.	N/A.

Sub-programme: Back 2 Basics and Intergovernmental Relations								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
	Strong and functional political IGR structures in place.	Number of functional IGR structures in accordance with the IGR Framework.	3 Statutory IGR structures functional in accordance with the IGR Framework.	4 Statutory IGR structures functional in accordance with the IGR Framework.	4 IGR structures functional in accordance with the IGR Framework: MEC/ Mayors Forum MEC/ Speakers Forum HOD/MM Forum LG Workstream	4 IGR structures functional in accordance with the IGR Framework: <ul style="list-style-type: none"> ▪ MEC/Mayors Forum ▪ MEC/Speakers Forum ▪ HOD/MM ▪ Forum LG Workstream 	None.	N/A.

Linking performance with budgets

The Local Governance Programme was allocated an adjusted budget of R246 243 000, of which R279 372 000 was spent, representing 98% expenditure of the allocated budget. All twenty-three (23) of the programme's planned targets in the 2023/24 APP were achieved.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final appropriation R'000	Actual expenditure R'000	(Over)/Under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/Under expenditure R'000
Municipal Administration	18 375	15 390	2 985	18 032	15 354	2 678
Municipal Finance	24 964	24 703	261	24 845	23 950	895
Public Participation	210 107	208 145	1 962	194 838	190 443	4 395
Capacity Development	16 270	16 020	250	21 721	20 329	1 392
Municipal Performance Monitoring, Reporting and Evaluation	16 527	15 114	1 413	17 027	15 102	1 925
Total	286 243	279 372	6 871	276 463	265 178	11 285

Strategy to overcome areas of under performance

Not applicable.

4.3. PROGRAMME 3: DEVELOPMENT AND PLANNING

Outcome 2: Spatially Integrated Cities and Transformed Communities in the Gauteng Province

Purpose: The outcome indicator, i.e., *Number of spatially integrated cities and transformed communities in the Gauteng Province*, is critical to achieving this outcome. Spatial integration is important in a transforming country such as South Africa. Cities and communities need to be integrated and sustainable and this is also aligned to the localisation of the Sustainable Development Goals, the New Urban Agenda, and the Integrated Urban Development Framework across the Gauteng City Region. There is a need to drive Integrated Development Planning (IDP) processes in line with the Gauteng Spatial Development Framework hence this outcome indicator is of relevance.

The assumption is that once there is integrated development planning this would assist to exercise oversight and provide support on the provision of affordable and reliable basic services. This would also allow for the promotion of integrated, inclusive and sustainable local economic development through strategic partnerships hence the need for the outcome indicator i.e. implementation of the LED framework. In order for there to be the existence of sustainable cities and communities, there must be a drive to focus on Disaster Management and combating the impact of climate change across the Gauteng Province.

Sub-programmes

- Land Use Management
- IDP Coordination
- Disaster Management
- Municipal Infrastructure

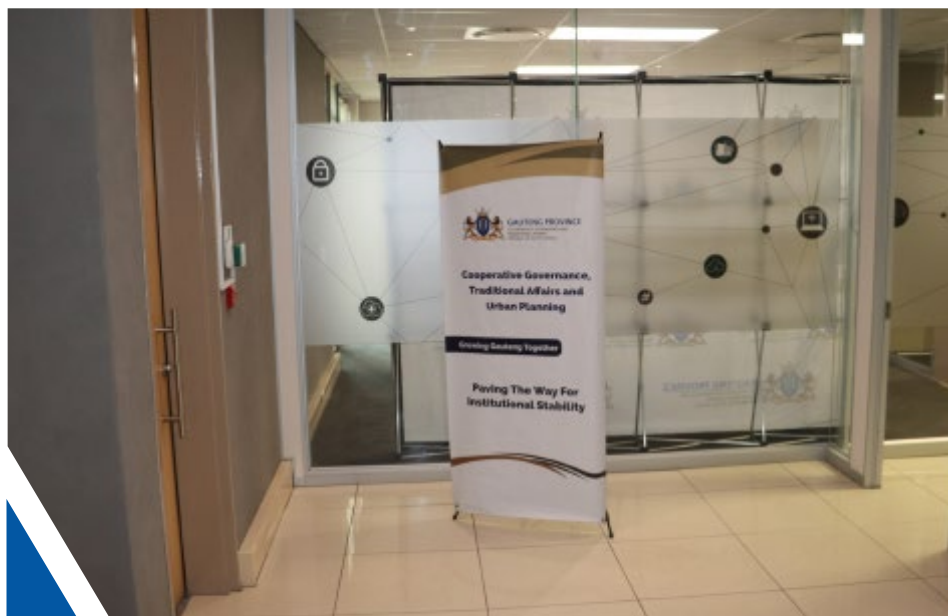


Table 5: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: Land Use Management									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Spatially integrated cities and transformed communities in the Gauteng Province.	GCR) Planning House constructed towards a centre for urban planning and innovation, to strengthen planning across the 3 spheres.	Number of GCR PPlanning House Business Case completed.	New indicator.	Location feasibility study completed on 16 February 2023.	1 GCR Planning House Business Case completed.	Inception report for the GCR Planning House Business Case developed.	0 GCR Planning House business case completed.	The project had to be re-advertised several times due to non-responsive service providers.	The project has to be put on hold due to cost containment measures as the project was still in the procurement phase in the 3rd quarter.

Sub-programme: Disaster Management									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	* Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Spatially integrated cities and transformed communities in The Gauteng Province.	Municipalities accessing disaster early warning systems in place, through the establishment of the Gauteng City-Region Disaster Management System.	Percentage of municipalities accessing disaster early warning systems.	New indicator.	New indicator.	50% of Municipalities accessing disaster early warning systems (3 municipalities).	0% of municipalities accessing disaster early warning systems (3 municipalities).	None.	N/A.	The project has to be p on hold due to cost containment measures, and the project was still in the procurement phase in the 3rd quarter.
	9 Municipalities supported with technical skills capacity through MISA/ CoGTA multidisciplinary team of experts in engineering and town planning.	Number of municipalities supported with technical skills capacity through MISA/ CoGTA multidisciplinary team of experts in engineering and town planning.	0 Municipalities supported with technical skills capacity through multidisciplinary teams (engineering and town planning).	6 Local municipalities supported with technical skills capacity through multidisciplinary teams (engineering and town planning).	6 Municipalities supported with technical skills capacity through multidisciplinary teams (Engineering and town planning).	6 Municipalities were supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	None.	N/A.	The indicator was reviewed in order to make it SMART.

Sub-programme: Municipal Infrastructure									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	*Actual achievement 2023/2024 until date of re-tabling	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	Reasons for revisions to the outputs / output indicators / annual targets
Spatially integrated cities and transformed communities Gauteng Province.	The number of cost of supply studies on electricity tariff adjustments completed.	Number of municipalities supported to develop implementation plans for the approved NERSA tariffs.	New indicator.	New indicator.	9 Municipalities supported to develop implementation plans for the approved NERSA tariffs.	The targeted municipalities were not supported.	0 Municipalities were supported to develop implementation plans for the approved NERSA tariffs.	The municipalities supported in the previous financial year did not require additional support as anticipated.	The planned support was no longer required by municipalities.

Table 2.4.4.2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: Land Use Management									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviation	
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	Gauteng Spatial Development Framework implemented to strengthen planning across the 3 spheres.	Number of Gauteng Spatial Development Frameworks implemented to strengthen planning across the 3 spheres.	2nd Draft Gauteng Spatial Development Framework reviewed.	Draft Reviewed Gauteng Spatial Development Framework Implementation Report.	1 Gauteng Spatial Development Framework implemented.	Reviewed Gauteng Spatial Development Framework 2030 Implementation Report finalised reflecting level of responsiveness of GPG Sector Departments and Entities Draft Annual Performance Plans (2024/2025) to Spatial Governance Directives of Reviewed GSDF Implementation Framework.	None.	N/A.	

Sub-programme: IDP Coordination								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	** Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	Municipalities with legally compliant IDPs.	Number of municipalities with legally compliant IDPs.	11 Municipalities with legally compliant and responsive IDPs.	11 Municipalities with legally compliant and responsive IDPs.	11 Municipalities with legally compliant IDPs.	11 Municipalities with legally compliant IDPs.	None.	N/A.
	Districts/Metros monitored on the implementation of One Plans.	Number of Districts/ Metros monitored on the implementation of One Plans (MTSF 2019- – 2024, Priority 5: Spatial integration, human settlements and local government).	5 Districts/ Metros supported to develop One Plans.	5 District municipalities were monitored on the implementation of One Plans.	5 Districts/Metros monitored on the implementation of One Plans.	5 Districts/ Metros were monitored on the implementation of One Plans.	None.	N/A.
	Sedibeng DDM hub functional.	Number of DDM hubs functional.	New Indicator.	New indicator.	1 Sedibeng DDM hub established.	1 Sedibeng DDM hub functional.	None.	N/A.
	Sufficient work opportunities are created for vulnerable people.	Number of work opportunities reported through the Community Work Programme (CWP) (MTSF 2019-2024, Priority 2).	21,000 Work opportunities created and reported through the CWP.	25,699 Work opportunities reported through the CWP.	21,000 Work opportunities reported through the Community Work Programme.	24,881 Participants worked in the programme.	3,881 additional work opportunities were created.	The target was overachieved due to high interest from communities to be involved in the programme.

Sub-programme: Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	Disaster management plans completed.	Number of disaster management plans completed.	Level 2 disaster management plans not completed.	1 Master System Plan completed. Feedback received from CoGTA IT, all deliverables confirmed. Currently finalising the Close Out Report.	1 Level 3 disaster management plan completed.	Project is deferred to 2024/2025.	1 Level 3 disaster management plan not completed.	Recommended service provider did not meet the criteria as per supply chain management.
	Municipal Disaster Management centers supported to remain functional.	Number of municipalities supported to maintain functional Disaster Management Centres.	5 Municipal Disaster Management centres supported to remain functional.	5 Municipal Disaster Management centres supported to remain functional.	5 Municipalities supported to maintain functional Disaster Management Centres.	5 Municipalities supported to maintain functional Disaster Management Centres.	None.	N/A.
	Municipalities supported on Fire Brigade Services.	Number of municipalities supported on Fire Brigade Services.			4 Municipalities supported on Fire Brigade Services.	4 Municipalities (Lesedi, Westrand, Emfuleni and Midvaal) supported on fire and rescue services.	None.	N/A.

Sub-programme: Municipal Infrastructure								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	** Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	Municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5).	Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5).	9 Municipalities supported to implement infrastructure service delivery programmes (MIG and other grants).	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	None.	N/A.
	Districts supported to improve spending on National Grants	Number of Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	None.	N/A.
	Municipalities supported with Technical Skills capacity through MISA/COGTA Multidisciplinary team of experts in engineering and town planning.	Number of Municipalities supported with technical skills capacity through multidisciplinary teams to address urgent issues which will impact on municipal service delivery.	0 Municipalities supported with technical skills capacity through multidisciplinary teams (engineering and town planning).	6 Local municipalities supported with technical skills capacity through multidisciplinary teams (engineering and town planning).	6 Municipalities supported with technical skills capacity through multidisciplinary teams, to address urgent issues which will impact on municipal service delivery.	6 Municipalities supported with technical skills capacity through multidisciplinary teams, to address urgent issues which will impact on municipal service delivery.	None.	N/A.

Sub-programme: Municipal Infrastructure								
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations
	Municipalities monitored on the implementation of adaptive measures to climate change in water supply infrastructure and use.	Number of municipalities monitored on implementation of adaptive measures to climate change in water supply infrastructure and use.	9 Municipalities monitored on adaptive responses to climate change impacts on water supply – WRDM projects identified and underway.	9 Municipalities monitored on the adaptive responses to the climate change impacts on water supply services and use.	9 Municipalities monitored on the adaptive responses to the climate change impacts on water supply services and use (ocusing on wWater conservation and demand management).	9 Municipalities monitored on the adaptive responses to the climate change impacts on water supply services and use.	None.	N/A.
	Municipalities supported to implement the on-water security interventions.	Number of municipalities supported to implement on the water security interventions.	9 Municipalities monitored on water security interventions.	9 Municipalities supported to implement on the water security interventions.	9 Municipalities supported to implement on the water security interventions.	9 Municipalities supported to implement on the water security interventions.	None.	N/A.
	Municipalities supported to implement online metering system for Large Power Users and commercial customers Meters.	Number of municipalities supported to implement online metering system for Large Power Users and commercial customers Meters.	Prototype of an online information system developed.	Emfuleni local municipality supported to implement online metering system for large power users and commercial customers meters.	1 Municipality supported to implement online metering system for Large Power Users and commercial customers Meters (Emfuleni).	2 Municipalities supported to implement online metering system for Large Power Users and commercial customers Meters (Emfuleni and Merafong).	The tender for Merafong was non-responsive for 2 successive years and was only awarded during the 2023/24 financial year.	N/A.

Linking performance with budgets

The Development Planning Programme was allocated a total adjusted budget of R592 473 000, of which an amount of R591 647 000 was spent, resulting in 100% expenditure of the allocated budget. Within the Development and Planning programme, fourteen (14) targets were planned in the 2023/24 APP. Of these, 93% (13) of the planned targets were achieved, while 7% (1) was not achieved.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Land Use Management	13 022	13 015	7	9 718	9 717	1
IDP Coordination	27 739	27 495	244	19 718	19 656	124
Disaster Management	68 805	68 243	562	83 454	83 418	36
Municipal Infrastructure	482 907	482 894	13	35 974	35 971	3
Total	592 473	591 647	826	148 926	148 762	164

Strategy to overcome areas of underperformance

- The project to develop one level 3 disaster management plan was deferred to the 2024/25 financial year, with the process of appointing a service provider to be fast-tracked.
- The project to support municipalities with NERSA tariffs was removed from the APP during the adjustment budget, as it was determined that the planned support was no longer required by municipalities.

4.4. PROGRAMME 4: GOVERNANCE

Outcome 4: Strengthened institution of Traditional Leadership

Purpose: This strategic initiative aims to foster trust and prosperity throughout Gauteng by supporting the Institution of Traditional Leadership in implementing policies, norms, standards, systems and regulatory frameworks. Preserving cultural heritage and promoting social cohesion across the province are paramount. This will be achieved through dedicated support to these institutions, with the expectation that it will enhance integrated cities and sustainable livelihoods.

Table 2.4.4.1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: Traditional Institution Administration									
Outcome	Output	Output indicator	Audited actual performance 2021/2022	Audited actual performance 2022/2023	Planned annual target 2023/2024	**Actual achievement 2023/2024	Deviation from planned target to actual achievement 2023/2024	Reasons for deviations	
Strengthened institution of Traditional Leadership	2 Traditional Councils supported to perform their functions.	Number of Traditional Councils supported to perform their functions.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts.	None.	N/A.	
	100% of Succession claims/disputes processed.	Percentage of traditional leadership succession claims/disputes received and processed.	100% of succession claims/disputes processed.	100% of succession claims/ disputes processed.	100% of succession claims/disputes processed.	100% of succession claims/disputes processed.	None.	N/A.	
	Strengthened collaboration and operation between local government governance system and traditional authorities.	Number of training programmes held to strengthen collaboration between local government and the traditional councils.	New indicator.	New indicator.	2 Training programmes held to strengthen collaboration between local government and the traditional councils.	2 Training programmes were held to strengthen collaboration between local government and the traditional councils.	None.	N/A.	

Linking performance with budgets

The Traditional Institutional Development received the lowest allocation during the period under review. The programme was allocated an adjusted budget of R24 704 000, of which R22 967 000 was spent, accounting for 93% of the allocated budget. Within the Traditional Institutional Management programme, three (3) targets were planned and achieved in the 2023/24 APP.

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Traditional Institution Admin	14 887	14 162	725	11 820	10 155	1 665
Traditional Resource Admin	7 857	7 289	568	6 779	5 007	1 772
Rural Development Facilitation	491	490	1	0	0	0
Traditional Land Admin	1 469	1 026	443	1 749	1 001	748
Total	24 704	22 967	1 737	20 348	16 163	4 185

Strategy to overcome areas of underperformance

Not applicable.

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC MUNICIPALITIES

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024

Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with S 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Merafong City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	450	421	-
Lesedi Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	900	433	-
Mogale City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	419	346	-
West Rand District Municipality	Municipality	Functional Fire and Rescue Services	Yes	3 000	0	-
Midvaal Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	2 200	0	-
Emfuleni Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	4 200	0	-
Lesedi Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	2 200	0	-
Rand West Local Municipality	Municipality	Support relating to transformation process	Yes	15 000	0	-
Merafong City Local Municipality	Municipality	Improvement of disaster management services	Yes	5 000	0	-

6. CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The table below details the conditional grant and earmarked funds paid by the Department.

Conditional Grant

Department/ municipality to whom the grant has been transferred	Three municipalities (Lesedi, Mogale City and Merafong Local Municipalities)
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation opportunities in the communities
Actual outputs achieved	Jobs opportunities created
Amount per amended DORA	R1 769
Amount transferred (R'000)	R1 769
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 200
Reasons for the funds unspent by the entity	Municipalities still have the fourth quarter of their financial year remaining to fully expend the allocated funds. The municipal financial fourth quarter concludes on 30 June 2024
Monitoring mechanism by the transferring department	N/A

6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table below details the conditional grant and ear marked funds received during for the period 1 April 2023 to 31 March 2024.

Conditional Grant EPWP

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation alleviation programme
Actual outputs achieved	Yes
Amount per amended DORA	R1 769
Amount received (R'000)	R1 769
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R1 769
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

7. DONOR FUNDS

7.1. DONOR FUNDS RECEIVED

The Department did not receive any donor funds during the year under review.

8. CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE, AND ASSET MANAGEMENT PLAN

The Department does not have a capital investment, maintenance, and asset management plan.

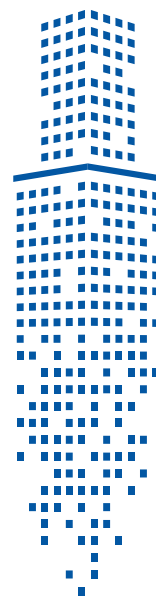






PART C

GOVERNANCE



1. INTRODUCTION

The Department is committed to upholding the highest standards of governance in managing public finances and resources. We recognise that users seek assurance that we have robust governance structures in place to ensure the effective, efficient and economic utilisation of state resources, funded by taxpayers.

2. RISK MANAGEMENT

The Department has an approved Risk Management Policy, Strategy and Implementation Plan in place to guide the implementation, management and monitoring of risks action plans at all levels.

Strategic and operational risk assessments are conducted at least annually to comprehensively identify risks that could potentially impede the achievement of objectives. Risk Reports or Registers for each category mentioned are established and regularly monitored for progress. New and emerging risks are identified by the Risk Owners during the implementation plan monitoring by the Risk Management unit. Progress in managing all risks is reported quarterly to the Risk Management Committee (RMC), which is chaired by an Independent Chairperson.

Throughout the 2023/24 financial year, the Risk Management Committee operated effectively, providing advice to the Executive Management Team as required on the management of existing risks, identification and assessment of emerging risks, and progress on implementation of action plans to mitigate risks to acceptable levels.

The Provincial Audit Committee operated at full capacity, providing advisory support to the Department on the effectiveness of the risk management system, including the management and monitoring of risks. Significant progress was made in mitigating and reducing risks, resulting in improvements in departmental performance.

As part of the Departmental Strategic Risk Assessment, the following risks were identified for the 2023/24 financial year:

- Appointment of illegitimate traditional leaders;
- Illegal / unregistered initiation schools;
- Inadequate records management;
- Unethical culture in municipalities;
- Weaknesses in interfacing within statutory and non-statutory IGR structures;
- Inadequate support for local economic development (LED) in municipalities;
- Instability of the administrative and political operations in hung municipalities;

- Non-participation in government initiatives by communities;
- Non-responsiveness of sector departments to community issues on IDPs;
- Implementation of unplanned projects (out of) Gauteng Spatial Development Framework (GSDF) focal areas;
- Misalignment between departmental structure and strategy;
- Inadequate capability to coordinate responses to disasters in provinces; and
- Inability to fully support municipalities in responding to fire incidents timeously.

3. FRAUD AND CORRUPTION

With a strong emphasis on preventative measures, the Department conducted a fraud risk assessment and developed a Fraud Prevention Plan (FPP), which was approved and implemented throughout the year. Ethics, Fraud Prevention and Anti-Corruption Awareness Campaigns were conducted to educate staff on departmental values and reinforce a zero-tolerance approach towards fraud and corruption.

Officials and the public were encouraged to report cases of fraud and corruption via the National Anti-Corruption Hotline, with additional reporting options available through the Premier's Hotline. Staff were also urged to make disclosures internally through mechanisms such as the Office of the Chief Risk Officer, legal services, and security management. Allegations of fraud and corruption were referred to the Gauteng Premier's Office for investigation, and appropriate actions were taken, based on the recommendations of these reports.

The Fraud and Corruption function is currently managed by the Office of the Chief Risk Officer with one (1) Ethics Officer appointed to execute the responsibilities outlined in the ethics plan for the reporting period. The capacity of the unit will be enhanced upon adoption of the proposed structure by the Department of Public Service and Administration (DPSA).



4. MINIMISING CONFLICT OF INTEREST

A conflict of interest occurs when a financial or other private interest or undertaking could potentially compromise the performance of a public servant's duties or the reputation of their department in its interactions with stakeholders.

Senior Management, Middle Management, Assistant Directors, Finance and Supply Chain Management officials are mandated to disclose their financial interests annually. All officials complied with this requirement during the year under review. Additionally, Gauteng Audit Services conducts bi-annual reviews through data analysis to identify any areas of direct or potential conflict of interest. Recommendations from the internal audit reports are promptly implemented. Awareness campaigns on remuneration work outside public services were conducted to mitigate any direct or potential conflict of interest.

5. CODE OF CONDUCT

The Department has an Ethics Committee which is chaired by a member of the Executive Management Team. There is an awareness plan on ethics which was implemented throughout the year with specific focus on the following:

- Gifts and donation
- Remunerative work outside public service
- Financial disclosures
- Performance of duties: Punctuality in the execution of duties and execution of duties in a professional and competent manner
- Personal Conduct: Acting responsibly as far as the use of alcoholic beverages or any other substance with an intoxicating effect is concerned

The Department had two cases of misconduct which were investigated and finalised during the year under review. The nature of the cases were: gross insubordination and theft / violation of Asset Management Policy.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES



CHALLENGES

The Department faces issues related to non-compliance with certain occupational health and safety (OHS) building standards, including accessibility issues for persons with disabilities (PWDs). These issues include the absence of occupancy certificates, maintenance plans, structural engineering reports and other OHS-related compliance documentation for buildings at 30 Simmonds & 11 Diagonal Street. There are inadequate public safety measures to ensure their safety while conducting field work in public environments or communities for Community Development Workers (CDWs).



EFFECTS

Non-complaint buildings pose significant risks to the health and safety of staff, including the potential for occupational illnesses, injuries, property damage, and fatalities;

Inability to fully implement OHS programmes;

Financial implications arising from emergency response costs, medical expenses and litigation costs;

Time loss due to accident/incident investigation; and

Increased absenteeism, presenteeism and reduced staff morale, thereby impacting performance and productivity.



Management is aware of these issues and is actively pursuing suitable office accommodation for staff.

7. PORTFOLIO COMMITTEES

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
N/A	Request for the response on the Portfolio Committee on COGTA, e-Gov, Research and Development Focussed Intervention Studies report on the examining the implementation infrastructure development programmes on water supply and Electricity on the case of two District Municipalities (Sedibeng and West Rand DM) and Gauteng Metros.	<p>The Department was requested to provide responses on the following matters:</p> <ul style="list-style-type: none"> Gauteng municipalities should allocate sufficient budget for the maintenance of water infrastructure. Gauteng municipalities should implement water conservation/water demand management strategies to address revenue losses. Municipalities should put measures in place to resolve municipal debt in order to keep up with Eskom payments. District municipalities (including smaller ones) should improve in terms of MIG expenditure to ensure that new and existing municipal infrastructure is realised. Municipalities should address capacity challenges in areas of finance, engineering, and supply chain management to witness full implementation of basic and municipal infrastructure. The Department should provide the Portfolio Committee with reasons the City of Tshwane terminated the construction that was at Rooiwal WWTW which could have improved water and sanitation. The Department should provide the Portfolio Committee with a report on the progress of construction made by the City of Tshwane in the Themba WWTW. The Department should provide the Portfolio Committee with a report on the progress of of construction made in Ekangala WWTW. 	<p>The Department responded as follows:</p> <ul style="list-style-type: none"> Given the competing challenges in municipalities and the dwindling revenue streams as a result of the economic situation, municipalities struggle with allocating adequate funding for maintenance across all the infrastructure categories including water infrastructure. Municipalities have maintenance plans, for repairs and refurbish existing water infrastructure. There is also maintenance being done currently despite it not being adequate. Province is encouraging municipalities to ring fence revenue generated from water sales so it can be channeled towards O&M and meet National Treasury requirements of at least 8% but this is can't be achieved because of competing priorities. Gauteng CoGTA through multidisciplinary team of experts is assisting local municipalities with implementation of water demand management strategies. There are comprehensive plans in municipalities to address Water Conservation and Demand management, but these require capital outlay that Municipalities don't have. CoGTA has supported the compilation of technical business plans for applications for funding mainly from DWS and the DBSA is also working with Municipalities to structure funding models suitable for them to implement the programmes. Key to the success of the interventions is the need for Municipal Councils to make deliberate resolutions to ring-fence funds for these initiatives as they have the capability to self-fund once implemented and sustained. 	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<ul style="list-style-type: none"> ▪ Local municipalities (Rand West City, Mogale City, Merafong City, Emfuleni, Lesedi) and City of Tshwane have applied for National Treasury's Eskom debt relief that will include measures in place to keep up with Eskom payments. The following are current initiatives being implemented by the Department to ensure improved revenue and debtor management and reduced municipal consumer debt. ▪ The solution to improved MIG expenditure has been shared with Municipalities across the Province through the CAPEX WAR ROOM and Technical support has been provided through MISA and the Department through deployment of Interns and Experts in Engineering and Town & Regional Planning individuals. Municipalities need to improve their internal process to fast track project planning, procurement and lastly construction of projects. ▪ Municipalities are struggling to fill posts in the built environment let alone retain the skills they have. Whilst this is the case, MISA and CoGTA are providing support as mentioned in the response above. The Department's approach to address challenges is through a multi-disciplinary hands-on support to municipalities, we are ensuring that the systems, processes and procedures are strengthened in the finance area. In addition, the department continues to support good financial management practices by monitoring and supporting municipalities to establish and maintain its Internal Control systems through Operation Clean Audit. ▪ The Report on Rooiwaal WWTW is attached detailing matters around the termination of the construction. Refer to slides 6,7 and 8 of the attached "Annexure 1". 	
			<ul style="list-style-type: none"> ▪ The scope of works for Temba Wastewater Treatment Works entails the replacement and completion of the civil, mechanical and electrical components of the 20 MI/d extension. 	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<ul style="list-style-type: none"> The Ekangala WWTP was completed and commissioned in 2015 and has suffered vandalism and theft. The scope of work entails the replacement and refurbishment of all vandalised electrical and mechanical components and upgrading of the security systems. The scope will also include decommissioning and rehabilitation of Ekangala South ponds, Ekangala North ponds and Rethabiseng inlet works. 	
N/A	Request for the response on the Portfolio Committee on the Petitions Standing Committee 1 st Quarter Performance report for the 2023/24 financial year.	<p>The Department was requested to provide responses on the following matters:</p> <ul style="list-style-type: none"> Timeframes of when the Standard Operating Procedures on Complaints and Petitions Management will be adopted and implemented. Confirm that all municipalities will be signatories to this SOPs. Indicate how the Department will ensure that reports to petitions destined to this Committee, are collated and coordinated by COGTA instead of the current ad-hoc. 	<p>The Department responded as follows:</p> <ul style="list-style-type: none"> The draft Standard Operating Procedure (SOP) has been developed for technical consultation for inputs and comments. Upon consultation, the draft SOP will be presented to the MEC and TROIKA (Mayors, Speakers and Chief Whips) intergovernmental relations next IGR forum. Once SOP has been approved, all municipalities will be signatories. Upon the adoption of the SOP by the MEC and TROIKA forum, the Department will share the prescribed steps to be followed on the collation and coordination of the petitions. 	Yes
N/A	Request for the response on the Portfolio Committee on the Second Quarterly Report of the Gauteng Department of COGTA for 2023/24 FY	<p>The Department was requested to provide responses on the following matters:</p> <ul style="list-style-type: none"> The delays that were attributed to system downtime within SITA, the Department should put alternative mechanisms in place to ensure that the process of making payments of invoices within the stipulated period are in place. 	<p>The Department responded as follows:</p> <ul style="list-style-type: none"> The Gauteng Provincial Treasury and SITA have decided to implement payment runs daily, in order to mitigate the payment delays caused by downtime system. The implementation of daily runs will alleviate challenges in payments to service providers, unless there are disputes that could be resolved amicably. The Project Manager with local government experience was appointed in Q2 (August 2023). The implementation plan covering nine (9) Pillars has been shared with municipalities. The nine (9) pillars are covering both the powers & functions and the establishment of a single tier system of local government. Work is underway and on track to achieve the desired deliverables as part of the project plan. 	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<ul style="list-style-type: none"> ▪ The Department should ensure that a suitable service provider is appointed timeously to implement the two (2) powers and functions of the single-tier system of government pillars in line with the approved plans is attained in the third quarter of the current financial year. The Portfolio Committee will monitor the progress that will be made in the third quarter in terms of project implementation. <p>The Portfolio Committee should make an undertaking to summon the Department and the City of Tshwane in terms of Rule 148 (8) and (13) to explain the challenges that are preventing the CoT to appoint supported and maintained functional ward committees. The absence of Ward Committee is a demonstration that the Communities of CoT are not represented in Council Meetings.</p>	<ul style="list-style-type: none"> ▪ The Ward Committee By - Law was promulgated on 16 December 2022. The process plan of the Office of the Speaker was approved during the Ordinary Council meeting of 29 June 2023. <p>Progress to date</p> <ul style="list-style-type: none"> ▪ The creation of an Independent Electoral Commission (IEC) was approved in December 2023. ▪ The First Phase: Civic awareness: Digital education commenced on 28 August 2023. The Awareness Community Sessions were conducted between 21 October and 15 November 2023. As a means of communicating the programme, contact sessions and online / media streams were utilised. ▪ The main objective of the campaign was to inform and engage the community on the establishment and functions of Ward Committees, as well as how the processes of nomination and election would unfold. ▪ Phases 2, 3, and 4 included nominations, elections, results, and induction of the committees. ▪ The nomination and establishment are expected to take place in the first quarter of 2024, to which the City of Tshwane has been in consultation with the department on the date. ▪ The Department has sort legal advice on its role, including that of the MEC on whether the municipality does not comply with the regulations. Certain prescripts of the law are silent and do not provide further clarity on the role of the MEC nor the Department on the matter, hence a legal guidance was sought on the matter, in order to fast track the establishment of the committees in the municipality. 	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
N/A	Request for the response on the Portfolio Committee on the Standing Committee on Public Accounts Oversight report on the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the financial statements of Gauteng Department of Co-Operative Government and Traditional Affairs (Vote 7) for the year ended 31 March 2023.	<p>The Department was requested to provide responses on the following matters:</p> <ul style="list-style-type: none"> That the department must investigate the possibility of revising its performance targets to move away from supporting evidence that does not necessarily translate into improving lives of citizens or audit outcomes in municipalities and that in terms of Rule 179 (4), provide SCOPA and the CoGTA Portfolio Committee with a report by 30 April 2024. That the department must provide the Committee with a report detailing the progress made in the implementation of its audit action plan by 30 April 2024. <p>That the department must develop and implement a plan to maintain clean audit outcomes in the financial and performance management, as well as the status of compliance, thereby ensuring good governance and administration of public funds and provide the Committee with a report by 30 April 2024.</p>	<p>The Department responded as follows:</p> <ul style="list-style-type: none"> The mandate of the department is to monitor and support municipalities and the indicators is directly linked thereto. The department will relook its current indicators and the formulation thereof so that citizen centric and service delivery indicators are reflected, and the reports of the departments responds to the needs of the citizen. The action plan was drafted for the audit findings raised by Auditor General for the financial year 2022/23. In total, the Department received 14 Audit findings from the Auditor General and seven (7) of the findings are already resolved. (The attached action plan provides details thereof). <p>The Department assesses the adequacy of key controls focusing on Financial and Non-financial information, Human Resources and ICT. The assessments assist with the preparation of Audits on a quarterly basis. In addition, we track Audit action plans, both internally and externally, to strengthen controls in areas the auditors found that there are control deficiencies. Both the reports; Key Controls Dashboard and Audit Action plans including the progress reports since the regularity audit are submitted and discussed at the Audit Committee on a quarterly basis.</p>	Yes
N/A	That the department should provide a report explaining how it intends resolving the issue of office space, which impacts on its compensation of employee's expenditure due to vacant posts.	<p>The Department was requested to provide responses on the following matters:</p> <ul style="list-style-type: none"> The committee requested the Department of Co-Operative Governance and Traditional Affairs (CoGTA) to provide a report on the enquiry raised by the Finance Portfolio Committee on how the Department intends on resolving the issue of office space, which impacts on its compensation of employees' expenditure due to vacant posts. 	<p>The Department responded as follows:</p> <ul style="list-style-type: none"> The Department of Co-Operative Governance and Traditional Affairs has been confronted with office accommodation challenges since 2018, when the Bank of Lisbon building was engulfed with fire. The procurement of office accommodation in Gauteng Province is vested in the Department of Infrastructure Development (DID) and as a result, the Department of Co-Operative Governance and Traditional Affairs sources office space through the Department of Infrastructure Development. 	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>The Department of Infrastructure Development is the custodian of the Gauteng Infrastructure Asset Management Act [GIAMA] and is the only department who has the jurisdiction to enter into property leases on behalf of any department in the Gauteng Provincial Government.</p> <p>A tender for the procurement of CoGTA office accommodation was advertised by the Department of Infrastructure Development mid-year 2023. During the evaluation process it was signalled that all bidders were not qualifying. As a result, the Bid Adjudication Committee (BAC) resolved to cancel the tender and source office space through the landlord's panel of approved service providers. This decision was made at the BAC committee meeting in December 2023.</p> <p>CoGTA positively awaits the possibility that this refined procurement model process, will be finalised and fast tracked by at least the end of the current financial year.</p> <p>CoGTA is currently working on temporary sites which are: 30 Simmonds Street, 124 Main Street building, Provincial Disaster Management Centre (PDMC) building in Midrand and 11 Diagonal Street. The rest of the staff which comprise of field workers, work remotely and on schedule.</p> <p>These sites are used to ensure business continuity especially for critical internal support units such finance, human capital and key personnel attending to service delivery matters.</p> <p>To this end, CoGTA has been able to ensure continued delivery on its core mandate and that clients are not negatively affected.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
N/A	Request for the response on the portfolio committee on the Gauteng Department of Co-operative governance and Traditional Affairs Third quarterly report of the Gauteng Department of COGTA for 2023/24 Y	<p>The Department was requested to provide responses on the following matters:</p> <ul style="list-style-type: none"> ▪ Through its constitutional mandate and governance systems, the Department should work with Ekurhuleni municipality to improve their state of finances. ▪ The Department should ensure that the expenditure on Programme 2, which is the core function of the Department is spend adequately to ensure that all planned targets are implemented timeously, and that service delivery is not compromised. ▪ The Portfolio Committee will monitor the progress that will be The Department should provide the Portfolio Committee with a report stating the actual amounts spent in Rand West City and Merafong Local Municipalities that has led to the 240% spending on emergency transfer, and for transformation process and improvement of disaster management services. 	<p>The Department responded as follows:</p> <p>The Implementation of the Government Debt Reduction Strategy.</p> <ul style="list-style-type: none"> ▪ Gauteng CoGTA in conjunction with the Gauteng Treasury (GPT) has established a Debt Management Committee (DMC), to facilitate a process of resolving Government Debts as an Inter-Governmental Relations intervention between the Organs of State. The DMC is responsible for implementing the Government Debt Strategy. The implementation of the Government Debt strategy is implemented through the Quarterly DMC engagements and weekly working session. <p>Municipal Viability Assessment and Strategy Development.</p> <ul style="list-style-type: none"> ▪ The Department has procured services from skilled professionals to assist Gauteng Municipalities to conduct Municipal Viability assessments and develop a strategy to ensure that going forward Municipalities become both sustainable and viable. ▪ A considerable amount of expenditure in Programme 2 related to activities that were planned towards the end of quarter three (Q3) into Quarter 4, activities such as stakeholder engagements and voter education programmes. Regular planned management meetings between branches and management are held to discuss and provide feedback on service delivery issues and expenditure as well challenges and the need for reprioritization. 	Yes
			<ul style="list-style-type: none"> ▪ The Department of CoGTA transferred R 15 000 000.00 (Fifteen Million Rand) to Rand West City Local Municipality for high-level post-merger support. An onsite Disaster Management Centre has been established in Merafong, Carletonville with a dedicated toll-free hotline number to report all sinkhole related incidents and any other service delivery matters. In addition, three interns from the community were appointed to assist with the daily administration duties at the centre, including stakeholder liaison. 	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<ul style="list-style-type: none"> - There is also ongoing Public Awareness & Communications; - Health & Psychosocial Support Services - Management of Crime in the area - Waste Management and Agriculture - Repair of damaged public infrastructure - Revitalize local economy & restore public recreational facilities ▪ Enterprise and Supplier Development workshop conducted and SMME forum has been established to support small businesses in the area. Kokosi library completed, handed over to municipality for the official opening. ▪ Relocation / Resettlement The housing project in Khutsong South Ex 5&6 (building of 753 units) is underway. To date, 2 house are complete and 40 houses are partially complete. Priority will be given to the houses located in the red zone (Sompane & Phabang). 	

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
None				

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department received a clean audit opinion.

	Financial year in which it first arose	Progress made in clearing / resolving the matter
None		

10. INTERNAL CONTROL UNIT

During the current reporting period, the Governance unit was involved in the following activities:

- Monitoring the implementation of controls in resolving the internal and external audit findings;
- Assessing the drivers of key controls and monitoring progress in the implementation of controls; and
- Assisting the Department in the development of Standard Operating Procedures

Combined Assurance

- The Accounting Officer is obliged, in terms of the PFMA, to ensure that the Department has a system of internal audit under the control and direction of the Audit Committee. In the case of the Gauteng Provincial Government, the Internal Audit Function is shared amongst entities and departments in the Province and is accountable to the Audit Committee.

The Internal Audit team managed to execute and substantially complete the original approved risk-based audit plan within the allocated budget hours and timeframes.

A Quality Assurance Review (external assessment) was performed by an external independent reviewer during the year and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing.

The following internal audit work was completed during the year under review:

- Intergovernmental Relations
- Support – Stability in Municipalities
- Follow up on Incident and Disaster Management
- Supply Chain Management

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Provide a brief description of the following:

- Key activities and objectives of the internal audit
- Specify summary of audit work done
- Key activities and objectives of the audit committee
- Attendance of audit committee meetings by audit committee members (Tabular form)

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum in line with the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter),

Five (5) meetings were held during the current financial year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa (AGSA) Audit and Management Reports.

Non-Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Name of Member	Number of Meetings attended
Mr. Mandla Ncube (Chairperson)	05
Ms. Pumla Mzizi	02
Ms. Yongama Pamla	05

** Stand-in Audit Committee Members from another cluster*

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings attended
Dr. Darion Barclay (Accounting Officer)	05
Mr. Japhter Makhafola (Chief Financial Officer)	01 (until August 2023)
Ms. Gololo Mampe (Chief Financial Officer)	04 (from November 2023)
Ms. Mamafolo Namanyane (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	04

The Audit Committee noted that the Acting/ Accounting Officer attended all for five (05) scheduled Audit Committee meetings. Therefore, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

The Members of the Audit Committee met with the Senior Management of the Department and Internal Audit, collectively to address risks and challenges facing the Department. A number of in-committee meetings were held to address internal control weaknesses and deviations within the Department.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA

and Treasury Regulation 3.1.13. The Audit Committee also reports that it has revised and adopted appropriate formal terms of reference as its Audit Committee Charter (Charter), has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

Based on the results of the audits performed by the Internal Audit and the follow up reviews conducted, the overall opinion on the internal control design was Adequate but Ineffective to ensure that the Department objectives will be achieved.

The Audit Committee is of the view that, the Department should focus on improving the effectiveness of controls in the following areas:

- Supply Chain Management
- Support – Stability in Municipalities
- Incident and Disaster Management
- Intergovernmental Relations
- Management of Traditional Leaders
- IT asset management review
- Audit of the performance of the department against predetermined objectives

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e., risk-based, mandatory, performance, computer and follow-up audits. The Audit Committee is satisfied that the internal auditors consulted with Management, Auditor General and the Audit Committee on its Internal Audit Plan.

The Audit Committee has noted considerable improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function, which has strengthened the Corporate Governance initiatives within the Department.

The Audit Committee will continue to monitor the resources and capabilities of the Internal Audit function as this has an impact on the audit of performance information.

The following internal audit work was completed during the year under review:

- Intergovernmental Relations
- Support – Stability in Municipalities
- Follow up on Incident and Disaster Management
- Supply Chain Management
- Follow-up on AG Findings
- Management of Traditional Leaders
- Review of Annual Performance Report

- Audit of the performance of the department against predetermined objectives Q1 and Q2
- SAP ESS & PERSAL leave reconciliation
- Data analysis - ETHICS/ HR / FIN (1 Jan 2023 – 30 June 2023) and (1 July 2023 – 31 December 2023)
- IT asset management review
- 2024-25 IT risk assessment

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee notes the effort made by the Department to improve its risk management processes, although some areas still require improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to enhance the performance of the Department. The Department should improve its culture of risk management.

Forensic Investigations

There were one new case reported to Provincial Forensic Service during the period under review. The Audit Committee commends management for implementing all recommendations as contained in the Forensic Investigation reports.

The Audit Committee is concerned with inadequate capacity in the Provincial Forensics Services in order to timely investigate and finalise all reported cases, however comfort is drawn from the commitment by the Office of the Premier to capacitate the unit.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee notes the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and emphasise that the Department must improve the quality of its financial and non-financial reports to avoid a regression.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements prior to submission to AGSA for audit purpose.
- Reviewed the Audit Report of the AGSA.
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

The department must once again commend the department for obtaining an unqualified audit opinion without findings for the year under review.

One-on-One Meeting with the Accounting Officer

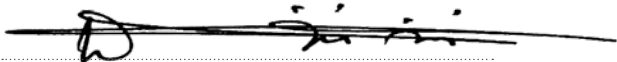
The Audit Committee has met with the Accounting Officer of the Department to address unresolved issues where possible.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Department to apprise the MEC on the performance of the Department it believes that the frequency of these interactions would be more beneficial to the Executive Authority.

Auditor-General of South Africa

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.



Mr. Mandla Ncube

Cluster 05 AC Chairperson

Date: 12 August 2024

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, Industry and Competition.

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?	NO	The department will appoint a verification agency to assist with the B-BBEE certificate level w
Developing and implementing a preferential procurement policy?	YES	The preferential and procurement policy has been included in the Supply chain management policy of the department
Determining qualification criteria for the sale of state-owned enterprises?	NO	N/A
Developing criteria for entering into partnerships with the private sector?	NO	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	NO	N/A

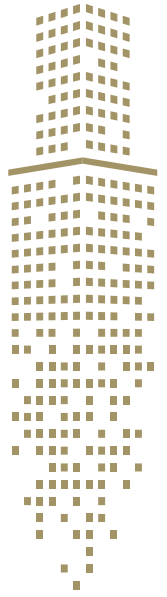




PART D

HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The development of skills within the Department remains a key HR priority. Efforts are ongoing to attract and retain competent staff. The focus is on cultivating leadership and management skills, as well as enhancing behavioural and generic competencies in the short to medium term. This approach aims to mature and address the department's medium to long-term needs effectively.

While the primary focus remains on developing leadership and management skills, HR continues to support technical and competency-related training needs for all employees across functional areas and organisational levels. Additionally, the Directorate strives to maintain a robust foundation for entry-level positions within the Department.

The Department is partnering with the Gauteng City Academy Regions' initiative to establish a Mentorship and Coaching Framework for women in the Department, focusing on Deputy Director level and above. This framework is currently under development and is intended to be extended to lower performance levels, based on identified training needs analysis.

2. OVERVIEW OF HUMAN RESOURCES

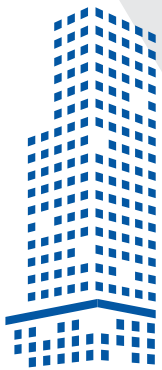


During the period under review the Medium-Term Expenditure Framework (MTEF) HR Plan was developed and implemented, in compliance with the directive on the development and reporting of HR plans in the public service.

A new set of HR delegations was approved and implemented, replacing the previously approved HR delegations. Departmental HR policies were reviewed, benchmarked, finalised with the relevant stakeholders, and developed.

The aim is to ensure legally compliant and consistent standards for managing employee engagement throughout the Department.

Human resource priorities and their impact for the year under review.



	HR Planning Priorities	Impact
1	Organisational structure review	The developed organisational structure is designed to effectively fulfil the Department's mandate.
2	Training and development - workplace skills plans	Training and development initiatives focused on enhancing the Department's core competencies. The implementation of the identified training programmes served to fulfil and measure progress and improvement in performance.
3	Employment Equity Plan	Compliance with the Employment Equity Act.
4	Conducive and safe working environment	The Department lacks an office building, resulting in some staff not having a conducive working environment.
5	Repositioning of human capital management as a solution-orientated business partner	Meaningful contribution to the holistic development of human capital in the Department.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The Department's Workforce Planning Strategy focuses on attracting, retaining and developing its workforce, shaping the departmental culture as it evolves, and engaging officials at all levels. This will help ensure that our workforce is educated, trained and prepared for future challenges and opportunities.



Employee performance management

The purpose of employee performance management includes creating a clear understanding among employees of the organisational priorities, defining performance objectives, and measuring achievements against set standards. During the financial year under consideration, an above 95% staff contracting rate was achieved for salary levels 1-12 and 100% at SMS levels.

Employee wellness programmes

Wellness management is a priority due to the growing recognition that the health and wellbeing of CoGTA employees directly influences the organisation's productivity. The Employee Health and Wellness Programme (EHWP) offers employees access to professional counselling and wellness services. This assists employees in managing personal and work-related problems challenges that affect their wellbeing, productivity, and performance at work.

By facilitating early risk identification and treatment, the EHWP proactively enhances productivity. There has been continuous utilisation of the EHWP quarter-on-quarter, with overall engagement for the year increasing since the inception of the external service provider contract. Participation in Advocacy and Awareness, as well as in Health Education and Training sessions, has shown similar increasing trends. This growth in participation rates indicates that the EHWP effectively addresses emerging risks at enterprise and functional levels, demonstrating its responsiveness and proactive approach.



3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. PERSONNEL-RELATED EXPENDITURE

The following tables summarises 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; and
- Amount spent on salaries, overtime, homeowners allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 and 31 March 2024

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	174 801	98 150	1 119	1 873	56,20	620,00
Development Planning	279 372	213 977	955	24 534	10,10	759,00
Local Governance	591 647	59 943		475 349	76,50	191,00
Traditional Institutional Development	22 967	12 134	46	5 335	52,80	758,00
Total	1 068 787	384 204	2 120	507 091	195,60	2,328

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	1 759	0%	7	251
Skilled (levels 3-5)	8 663	2%	31	279
Highly skilled production (levels 6-8)	189 819	49%	1 161	159
Highly skilled supervision (levels 9-12)	127 009	33%	141	795
Senior and top management (levels 13-16)	56 954	15%	36	1 443
Total	384 204	100%	1 376	2 927

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

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	63 064	64%	106	0%	2 847	3%	4 211	4%
Local governance	144 387	67%	30	0%	7 207	3%	13 604	6%
Development and planning	39 724	66%	243	0%	1 341	2%	2 194	4%
Traditional institutional management	7 620	63%	14	0%	110	1%	358	3%
Total	254 795	66%	393	0%	11 505	3%	20 367	5%

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

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 1-2)	1 092	62%	-	0%	113	6%	305	17%
Skilled (levels 3-5)	5 965	69%	8	0%	499	6%	815	9%
Highly skilled production (levels 6-8)	132 735	70%	278	0%	7 788	4%	15 411	8%
Highly skilled supervision (levels 9-12)	80 420	63%	107	0%	1 913	2%	3 403	3%
Senior management (levels 13-16)	34 583	61%	-	0%	1 192	2%	375	1%
Total	254 795	66%	393	0%	11 505	3%	20 367	5%

3.2. EMPLOYMENT AND VACANCIES

The tables in this section provide a summary of employment and vacancies. They detail the number of posts in the establishment, current employee count, vacancy rates, and whether there are any additional staff in the establishment. The information is categorised by three variables:

- Programme;
- Salary band; and
- Critical occupations (defined in the notes below).

Departments have identified critical occupations that require monitoring. According to the current regulations, it is permissible to create a post in the establishment that can be occupied by more than one employee. The vacancy rate therefore indicates the percentage of posts that remain unfilled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration: Permanent	1	1	0	0
Development And Planning: Permanent	23	16	30,40	0
Grd: Cooperative Governance: Permanent	51	42	17,60	0
Integrated Development & Service Delivery: Permanent	26	24	7,70	0
Integrated Development & Service Delivery 0506: Permanent	20	19	5	0
Local Governance: Permanent	431	387	10,20	0
PR1 Administration: Permanent	158	139	12	0
Traditional Institution Management Pr4: Permanent	15	13	13,30	0
Total	725	641	11,60	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	7	6	14,30	0
Skilled (levels 3-5)	36	30	16,70	0
Highly skilled production (levels 6-8)	475	422	11,20	0
Highly skilled supervision (levels 9-12)	152	136	10,50	0
Senior management (levels 13-16)	41	33	19,50	0
Total	725	641	78.50	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related: Permanent	103	103	0	0
Architects Town and Traffic Planners: Permanent	8	8	0	0
Cleaners In Offices Workshops, Hospitals, Etc.: Permanent	1	1	0	0
Communication and Information-Related: Permanent	3	3	0	0
Community Development Workers: Permanent	327	327	0	0
Computer Programmers: Permanent	1	1	0	0
Computer System Designers and Analysts: Permanent	5	5	0	0
Engineering Science-Related: Permanent	5	5	0	0
Engineers and Related Professionals: Permanent	8	8	0	0
Finance and Economics-Related: Permanent	5	5	0	0
Financial and Related Professionals: Permanent	8	8	0	0
Financial Clerks and Credit Controllers: Permanent	7	7	0	0
Food Services Aids and Waiters: Permanent	1	1	0	0
Head Of Department/Chief Executive Officer: Permanent	1	1	0	0
Human Resources & Organisational Development & Related Professions: Permanent	5	5	0	0
Human Resources Clerks: Permanent	6	6	0	0
Human Resources-Related: Permanent	6	6	0	0
Language Practitioners, Interpreters & Other Communication-Related: Permanent	6	6	0	0
Legal-Related: Permanent	1	1	0	0
Library Mail and Related Clerks: Permanent	4	4	0	0
Logistical Support Personnel: Permanent	2	2	0	0
Messengers, Porters and Deliverers: Permanent	12	12	0	0
Not Available: Permanent	84	0	100	0
Other Administrative & Related Clerks and Organisers: Permanent	21	21	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Other Administrative Policy and Related Officers: Permanent	19	19	0	0
Other Occupations: Permanent	1	1	0	0
Risk Management and Security Services: Permanent	5	5	0	0
Secretaries & Other Keyboard Operating Clerks: Permanent	33	33	0	0
Security Officers: Permanent	5	5	0	0
Senior Managers, Permanent	32	32	0	0
Total	725	641	11,60	0

3.3. FILLING OF SMS POSTS

The tables in this section present information on employment and vacancies concerning members of the Senior Management Service (SMS) by salary level. They also include details on the advertising and filling of SMS posts, reasons for non-compliance with prescribed timeframes, and disciplinary actions taken.

Table 3.3.1 SMS post information as at 31 March 2024

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	100	0	0
Salary Level 16	-	-	-	-	-
Salary Level 15	2	2	100	0	0
Salary Level 14	8	8	100	0	0
Salary Level 13	28	22	78,57	6	15,38
Total	39	33	378.57	6	15,38

Table 3.3.2 SMS post information as at 30 September 2023

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	1	0	0%
Salary Level 16	-	-	-	-	-
Salary Level 15	2	2	100	0	0
Salary Level 14	8	8	100	0	0
Salary Level 13	28	22	78,57	6	6
Total	39	33	84,62	6	6

Table 3.3.3 Advertising and filling of SMS posts for the period between 1 April 2023 and 31 March 2024

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised within 6 months of becoming vacant	Number of vacancies per level filled within 6 months of becoming vacant	Number of vacancies per level not filled within 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

Table 3.3.4 Reasons for not complying with filling funded vacant SMS positions within the prescribed timeframe (advertised within 6 months and filled within 12 months after becoming vacant) for the period 1 April 2023 to 31 March 2024

Reasons for vacancies not advertised within six months
Consideration is given to employing females and/or people with disabilities for all the current vacancies at SMS levels.
Consideration of limitations imposed by the implementation of Circular 49 of 2023.

Reasons for vacancies not filled within twelve months
Consideration is given to employing females and/or people with disabilities for all the current vacancies at SMS levels.
Consideration of limitations imposed by the implementation of Circular 49 of 2023.

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 2023 to 31 March 2024

Reasons for vacancies not advertised within six months
None.

Reasons for vacancies not filled within six months
Consideration is given to employing females and/or people with disabilities for all the current vacancies at SMS levels.
Consideration of limitations imposed by the implementation of Circular 49 of 2023.

3.4. JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job within their organisation. According to regulations, all vacancies at salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review, including statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

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
Lower Skilled (levels 1-2)	7	0	0	0	0	0	0
Skilled (levels 3-5)	36	0	0	0	0	0	0
Highly skilled production (levels 6-8)	475	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	152	0	0	0	0	0	0
Senior Management Service Band A	27	0	0	0	0	0	0
Senior Management Service Band B	8	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	711	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. It should be noted that the number of employees upgraded may differ from the number of posts upgraded, as not all employees are automatically absorbed into the new posts. Additionally, some of the upgraded posts may still be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 to 31 March 2024

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
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviations are provided for each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 to 31 March 2024

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 to 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	26	1	3	4	34
Male	18	0	1	0	19
Total	44	1	4	4	53

Employees with a disability	0	0	0	0	0
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Total number of employees whose salaries exceeded the grades determined by job evaluation	None
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3.5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year, with turnover rates indicating trends in the Department's employment profile. The following tables offer a summary of turnover rates categorised by salary band and critical occupations (as defined in the notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 to 31 March 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	16	0	1	6,30
Skilled (levels 3-5)	56	3	1	1,80
Highly skilled production (levels 6-8)	838	19	15	1,80
Highly skilled supervision (levels 9-12)	266	3	7	2,60
Senior Management Service Bands A	42	3	3	7,10
Senior Management Service Bands B	14	1	0	0
Senior Management Service Bands C	8	0	0	0
Senior Management Service Bands D	2	0	0	0
Contracts	6	1	1	50
Total	1 248	27	28	19.60

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative-Related: Permanent	208	2	7	3,40
Architects, Town and Traffic Planners: Permanent	12	1	0	0
Cleaners In Offices, Workshops, Hospitals, Etc.: Permanent	2	0	0	0
Communication and Information-Related: Permanent	6	0	0	0
Community Development Workers: Permanent	640	11	11	1,70
Computer Programmers: Permanent	0	1	0	0
Computer System Designers and Analysts: Permanent	10	0	0	0
Engineering Science-Related: Permanent	10	0	0	0
Engineers and Related Professionals: Permanent	16	0	0	0
Finance and Economics-Related: Permanent	10	0	0	0
Financial and Related Professionals: Permanent	16	0	0	0
Financial Clerks and Credit Controllers: Permanent	14	0	1	7,10
Food Services Aids and Waiters: Permanent	2	0	0	0
Head Of Department/Chief Executive Officer: Permanent	2	0	0	0
Human Resources & Organisational Development & Related: Permanent	10	0	1	10
Human Resources Clerks: Permanent	12	0	1	8,30
Human Resources-Related: Permanent	14	0	1	7,10
Language Practitioners, Interpreters & Other Communication-Related: Permanent	12	0	0	0
Legal-Related: Permanent	2	0	0	0
Library Mail and Related Clerks: Permanent	6	1	0	0
Logistical Support Personnel: Permanent	4	0	0	0
Messengers, Porters and Deliverers: Permanent	24	1	1	4,20
Middle Manager: Administrative-Related Permanent	0	1	0	0
Other Administrative & Related Clerks and Organisers: Permanent	42	1	0	0
Other Administrative Policy and Related Officers: Permanent	36	0	0	0
Other Occupations: Permanent	2	7	0	0
Risk Management and Security Services: Permanent	10	0	0	0
Secretaries & Other Keyboard Operating Clerks: Permanent	76	0	3	3,90
Security Officers: Permanent	10	0	0	0
Senior Managers: Permanent	62	5	3	4,80
Total	1 270	31	29	50,50

The table below identifies the major reasons why staff left the Department.

Table 3.5.3 Reasons why staff left the Department in the period from 1 April 2023 to 31 March 2024

Termination type	Number	% of Total resignations
Death	10	34,50%
Resignation	14	48,30%
Expiry of contract	1	3,40%
Dismissal – operational changes	0	0%
Dismissal – misconduct	3	10,30%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	1	3,40%
Transfer to other public service departments	0	0%
Other	0%	0%
Total	29	99,9%
Total number of employees who left as a % of total employment	29, 41%	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 to 31 March 2024

Occupation	Employees 1 April 2023	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	208	4	1,90	2	1
Architects, Town and Traffic Planners	12	0	0	0	0
Civil Engineering Technicians	0	0	0	1	0
Cleaners In Offices, Workshops. Hospitals, Etc.	2	0	0	0	0
Communication and Information-Related	6	0	0	0	0
Community Development Workers	640	0	0	0	0
Computer System Designers and Analysts.	10	0	0	0	0
Engineering Science-Related	10	0	0	0	0
Engineers and Related Professionals	16	0	0	2	12,50
Finance and Economics-Related	10	0	0	0	0
Financial and Related Professionals	16	0	0	0	0
Financial Clerks and Credit Controllers	14	0	0	0	0
Food Services Aids and Waiters	2	0	0	0	0
Head Of Department/Chief Executive Officer	2	0	0	0	0
Human Resources & Organisational Development & Related Prof	10	0	0	0	0
Human Resources Clerks	12	0	0	1	8,30
Human Resources-Related	14	0	0	1	7,10
Language Practitioners, Interpreters & Other Communication-Related	12	0	0	0	0
Legal-Related	2	0	0	0	0
Library Mail and Related Clerks	6	2	33,30	0	0
Logistical Support Personnel	4	0	0	0	0
Messengers Porters, and Deliverers	24	0	0	0	0

Occupation	Employees 1 April 2023	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
Other Administrative & Related Clerks and Organisers	42	0	0	1	2,40
Other Administrative Policy and Related Officers	36	0	0	0	0
Other Occupations	2	1	50	5	250
Risk Management and Security Services	10	0	0	0	0
Secretaries & Other Keyboard Operating Clerks	76	0	0	0	0
Security Officers	10	0	0	0	0
Senior Managers	62	4	0	0	0
Total	1 270	0	0,60	13	1

Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Employees 1 April 2023	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
Lower skilled (levels 1-2)	16	0	0	0	0
Skilled (levels 3-5)	56	1	1,80	0	0
Highly skilled production (levels 6-8)	838	2	0,20	7	0,80
Highly skilled supervision (levels 9-12)	266	4	1,50	6	2,30
Senior management (level 13-16)	66	0	0	0	0
Total	1 242	7	3,50	13	3,10

3.6. EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	3	1	0	13	1	0	0	34
Professionals	157	3	1	2	208	4	0	6	381
Technicians and associate professionals	41	0	0	0	59	6	3	3	112
Clerks	21	0	0	1	48	7	1	1	79
Service and sales workers	3	0	0	0	2	0	0	0	5
Skilled agriculture and fishery workers	3	0	0	0	0	0	0	0	3
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	13	0	0	1	12	0	0	0	26
Total	255	6	2	4	342	18	4	10	641
Employees with disabilities	7	0	0	0	8	0	0	0	15

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	1	0	0	2	0	0	0	5
Senior management	12	1	1	0	13	1	0	0	28
Professionally qualified and experienced specialists and mid-management	60	1	1	1	61	5	1	6	136
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	155	2	0	3	245	10	3	4	422
Semi-skilled and discretionary decision making	17	1	0	0	12	1	0	0	31
Unskilled and defined decision making	9	0	0	0	9	1	0	0	19
Total	255	6	2	4	342	18	4	10	641

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	3	0	0	0	4
Senior management	0	0	0	0	2	1	0	0	3
Professionally qualified and experienced specialists and mid-management	6	0	0	0	13	0	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Total	10	0	0	0	3	0	0	0	31
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

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	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	4	0	0	0	6	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	0	0	0	5	1	0	0	9
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	8	0	0	0	11	1	0	0	20
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	1	1	0	0	3
Senior management	4	0	0	0	2	0	1	0	7
Professionally qualified and experienced specialists and mid-management	4	0	0	0	9	2	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making	2	0	0	0	0	0	0	0	2
Total	13	0	0	0	12	3	1	0	29
Employees with disabilities	1	0	0	0	1	0	0	0	2

Table 3.6.6 Disciplinary action for the period 1 April 2023 to 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Habitual absenteeism without authorisation	1	0	0	0	0	0	0	0	1
Deliration of duty	1	0	0	0	0	0	0	0	1
Gross insubordination	1	0	0	0	0	0	0	0	1
Theft	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	

3.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

This section presents information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes, and disciplinary actions taken.

Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2023

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/ Head of Department	1	1	1	100%
Salary Level 16	-	-	-	-
Salary Level 15	2	2	2	100%
Salary Level 14	8	8	8	100%
Salary Level 13	28	22	22	100%
Total	39	33	33	100%

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as at 31 March 2024

Reasons
Not applicable

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 March 2024

Reasons
Not applicable

3.8. PERFORMANCE REWARDS

To encourage good performance, the Department has awarded the following performance rewards during the year under review. The information is categorised by race, gender, disability, salary bands and critical occupations (as defined in the notes below).

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2023 to 31 March 2024

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	9	582	3	125,30	29 644,00
Male	3	248	1.20	52,57	17 523,00
Female	6	334	1.80	72,73	12 121,00
Asian	1	6	25.0	2,77	2 768,00
Male	1	2	0.0	0,00	0,00
Female	0	4	25.0	2,77	2 768,00
Coloured	1	24	5.6	27,64	27 638,00
Male	0	6	0	0,00	0,00
Female	1	18	5.6	27,64	27 638,00
White	0	14	0.0	0,00	0,00
Male	0	4	0.0	0,00	0,00
Female	0	10	0.0	0,00	0,00
Total	11	626	33.60	311,42	120 100,00

Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary band	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower Skilled (levels 1-2)	0	7	0,00	0,00	0,00
Skilled (levels 3-5)	0	31	0,00	0,00	0,00
Highly skilled production (levels 6-8)	8	425	1,90	125,70	15 713,00
Highly skilled supervision (levels 9-12)	5	142	3,70	65,09	13 017,00
Total	13,00	605,00	2,10	190,79	28,730

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2023 to 31 March 2024

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	0	7	0.0	0,00	0,00
Human Resources Clerks	0	6	0.0	0,00	0,00
Security Officers	0	5	0.0	0,00	0,00
Human Resources & Organisational Development & Related Professions	0	5	0.0	0,00	0,00
Messengers, Porters and Deliverers	0	12	0.0	0,00	0,00
Risk Management and Security Services	0	5	0.0	0,00	0,00
Finance and Economics-Related	0	5	0.0	0,00	0,00
Logistical Support Personnel	0	2	0.0	0,00	0,00
Other Administrative & Related Clerks and Organisers	0	21	0.0	0,00	0,00
Other Occupations	1	1	100	18,26	18 256,00
Legal-related	0	1	0	0,00	0,00
Financial and Related Professionals	3	8	37.50	50,24	16 748,00
Architects, Town and Traffic Planners	0	8	0	0,00	0,00
Administrative-Related	4	103	3.90	51,00	12 749,00
Communication and Information-Related	1	3	33.30	14,54	14 541,00
Secretaries & Other Keyboard Operating Clerks	1	33	3	16,38	16 380,00
Library Mail and Related Clerks	0	4	0.0	0,00	0,00
Cleaners In Offices, Workshops, Hospitals, Etc.	0	1	0.0	0,00	0,00
Human Resources-Related	0	6	0.0	0,00	0,00
Administrative-Related	0	1	0.0	0,00	0,00
Head Of Department/Chief Executive Officer	0	1	0.0	0,00	0,00
Computer Programmers	2	6	33.30	38,86	19 428,00
Language Practitioners, Interpreters & Other Communication-Related	1	19	5.30	1,52	1 517,00
Other Administrative Policy and Related Officers	0	32	0.0	0,00	0,00
Senior Managers	0	4	0.0	0,00	0,00
Engineers and Related Professionals	0	5	0.0	0,00	0,00
Engineering Sciences-Related	0	8	0.0	0,00	0,00
Food Services Aids and Waiters	0	5	0.0	0,00	0,00
Community Development Workers	0	1	0.0	0,00	0,00
Engineers and Related Professionals	0	327	0.0	0,00	0,00
Total	13	641	2.0	190,79	99,619

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

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	0,00	21,00	0,00	0,00	0,00	0,00
Band B	0,00	9,00	0,00	0,00	0,00	0,00
Band C	0,00	4,00	0,00	0,00	0,00	0,00
Band D	0,00	2,00	0,00	0,00	0,00	0,00
Total	0,00	36,00	0,00	0,00	0,00	0,00

3.9. FOREIGN WORKERS

The tables below provide a summary of the employment of foreign nationals in the Department, categorised by salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2023 to 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0.0	0	0
Highly skilled production (levels 6-8)	0	0	0	0.0	0	0
Highly skilled supervision (levels 9-12)	1	100.00	0	0.0	- 1	100.00
Contract (levels 9-12)	0	0.0	0	0.0	0	0.0
Contract (levels 13-16)	0	0.0	0	0.0	0	0.0
Total	1	100.00	0	0.0	-1	100

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 to 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	1	100.00	0	0	- 1	100.00
Professionals and managers	0	0.00	0	0	0	0.0

3.10. LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public services sector. The following tables provide an indication of the utilisation of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2023

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 (levels 1-2)	836,00	45,20	107,00	59,40	8,00	1 309,00
Skilled (levels 3-5)	287,00	54,40	47,00	26,10	6,00	797,00
Highly skilled production (levels 6-8)	13,00	100,00	1,00	0,60	13,00	9,00
Highly skilled supervision (levels 9 -12)	69,00	43,50	12,00	6,70	6,00	330,00
Top and senior management (levels 13-16)	71,00	28,20	13,00	7,20	5,00	72,00
Total	1 276,00	271,30	180,00	100,00	44	2 517,00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

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)	0	0	0	0	0	0
Senior management (levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	104	17	6
Skilled (levels 3-5)	564	19	30
Highly skilled production (levels 6-8)	9 076	21	425
Highly skilled supervision (levels 9-12)	3 141	22	141
Senior management (levels 13-16)	799	22	37
Total	13684	101	639

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

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 at 31 March 2024
Lower skilled (levels 1-2)	0	0	0.0	0.0
Skilled (levels 3-5)	0	0	0.0	24.0
Highly skilled production (levels 6-8)	0	0	0.0	14.0
Highly skilled supervision (levels 9-12)	0	0	0.0	12.0
Senior management (levels 13-16)	12	1	12.0	54.0
Total	12	1	12.0	104.0

The following table summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2023 to 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2023/2024 due to non-utilisation of leave for the previous cycle	0,00	0	0
Capped leave payouts on termination of service for 2023/2024	434,00	11	39 455,00
Current leave payout on termination of service for 2023/24	26,00	1	26 000,00
Total	459,00	12	65455,00

3.11. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk for contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Highly mobile employees e.g. Community Development Worker's	This provision includes health screening, which incorporates HIV Counselling and Testing (HCT) coordinated by the EHWP. Health promotion activities focus on living a healthy lifestyle and cover various psychosocial topics. Employees and their families also have access to counselling and support services. Additional interventions are provided based on the needs and requests of the Directorates.

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
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		Yes, Director: Human Capital Management, Mr Odwa Chabula
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		The Employee Health and Wellness Programme consists of three employees, with a budget of R1, 950 000.
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		The EHWP is guided by four Wellness Pillars: <ul style="list-style-type: none"> ▪ HIV/AIDS and TB Management, which focuses on prevention of HIV; ▪ Health and Productivity Management, which includes employees on long-term incapacity leave; ▪ Wellness Management which includes counselling and health promotion; and ▪ SHERQ, which includes Occupational Health and Safety within the workplace.
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 has the following committees in place: the Occupational Health and Safety Committee and a Wellness/Peer Educators Committee. These committees consist of the following members: Mr T Motlhale (16.2); Mr. O. Chabula (16.2); Ms. C Steenkamp (EHWP); Ms. P Tibini (EHWP); Ms. M Molewa (OHS Officer); Ms. I. Mchalla (Policy & Research); Mr. C. Nkuna (HCM); Ms. A. Rautenbach (Facilities); Ms. L. Kesten (Facilities); Ms. C. Magoro (Disaster Management); Ms. B. Lisa (Disaster Management); Ms. M. Mashaba (Facilities); Ms. A. Sehoole (Risk Management); Mr. S. Ngcobo (Risk Management);

Question	Yes	No	Details, if yes
			Mr. A. Ndaba (HCM); Mr. P.Ndaba (Facilities); Mr. D. Lentswane (HCM); Ms. T. Lande (CDWP); Mr. L. Khauoe (CDWP); Mr. L. Tsoku (CDWP); Ms. N. Mbuyezi (MFS); Mr. D. Mahlakanya (Knowledge Management); Ms. L. Qhinebe (Disaster Management); Ms. J. Mshilo (Disaster Management); Ms. S. Ntlhare (Facilities Management); Mr. C. Nxawe (CDWP); Ms. L. Maluleke (ISS); Ms. S. Ally (Policy & Research); Mr. L. Maloi (CDWP); Mr. R. Koopa (Facilities Management); Mr. K. Lethole (Facilities Management); Mr. S. Mashilo (Facilities Management); Ms. G. Matojane (Communications); Ms. N. Monama (Municipal Finance); and Ms. N M. Tshobeka (Facilities Management).
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 has an HIV & AIDS Management Policy in place; however we are also guided by national legislation and internal policies such as the Basic Conditions of Employment Act and the internal Recruitment and Selection Policy.
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 is guided by the above-mentioned policies to prevent discrimination. The wellness programme promotes a healthy lifestyle for all employees, including those living with HIV. Employees who test positive during a Wellness Day event receive support through pre-test and post-test counselling. They are referred by the nurse to a clinic or doctor for treatment and care. Employees on GEMS are encouraged to register for the HIV Management programme.
Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.	X		HIV Counselling and Testing (HCT) is available to all staff on a quarterly basis. Employees are encouraged to test and know their status for better management of HIV&AIDS and TB.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Health and utilization reports from the respective service providers such as GEMS and our appointed external counselling and support provider, Quarterly reports compiled by the EHWP, records of attendance of various wellness events and seminars.

3.12. LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2023 to 31 March 2024

Subject matter	Date
PSCBC Resolution 1 of 2023 – Agreement on the transfer and integration of staff into the border management	7 March 2023
PSCBC Resolution 2 of 2023 - Agreement on the payment of salary adjustment in the public service	13 July 2024
PSCBC Resolution 3 of 2023 – Enforcement of collective agreements in the public service	13 July 2024
PSCBC Resolution 1 of 2024 – Rules for the conduct of proceedings before the PSCBC	1 March 2024
GPSSBC Resolution 1 of 2024 – Charter of the GPSSBC	11 March 2024
GPSSBC Resolution 2 of 2024 – Improvement in conditions of service: Special Leave	11 March 2024
Total number of Collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 to 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	2	50%
Suspended without pay	1	25%
Fine	0	0%
Demotion	0	0%
Dismissal	1	25%
Not guilty	0	0%
Case withdrawn	0	0%
Total	4	100%
Total number of Disciplinary hearings finalised		100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 to 31 March 2024

Type of misconduct	Number	% of total
Habitual absenteeism without authorisation	1	25%
Dereliction of duty	1	25%
Gross insubordination	1	25%
Theft	1	25%
Total	4	100%

Table 3.12.4 Grievances logged for the period 1 April 2023 to 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	3	75%
Number of grievances not resolved	1	25%
Total number of grievances lodged	4	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 to 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	1	100%
Number of disputes dismissed	0	0
Total number of disputes lodged	1	100%

Table 3.12.6 Strike actions for the period 1 April 2023 to 31 March 2024

Total number of persons working days lost	0,00
Total costs working days lost	0,00
Amount recovered as a result of no work no pay (R'000)	0,00

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 to 31 March 2024

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	1
Cost of suspension(R'000)	R131 432.03

3.13. SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2023 to 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training (bursaries)	Total
Legislators, senior officials and managers	Female	13	0	12	3	15
	Male	20	0	13	0	13
Professionals	Female	211	0	80	11	91
	Male	168	0	60	12	72
Technicians and associate professionals	Female	68	0	11	7	18
	Male	43	0	7	3	10
Clerks	Female	49	0	5	0	5
	Male	10	0	0	3	3
Service and sales workers	Female	2	0	1	0	1
	Male	3	0	4	0	4
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	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		590	0	193	39	232

Table 3.13.2 Training provided for the period 1 April 2023 to 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	0	2	0	2
	Male	20	0	0	0	0
Professionals	Female	211	0	20	0	20
	Male	168	0	20	0	20
Technicians and associate professionals	Female	68	0	20	0	20
	Male	43	0	2	0	2
Clerks	Female	49	0	5	0	5
	Male	10	0	4	0	4
Service and sales workers	Female	2	0	0	0	0
	Male	3	0	1	0	1
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	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		590	0	74	0	74

3.14. INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 to 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	0,00	0,00
Temporary total disablement	0,00	0,00
Permanent disablement	0,00	0,00
Fatal	0,00	0,00
Total	0,00	0,00

3.15. UTILISATION OF CONSULTANTS

The following tables present information on the utilisation of consultants in the Department. According to the Public Service Regulations, a “consultant” refers to a natural or juristic person or a partnership that provides, under a specific contract on an ad hoc basis, any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 to 31 March 2024

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable			

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2023 to 31 March 2024

Project title	Total number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Not applicable			
Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
Not applicable			

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable			

3.16. SEVERANCE PACKAGES

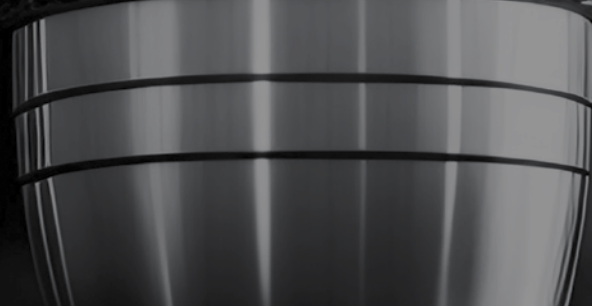
Table 3.16.1 Granting of employee-initiated severance packages for 1 April 2023 to 31 March 2024

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



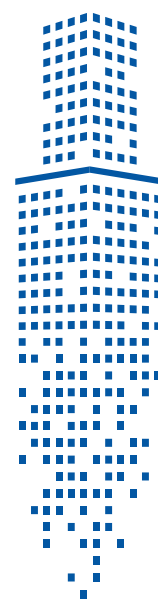
PART E

PFMA COMPLIANCE REPORT



PART E

PFMA COMPLIANCE REPORT



1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	5 797	5 940
Adjustment to opening balance	0	198
Opening balance as restated	5 797	6 138
Add: Irregular expenditure confirmed	1 090	538
Less: Irregular expenditure condoned		(879)
Less: Irregular expenditure not condoned and removed		0
Less: Irregular expenditure recoverable ¹		0
Less: Irregular expenditure not recoverable and written off		0
Closing balance	6 887	5 797

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	198
Irregular expenditure for the current year	1 090	538
Total	1 090	736

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description ²	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	1 090	0
Irregular expenditure under determination		5 797
Irregular expenditure under investigation	0	0
Total	1 090	5 797

¹ Transfer to receivables

² Group similar items

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	0	879
Total	0	879

d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure not condoned and removed	0	0
Total	0	0

e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

f) Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
N/A.
Total

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2023/2024	2022/2023
	R'000	R'000
N/A	0	0
Total	0	0

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
N/A.

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable ⁴	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	0	0

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	0
Total	0	0

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁵	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	0	0

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	0	0

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

⁴ Transfer to receivables

⁵ Group similar items

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
N/A.
Total

1.3. UNAUTHORISED EXPENDITURE

a) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable ⁶	0	0
Less: unauthorised not recoverable and written off ⁷	0	0
Closing balance	0	0

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description ⁸	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	0	0

⁶ Transfer to receivables

⁷ This amount may only be written off against available savings

⁸ Group similar items

1.4. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 40(3)(B)(I) &(III))⁹

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

c) Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

d) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1 336	684 245
Invoices paid within 30 days or agreed period	1 336	684 244
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Invoice paid after 30 days was due to supplier bank account that was closed.

⁹ Information related to material losses must be disclosed in the annual financial statements.

3. SUPPLY CHAIN MANAGEMENT

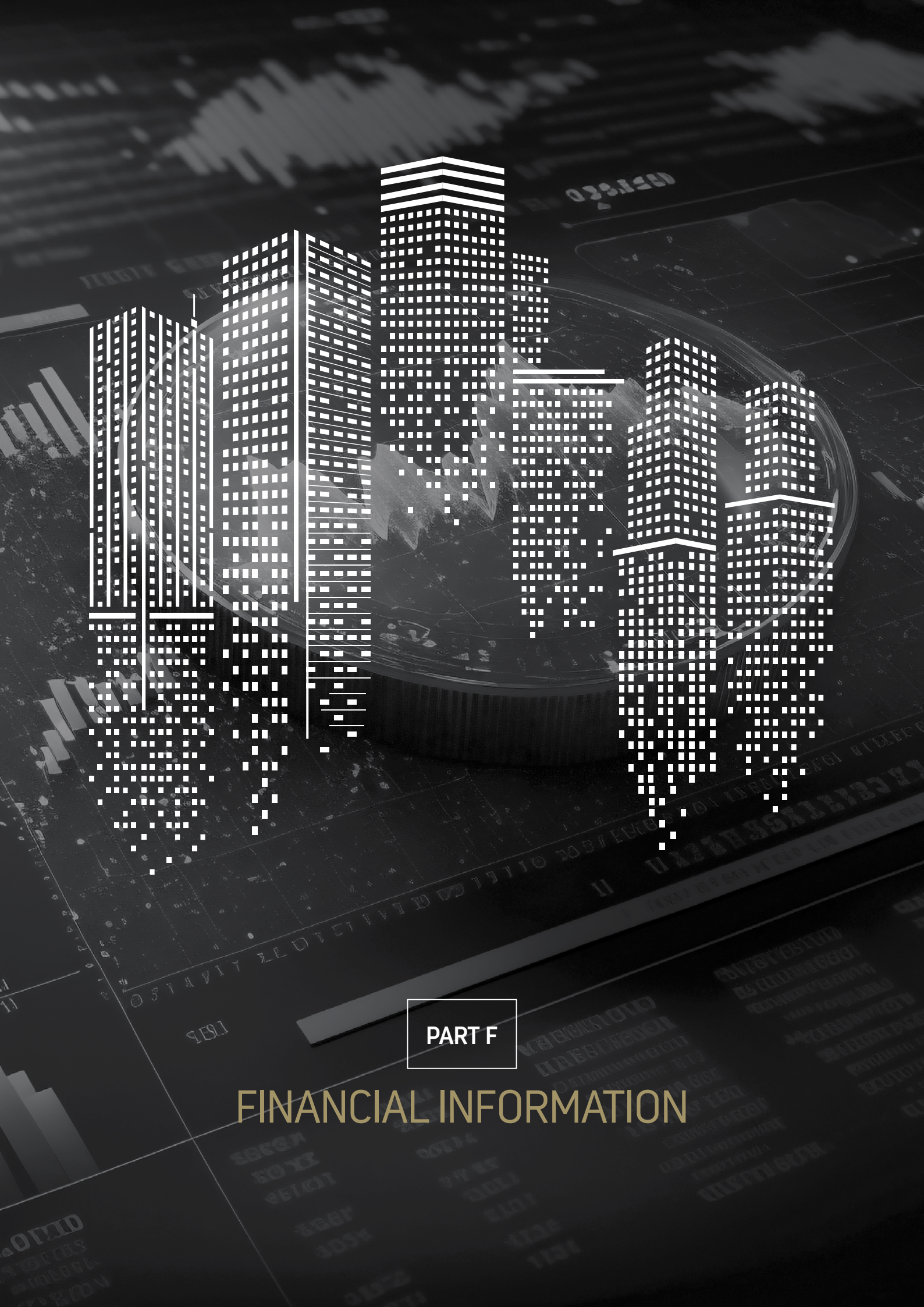
3.1. PROCUREMENT BY OTHER MEANS

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Training of councillors	University of Johannesburg	Deviation	4251162642	484 000.
Software licence	LRMG	Deviation	4251142235	170 478,71
N/A	N/A	N/A	N/A	N/A
Total				654 478,71

3.2. CONTRACT VARIATIONS AND EXPANSIONS

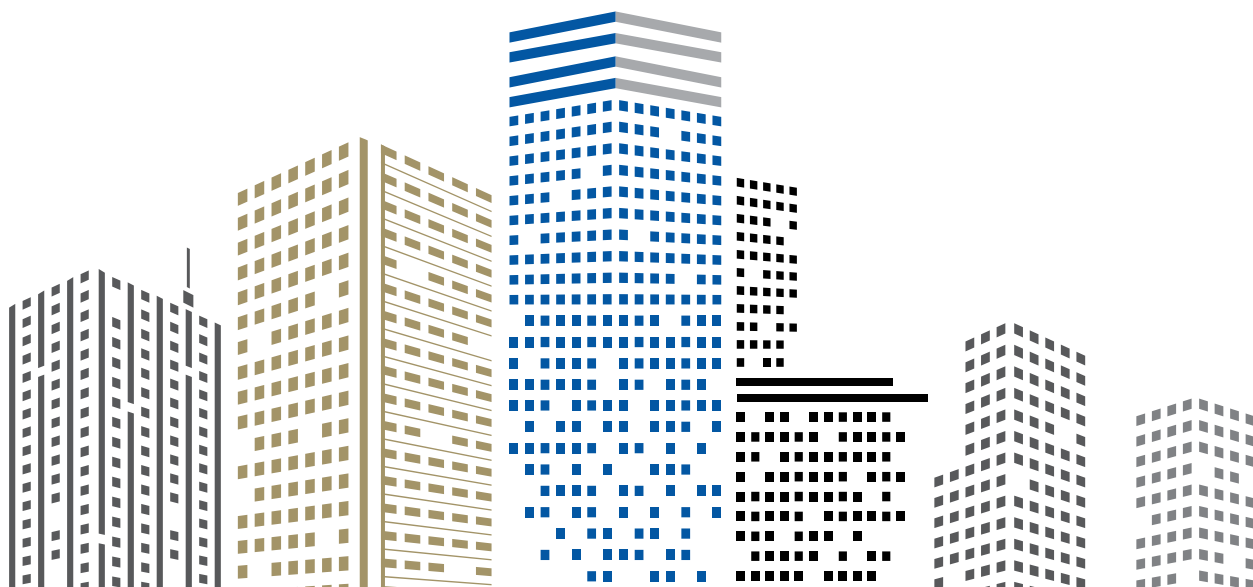
Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						





PART F

FINANCIAL INFORMATION



ANNUAL FINANCIAL STATEMENTS FOR DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

For the year ended 31 March 2024

VOTE NO. 07

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REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 7: GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Cooperative Governance and Traditional Affairs, as set out on pages 133 to 179 which comprise the appropriation statement, statement of financial position as at 31 March 2024, 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 annual 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 Gauteng Department of Co-operative Governance and Traditional Affairs as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (Dora).

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 responsibilities of the auditor-general for the audit of the annual 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.

Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

7. The supplementary information, set out on pages 180 to 186, does not form part of the financial statements and is presented as additional information. I have not audited these annexures and, accordingly, I do not express an opinion on them..

Responsibilities of the accounting officer for the financial statements

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

AUDITOR-GENERAL REPORT

for the year ended 31 March 2024

9. In preparing the annual 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.

Responsibilities of the auditor-general for the audit of the financial statements

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 180-186, forms part of my auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Local governance	37-53	The sustained performance on B2B pillar serves as an indicator as to whether municipalities are functional and ethical, which will further illustrate whether there is effective service delivery. In terms of the B2B pillars, municipalities that achieve a minimum of 80% satisfaction levels in stakeholder surveys will further reflect functionality and sustainability.
Development and planning	54-62	The outcome spatially integrated cities and transformed communities in the Gauteng province, is critical to achieving this outcome. Spatial integration is important in an unequal country such as South Africa. Cities and communities need to be integrated and sustainable and this is also aligned to the localisation of the Sustainable Development Goals across the Gauteng city region. There is a need to drive integrated development planning (IDP) processes in line with the Gauteng Spatial Development Framework hence this outcome indicator is of relevance.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

AUDITOR-GENERAL REPORT

for the year ended 31 March 2024

15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for local governance and for development and planning.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement.
20. The table that follows provides information on the achievement of planned targets and lists a key indicator that was not achieved as reported in the annual performance report. The reason for any underachievement of the target is included in the annual performance report on pages 33 to 63.

Development and planning

Targets achieved: 92,3%		
Budget spent: 99,9%		
Key indicators not achieved	Planned target	Reported achievement
Number of disaster management plans completed	1	0

Material misstatements

21. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information for local governance. Management subsequently corrected the misstatement, and I did not include any material findings in this report.

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the annual financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the annual financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the annual financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and I conclude that there is a 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.

AUDITOR-GENERAL REPORT

for the year ended 31 March 2024

Internal control deficiencies

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

Auditor General

Johannesburg

31 July 2024



**A U D I T O R - G E N E R A L
S O U T H A F R I C A**

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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 programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the 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 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.

AUDITOR-GENERAL REPORT

for the year ended 31 March 2024

Communication with those charged with governance

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 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.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 38(1)(b); 38(1)(c)(ii); Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); Sections 40(1)(a) and (b); 40(1)(c)(i); Sections 43(4); 44; 45(b); 57(b)
Treasury Regulations (TR)	TR 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); TR5.3.1; 6.3.1(a)-(d); 6.4.1(b) TR 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; TR 10.1.1(a); 10.1.2; TR 12.5.1; 15.10.1.2(c); TR 16A3.2 (fairness); 16A3.2(a); 16A6.1; TR 16A6.2(a) and (b); 16A6.3(a)- (c); 16A6.3(a)(i); TR 16A6.3(e) TR 16A6.4; 16A6.5; 16A6.6; 16A7.1 TR 16A8.3; 16A8.4; TR 16A9.1; 16A9.1(d)-(f); 16A9.2(a)(ii); TR 17.1.1; 18.2; 19.8.4
Division of Revenue Act (Dora)	Sections 11(6)(a); 12(5) Sections 16(1); 16(3) / 16(3)(a)(i)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2.1(a),(b) and (f)
Preferential Procurement Regulations (PPR), 2011	Regulation 8.2 Regulation 9.1
Preferential Procurement Regulations (PPR), 2017 under functionality	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulation 6.8; Regulation 7.8; Regulations 8.2; 8.5; 9.1; 10.1; 10.2; 11.1
Preferential Procurement Regulations (PPR), 2022	Regulation 4.4

AUDITOR-GENERAL REPORT

for the year ended 31 March 2024

Legislation	Sections or regulations
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 4A of 2016/17	Par6
NT SCM Instruction Note 07 of 2017/18	Par 4.3
NT SCM Instruction Note 05 of 2020/21	Par 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 2020/21	Par1;2
Second Amendment to NT SCM Instruction Note 05 of 2020/21	Par1
NT Instruction Note 11 of 2020/21	Par 3.1; 3.4(b); 3.9
PFMA Instruction Note 01 of 2021-22	Par 4.1
NT SCM Instruction Note 02 of 2021/22	Par 3.2.1; 3.2.4;3.2.4(b); 3.3.1
PFMA SCM Instruction Note 03 of 2021/22	Par 4.1; 4.2 (b);4.3;4.4;
PFMA instruction note no.3 of 2021/22	Par 4.2 (b)
Public Service regulations (PSR), 2016	PSR 25(1)(e)(i) and (iii) PSR18(1)(2)
Practice Note 5 of 2009-10 par. 3.3	Par 3.3
PRECCA 34(1)	
SBD 6.2 issued in 2015-16	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

APPROPRIATION PER PROGRAMME	2023/24						2022/23		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1 ADMINISTRATION	174 544	0	2 531	177 075	174 799	2 276	98,7%	165 052	159 590
2 LOCAL GOVERNANCE	287 942	0	(1 699)	286 243	279 374	6 869	97,6%	276 463	265 178
3 DEVELOPMENT PLANNING	593 781	0	(1 308)	592 473	591 646	827	99,9%	148 926	148 762
4 TRADITIONAL INSTITUTIONAL MANAGEMENT	24 228	0	476	24 704	22 968	1 736	93,0%	20 348	16 163
Programme sub total	1 080 495	0	0	1 080 495	1 068 787	11 708	98,9%	610 789	589 693
Statutory Appropriation	0	0	0	0	0	0	0	0	0
TOTAL	1 080 495	0	0	1 080 495	1 068 787	11 708	98,9%	610 789	589 693
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				765				256	
Actual amounts per Statement of Financial Performance (Total Revenue)				1 081 260				611 045	
Actual amounts per Statement of Financial Performance Expenditure					1 068 787				589 693

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

APPROPRIATION PER ECONOMIC CLASSIFICATION	2023/24						2022/23		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 062 356	(19 796)	0	1 042 560	1 030 843	11 717	98,9%	566 511	545 418
Compensation of employees	394 868	0	0	394 868	384 206	10 662	97,3%	366 116	345 262
Salaries and wages	340 168	(1 237)	0	338 931	330 853	8 078	97,6%	312 250	296 317
Social contributions	54 700	1 237	0	55 937	53 353	2 584	95,4%	53 866	48 945
Goods and services	667 488	(19 796)	0	647 692	646 637	1 055	99,8%	200 395	200 156
Administrative fees	438	(78)	0	360	360	0	100,0%	91	91
Advertising	5 455	524	(50)	5 929	5 924	5	99,9%	20 625	20 621
Minor assets	230	259	0	489	486	3	99,4%	3	2
Audit costs: External	4 415	28	0	4 443	4 440	3	99,9%	4 112	4 111
Bursaries: Employees	2 225	496	1 246	3 967	3 963	4	99,9%	3 336	2 164
Catering: Departmental activities	2 980	2 320	0	5 300	5 286	14	99,7%	1 698	1 745
Communication (G&S)	15 994	(5 508)	0	10 486	10 485	1	100,0%	16 441	16 439
Computer services	21 359	(5 017)	(22)	16 320	16 302	18	99,9%	13 143	13 138
Consultants: Business and advisory services	30 767	(24 219)	(1 177)	5 371	4 986	385	92,8%	23 445	23 442
Legal services	1 036	(350)	0	686	686	0	100,0%	3 542	3 541
Contractors	3 476	7 620	(70)	11 026	10 546	480	95,6%	3 152	3 152
Agency and support / outsourced services	510 158	(7 997)	548	502 709	502 699	10	100,0%	52 927	52 924
Fleet services (including government motor transport)	9 250	5 854	206	15 310	15 302	8	99,9%	14 085	14 085
Consumable supplies	12 290	(2 074)	41	10 257	10 245	12	99,9%	12 127	12 122
Consumable: Stationery, printing and office supplies	1 915	53	(51)	1 917	1 912	5	99,7%	1 422	1 419
Operating leases	150	32	0	182	181	1	99,5%	727	726
Property payments	16 380	3 952	253	20 585	20 570	15	99,9%	12 840	12 839

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

APPROPRIATION PER ECONOMIC CLASSIFICATION	2023/24						2022/23		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	5 262	3 460	(96)	8 626	8 564	62	99,3%	4 556	4 450
Training and development	10 250	(567)	(164)	9 519	9 510	9	99,9%	4 543	5 176
Operating payments	3 017	422	(564)	2 875	2 867	8	99,7%	3 946	3 943
Venues and facilities	10 441	994	(100)	11 335	11 323	12	99,9%	3 634	4 026
Transfers and subsidies	14 947	20 122	0	35 069	35 068	1	100,0%	41 343	41 342
Provinces and municipalities	13 369	20 000	0	33 369	33 369	0	100,0%	38 978	38 978
Municipalities	13 369	20 000	0	33 369	33 369	0	100,0%	38 978	38 978
Municipal bank accounts	13 369	20 000	0	33 369	33 369	0	100,0%	38 978	38 978
Households	1 578	122	0	1 700	1 699	1	99,9%	2 365	2 364
Social benefits	1 000	122	59	1 181	1 180	1	99,9%	2 365	2 364
Other transfers to households	578	0	(59)	519	519	0	100,0%	0	0
Payments for capital assets	3 192	(1 112)	0	2 080	2 090	(10)	100,5%	2 697	2 695
Machinery and equipment	3 192	(1 112)	0	2 080	2 076	4	99,8%	2 697	2 695
Transport equipment	0	0	0	0	0	0	0	0	0
Other machinery and equipment	3 192	(1 112)	0	2 080	2 076	4	99,8%	2 697	2 695
Software and other intangible assets	0	0	0	0	14	(14)	0	0	0
Payment for financial assets	0	786	0	786	786	0	100,0%	238	238
	1 080 495	0	0	1 080 495	1 068 787	11 708	98,9%	610 789	589 693

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

PROGRAMME 1: ADMINISTRATION	2023/24					2022/23			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME									
1 OFFICE OF THE MEC	5 625	38	0	5 663	5 636	27	99,5%	5 713	5 710
2 CORPORATE SERVICES	168 919	(38)	2 531	171 412	169 163	2 249	98,7%	159 339	153 880
Total	174 544	0	2 531	177 075	174 799	2 276	98,7%	165 052	159 590
ECONOMIC CLASSIFICATION									
Current payments	170 352	204	2 472	173 028	170 743	2 285	98,7%	159 752	154 293
Compensation of employees	100 336	0	0	100 336	98 150	2 186	97,8%	96 659	91 227
Salaries and wages	88 754	(980)	0	87 774	85 896	1 878	97,9%	85 123	80 022
Social contributions	11 582	980	0	12 562	12 254	308	97,5%	11 536	11 205
Goods and services	70 016	204	2 472	72 692	72 593	99	99,9%	63 093	63 066
Administrative fees	82	(63)	0	19	19	0	100,0%	34	34
Advertising	3 207	(426)	0	2 781	2 779	2	99,9%	5 131	5 129
Minor assets	230	259	0	489	486	3	99,4%	3	2
Audit costs: External	4 415	(158)	0	4 257	4 255	2	100,0%	4 112	4 111
Bursaries: Employees	2 000	206	1 246	3 452	3 451	1	100,0%	2 164	2 164
Catering: Departmental activities	397	220	0	617	614	3	99,5%	185	184
Communication (G&S)	5 355	(2 226)	0	3 129	3 129	0	100,0%	3 537	3 536
Computer services	14 459	91	0	14 550	14 533	17	99,9%	9 959	9 955
Consultants: Business and advisory services	1 198	(599)	0	599	595	4	99,3%	2 733	2 732
Legal services	1 036	(350)	0	686	686	0	100,0%	1 561	1 561
Contractors	1 410	52	0	1 462	1 462	0	100,0%	2 080	2 080

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

	PROGRAMME 1: ADMINISTRATION									
	2023/24					2022/23				
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Agency and support / outsourced services	1 528	(291)	636	1 873	1 873	0	100,0%	1 493	1 492	
Fleet services (including government motor transport)	9 250	2 177	206	11 633	11 631	2	100,0%	10 378	10 378	
Consumable supplies	1 413	(102)	61	1 372	1 364	8	99,4%	573	570	
Consumable: Stationery, printing and office supplies	1 100	550	0	1 650	1 649	1	99,9%	1 294	1 292	
Operating leases	150	32	0	182	181	1	99,5%	727	726	
Property payments	15 370	192	253	15 815	15 808	7	100,0%	12 643	12 643	
Travel and subsistence	1 185	28	0	1 213	1 178	35	97,1%	971	964	
Training and development	1 100	763	70	1 933	1 930	3	99,8%	872	871	
Operating payments	1 022	(502)	0	520	513	7	98,7%	1 358	1 357	
Venues and facilities	4 109	351	0	4 460	4 457	3	99,9%	1 285	1 285	
Transfers and subsidies	1 000	122	59	1 181	1 180	1	99,9%	2 365	2 364	
Households	1 000	122	59	1 181	1 180	1	99,9%	2 365	2 364	
Social benefits	1 000	122	59	1 181	1 180	1	99,9%	2 365	2 364	
Other transfers to households	0	0	0	0	0	0	0	0	0	
Payments for capital assets	3 192	(1 112)	0	2 080	2 090	(10)	100,5%	2 697	2 695	
Machinery and equipment	3 192	(1 112)	0	2 080	2 076	4	99,8%	2 697	2 695	
Other machinery and equipment	3 192	(1 112)	0	2 080	2 076	4	99,8%	2 697	2 695	
Software and other intangible assets	0	0	0	0	14	(14)	0	0	0	
Payment for financial assets	0	786	0	786	786	0	100,0%	238	238	
Total	174 544	0	2 531	177 075	174 799	2 276	98,7%	165 052	159 590	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

PROGRAMME 2: LOCAL GOVERNANCE		2023/24						2022/23		
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME										
1	MUNICIPAL ADMINISTRATION	18 867	0	(492)	18 375	15 390	2 985	83,8%	18 032	15 355
2	MUNICIPAL FINANCE	25 018	0	(54)	24 964	24 704	260	99,0%	24 845	23 950
3	PUBLIC PARTICIPATION	209 225	1 796	(914)	210 107	208 145	1 962	99,1%	194 838	190 442
4	CAPACITY DEVELOPMENT	17 368	(1 098)	0	16 270	16 020	250	98,5%	21 721	20 329
5	MUNICIPAL PERFORMANCE MONITORING, REPORTING AND EVALUATION	17 464	(698)	(239)	16 527	15 115	1 412	91,5%	17 027	15 102
Total		287 942	0	(1 699)	286 243	279 374	6 869	97,6%	276 463	265 178
ECONOMIC CLASSIFICATION										
Current payments		287 364	0	(1 640)	285 724	278 855	6 869	97,6%	275 963	264 678
	Compensation of employees	220 308	0	0	220 308	213 978	6 330	97,1%	199 763	188 660
	Salaries and wages	185 996	(41)	0	185 955	181 553	4 402	97,6%	166 151	158 809
	Social contributions	34 312	41	0	34 353	32 425	1 928	94,4%	33 612	29 851
	Goods and services	67 056	0	(1 640)	65 416	64 877	539	99,2%	76 200	76 018
	Administrative fees	0	0	0	0	0	0	0	8	8
	Advertising	1 442	1 656	0	3 098	3 095	3	99,9%	15 406	15 405
	Bursaries: Employees	225	53	0	278	276	2	99,3%	1 172	0
	Catering: Departmental activities	1 771	1 558	0	3 329	3 322	7	99,8%	414	464
	Communication (G&S)	10 639	(4 071)	0	6 568	6 567	1	100,0%	12 904	12 903
	Computer services	400	0	(22)	378	378	0	100,0%	684	683
	Consultants: Business and advisory services	2 500	(1 914)	(126)	460	460	0	100,0%	0	0

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

PROGRAMME 2: LOCAL GOVERNANCE											
	2023/24					2022/23					
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000		
Contractors	1 466	6 688	(68)	8 086	7 607	479	94,1%	431	431		
Agency and support / outsourced services	34 576	(10 104)	(392)	24 080	24 074	6	100,0%	29 204	29 203		
Fleet services (including government motor transport)	0	1 553	0	1 553	1 550	3	99,8%	2 731	2 731		
Consumable supplies	615	198	(15)	798	797	1	99,9%	3 062	3 061		
Consumable: Stationery, printing and office supplies	215	17	(51)	181	178	3	98,3%	119	118		
Property payments	0	1 297	0	1 297	1 290	7	99,5%	0	0		
Travel and subsistence	2 134	1 376	(68)	3 442	3 427	15	99,6%	1 130	1 047		
Training and development	6 800	503	(234)	7 069	7 063	6	99,9%	3 392	4 026		
Operating payments	962	78	(564)	476	475	1	99,8%	2 495	2 494		
Venues and facilities	3 311	1 112	(100)	4 323	4 318	5	99,9%	1 067	1 464		
Transfers and subsidies	578	0	(59)	519	519	0	100,0%	500	500		
Provinces and municipalities	0	0	0	0	0	0	0	500	500		
Municipalities	0	0	0	0	0	0	0	500	500		
Municipal bank accounts	0	0	0	0	0	0	0	500	500		
Households	578	0	(59)	519	519	0	100,0%	0	0		
Other transfers to households	578	0	(59)	519	519	0	100,0%	0	0		
Total	287 942	0	(1 699)	286 243	279 374	6 869	97,6%	276 463	265 178		

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

		2023/24					2022/23			
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
PROGRAMME 3: DEVELOPMENT PLANNING 9										
SUB PROGRAMME										
1	LAND USE MANAGEMENT	10 517	2 781	(276)	13 022	13 016	6	100,0%	9 718	9 717
2	IDP COORDINATION	31 503	(2 732)	(1 032)	27 739	27 494	245	99,1%	19 780	19 657
3	DISASTER MANAGEMENT	72 229	(3 424)	0	68 805	68 243	562	99,2%	83 454	83 417
4	MUNICIPAL INFRASTRUCTURE	479 532	3 375	0	482 907	482 893	14	100,0%	35 974	35 971
Total		593 781	0	(1 308)	592 473	591 646	827	99,9%	148 926	148 762
ECONOMIC CLASSIFICATION										
Current payments										
	Compensation of employees	580 412	(20 000)	(1 308)	559 104	558 277	827	99,9%	110 448	110 284
	Salaries and wages	60 362	0	0	60 362	59 944	418	99,3%	55 318	55 177
	Social contributions	52 963	(114)	0	52 849	52 620	229	99,6%	48 469	48 383
	Goods and services	7 399	114	0	7 513	7 324	189	97,5%	6 849	6 794
	Administrative fees	520 050	(20 000)	(1 308)	498 742	498 333	409	99,9%	55 130	55 107
	Advertising	336	0	0	336	336	0	100,0%	49	49
	Audit costs: External	806	(706)	(50)	50	50	0	100,0%	38	38
	Bursaries: Employees	0	186	0	186	185	1	99,5%	0	0
	Catering: Departmental activities	0	102	0	102	101	1	99,0%	0	0
	Communication (G&S)	592	(177)	0	415	412	3	99,3%	446	444
	Computer services	0	789	0	789	789	0	100,0%	0	0
	Consultants: Business and advisory services	6 500	(5 108)	0	1 392	1 391	1	99,9%	2 500	2 500
	Contractors	26 294	(21 215)	(1 051)	4 028	3 647	381	90,5%	20 543	20 542
		600	278	(2)	876	875	1	99,9%	451	451

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

	PROGRAMME 3: DEVELOPMENT PLANNING 9									
	2023/24					2022/23				
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Agency and support / outsourced services	467 544	4 332	(172)	471 704	471 701	3	100,0%	19 702	19 701	
Fleet services (including government motor transport)	0	2 124	0	2 124	2 121	3	99,9%	976	976	
Consumable supplies	10 262	(2 170)	(5)	8 087	8 084	3	100,0%	8 492	8 491	
Consumable: Stationery, printing and office supplies	500	(500)	0	0	0	0	0	3	3	
Property payments	1 010	2 463	0	3 473	3 472	1	100,0%	197	196	
Travel and subsistence	1 302	603	(28)	1 877	1 868	9	99,5%	1 237	1 222	
Training and development	1 950	(1 904)	0	46	46	0	100,0%	279	279	
Operating payments	1 033	846	0	1 879	1 879	0	100,0%	93	92	
Venues and facilities	1 321	57	0	1 378	1 376	2	99,9%	124	123	
Transfers and subsidies	13 369	20 000	0	33 369	33 369	0	100,0%	38 478	38 478	
Provinces and municipalities	13 369	20 000	0	33 369	33 369	0	100,0%	38 478	38 478	
Municipalities	13 369	20 000	0	33 369	33 369	0	100,0%	38 478	38 478	
Municipal bank accounts	13 369	20 000	0	33 369	33 369	0	100,0%	38 478	38 478	
Total	593 781	0	(1 308)	592 473	591 646	827	99,9%	148 926	148 762	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7
APPROPRIATION STATEMENT
for the year ended 31 March 2024

	PROGRAMME 4: TRADITIONAL INSTITUTIONAL MAN									
	2023/24					2022/23				
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
SUB PROGRAMME										
1 TRADITIONAL INSTITUTION ADMINISTRATION	14 948	(61)	0	14 887	14 162	725	95,1%	11 820	10 156	
2 TRADITIONAL RESOURCE ADMINISTRATION	7 217	164	476	7 857	7 290	567	92,8%	6 779	5 007	
3 RURAL DEVELOPMENT FACILITATION	575	(84)	0	491	490	1	99,8%	0	0	
4 TRADITIONAL LAND ADMINISTRATION	1 488	(19)	0	1 469	1 026	443	69,8%	1 749	1 000	
Total	24 228	0	476	24 704	22 968	1 736	93,0%	20 348	16 163	
ECONOMIC CLASSIFICATION										
Current payments	24 228	0	476	24 704	22 968	1 736	93,0%	20 348	16 163	
Compensation of employees	13 862	0	0	13 862	12 134	1 728	87,5%	14 376	10 198	
Salaries and wages	12 455	(102)	0	12 353	10 784	1 569	87,3%	12 507	9 103	
Social contributions	1 407	102	0	1 509	1 350	159	89,5%	1 869	1 095	
Goods and services	10 366	0	476	10 842	10 834	8	99,9%	5 972	5 965	
Administrative fees	20	(15)	0	5	5	0	100,0%	0	0	
Advertising	0	0	0	0	0	0	0	50	49	
Bursaries: Employees	0	135	0	135	135	0	100,0%	0	0	
Catering: Departmental activities	220	719	0	939	938	1	99,9%	653	653	
Consultants: Business and advisory services	775	(491)	0	284	284	0	100,0%	169	168	
Contractors	0	602	0	602	602	0	100,0%	190	190	
Agency and support / outsourced services	6 510	(1 934)	476	5 052	5 051	1	100,0%	2 528	2 528	
Consumable: Stationery, printing and office supplies	100	(14)	0	86	85	1	98,8%	6	6	
Travel and subsistence	641	1 453	0	2 094	2 091	3	99,9%	1 218	1 217	
Training and development	400	71	0	471	471	0	100,0%	0	0	
Venues and facilities	1 700	(526)	0	1 174	1 172	2	99,8%	1 158	1 154	
Total	24 228	0	476	24 704	22 968	1 736	93,0%	20 348	16 163	

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

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, and Annexure 1A-H of the Annual Financial Statements.

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT)

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

3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

Detail of these transactions 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**

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	177 075	174 799	2 276	1%
Local Governance	286 243	279 374	6 869	2%
Development Planning	592 473	591 646	827	0%
Traditional Institutional Management	24 704	22 968	1 736	7%
Total	1 080 495	1 068 787	11 708	1%

Under expenditure is due to funded vacant position that were not filled as planned due to concurrence information that was received from provincial treasury and office of the premier.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments	1 042 560	1 030 843	11 717	3%
Compensation of employees	394 868	384 206	10 662	3%
Goods and services	647 692	646 637	1 055	0%
Transfers and subsidies	35 069	35 068	1	0%
Provinces and municipalities	33 369	33 369	0	0%
Households	1 700	1 699	1	0%
Payments for capital assets	2 080	2 090	(10)	0%
Machinery and equipment	2 080	2 076	4	0%
Software		14	(14)	0%
Payments for financial assets	786	786	-	0%
Total	1 080 495	1 068 787	11 708	1%

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
EPWP GRANT	1 769	1 769	-	0%
Total	1 769	1 769	-	0%

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	1 080 495	610 789
Departmental revenue	2	765	256
TOTAL REVENUE		1 081 260	611 045
EXPENDITURE			
Current expenditure		1 030 843	545 419
Compensation of employees	3	384 204	345 265
Goods and services	4	646 639	200 154
Transfers and subsidies		35 068	41 342
Transfers and subsidies	6	35 068	41 342
Expenditure for capital assets		2 090	2 695
Tangible assets	7	2 076	2 595
Intangible assets		14	-
Payments for financial assets		786	238
TOTAL EXPENDITURE		1 068 787	589 694
SURPLUS/(DEFICIT) FOR THE YEAR		12 473	21 351
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		11 708	21 095
Annual appropriation		11 708	21 095
Conditional grants		-	-
Departmental revenue and PRF receipts	11	765	256
SURPLUS/(DEFICIT) FOR THE YEAR		12 473	21 351

STATEMENT OF FINANCIAL POSITION

as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	11 531	20 566
Receivables	10	343	1 044
TOTAL ASSETS		11 874	21 610
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	11 708	21 095
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	12	18	17
Payables	13	130	14
TOTAL LIABILITIES		11 856	21 126
NET ASSETS		18	484
Represented by:			
Recoverable revenue		18	484
TOTAL		18	484

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
Recoverable revenue			
Opening balance		484	428
Transfers:		(466)	56
Irrecoverable amounts written off	5	786	-
Debts revised			
Debts recovered (included in departmental revenue)		(1 252)	56
Debts raised			
Closing balance		18	484
TOTAL		18	484

CASH FLOW STATEMENT

for the year ended 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 081 260	611 045
Annual appropriation funds received	1	1 080 495	610 789
Departmental revenue received	2	748	242
Interest received	2.2	17	14
Net (increase)/decrease in net working capital		817	(3 347)
Surrendered to Revenue Fund		(21 859)	(16 092)
Current payments		(1 030 843)	(545 419)
Payments for financial assets	5	(786)	(238)
Transfers and subsidies paid	6	(35 068)	(41 342)
Net cash flow available from operating activities	14	(6 479)	4 607
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(2 090)	(2 695)
Net cash flow available from investing activities		(2 090)	(2 695)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(466)	56
Net cash flows from financing activities		(466)	56
Net increase/(decrease) in cash and cash equivalents		(9 035)	1 968
Cash and cash equivalents at beginning of period		20 566	18 598
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	15	11 531	20 566

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 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.

Appropriated funds are measured at the amounts receivable.

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.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

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.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3. Accruals and payables not recognised.

Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value 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. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the financial statements.

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. Finance lease payments received are recognised as departmental revenue.

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 commencement of the lease term are recorded and measured at the lower of:

- the fair value of the leased asset; or if lower,
- the present value of the minimum lease payments

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.

CARA Funds are recognised when receivable and measured at the amounts receivable.

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.

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. [Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3. Intangible capital 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.

18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by the Provincial Legislature with funding and the related funds are received; or
- approved by the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

19. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year.
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

20. IRREGULAR EXPENDITURE

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

21. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS.

Changes in accounting policies are applied in accordance with MCS requirements.

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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

27. RELATED PARTY TRANSACTIONS

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.

28. INVENTORIES (EFFECTIVE FROM DATE DETERMINED BY THE ACCOUNTANT-GENERAL)

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 recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

31. TRANSFER OF FUNCTIONS

Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

32. MERGERS

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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) Provincial Departments:

	2023/24			2022/23		
	wFinal Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	177 075	177 075	-	165 052	165 052	-
Local Governance	286 243	286 243	-	276 463	276 463	-
Development Planning	592 473	592 473	-	148 926	148 926	-
Traditional Institutional Management	24 704	24 704	-	20 348	20 348	-
Total	1 080 495	1 080 495	-	610 789	610 789	-

1.2. CONDITIONAL GRANTS

		2023/24	2022/23
	Note	R'000	R'000
Total grants received	25	1 769	2 106
Provincial grants included in total grants received		1 769	2 106

Only Expanded Public Works Programme grant was received from National Government and the same was transferred to respective municipalities for the creation of job opportunities within their communities:

- Lesedi Local Municipality R900 000
- Merafong Local Municipality R450 000
- Mogale City Local Municipality R419 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

2. DEPARTMENTAL REVENUE

		2023/24	2022/23
	Note	R'000	R'000
Sales of goods and services other than capital assets	2.1	198	202
Interest, dividends and rent on land	2.2	17	14
Transactions in financial assets and liabilities	2.3	550	40
Total revenue collected		765	256
Less: Own revenue included in appropriation		-	-
Total		765	256

Department derived almost all its revenue from payroll related activities. The increase on financial transactions in financial assets is because of an amount received by the Department from debtors

2.1. SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

		2023/24	2022/23
	Note	R'000	R'000
Sales of goods and services produced by the department		198	202
Sales by market establishment		198	202
Total	2	198	202

The sales of goods and services other than the capital assets include mainly commissions on collection of funds on behalf of third parties from the payroll.

2.2. INTEREST, DIVIDENDS AND RENT ON LAND

		2023/24	2022/23
	Note	R'000	R'000
Interest		17	14
Total	2	17	14

2.3. TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

		2023/24	2022/23
	Note	R'000	R'000
Receivables		550	40
Total	2	550	40

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

3. COMPENSATION OF EMPLOYEES**3.1. ANALYSIS OF BALANCE**

	2023/24	2022/23
Note	R'000	R'000
Basic salary	254 795	227 371
Performance award	191	1 088
Service based	54	412
Compensative/circumstantial	26 065	10 149
Periodic payments	-	33
Other non-pensionable allowances	49 746	57 266
Total	330 851	296 319

An increase in basics salary was because of number of new employees appointed.

Included in Other Non-pensionable Allowances are Salaries & Wages for Capital Remuneration of R547 883.15, Housing Allowance of R11 505 055.05, non-pensionable all others of R18 796 874.33, and Service Bonus of R 18 896 036.96.

Performance award has decreased due to discontinuation by DPSA since 2020/21 financial year.

The increase on circumstantial item relates to payment of over-time and interns appointed by the Department to assist on service delivery initiatives.

3.2. SOCIAL CONTRIBUTIONS

	2023/24	2022/23
Note	R'000	R'000
Employer contributions		
Pension	32 731	29 253
Medical	20 367	19 408
Bargaining council	77	73
Insurance	178	212
Total	53 353	48 946
Total compensation of employees	384 204	345 265
Average number of employees	1 376	657

Average number of employees has increased due to number of Interns hired and contract workers necessitated by the national elections.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

4. GOODS AND SERVICES

		2023/24	2022/23
	<i>Note</i>	R'000	R'000
Administrative fees		359	90
Advertising		5 924	20 621
Minor assets	4.1	486	2
Bursaries (employees)		3 963	2 165
Catering		5 285	1 745
Communication		10 485	16 439
Computer services	4.2	16 302	13 138
Consultants: Business and advisory services		4 986	23 442
Legal services		686	3 541
Contractors		10 546	3 151
Agency and support / outsourced services		502 700	52 924
Audit cost - external	4.3	4 441	4 111
Fleet services		15 303	14 084
Consumables	4.4	12 159	13 542
Operating leases		181	726
Property payments	4.5	20 570	12 839
Travel and subsistence	4.6	8 562	4 450
Venues and facilities		11 325	4 025
Training and development		9 510	5 175
Other operating expenditure	4.7	2 866	3 944
Total		646 639	200 154

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Advertising has decreased due to decline in external advertising of vacant positions. Vacant positions in the current year were advertised internally.

Catering increased due to increased stakeholder engagements because of the elections and support provided to municipalities.

Consultants: Business and advisory services decreased to consulting appointments that were made in prior year to support municipalities and have ended.

Agency and support/ outsourced services has increased due to energy projects initiated during an adjustment budget process where City Power was appointed as an implementing Agent.

Property payments increased due to an increase on tariffs for municipal services, and normal escalations on existing contract such as cleaning services, security services, garden services and fumigations in all three buildings occupied by the Department.

Travel and Subsistence increased due to increased travelling as a result of elections, municipal supports, and the energy project with municipalities.

Venues and Facilities increased due to increased stakeholder engagements as a result of the elections and support provided to municipalities.

Computer Equipment increased due to an increase on head count that necessitated more software licences to be installed by Microsoft.

Contractors increased due to stakeholder engagement sessions with municipalities and communities on implementation and installations of transformers and smart meters and bulk infrastructure such as water and sanitation.

Training and Development increased due to training on accountability and ethical conduct provided to ward councillors.

Other operating expenditure is comprising of Subscriptions, printing and Public Service, Member Subscription fees for Professional Bodies and Resettlement Costs.

4.1. MINOR ASSETS

		2023/24	2022/23
	<i>Note</i>	R'000	R'000
Tangible capital assets		486	2
Machinery and equipment		486	2
Total	4	486	2

4.2. COMPUTER SERVICES

		2023/24	2022/23
	<i>Note</i>	R'000	R'000
SITA computer services		-	163
External computer service providers		16 302	12 975
Total	4	16 302	13 138

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

4.3. AUDIT COST - EXTERNAL

		2023/24	2022/23
	Note	R'000	R'000
Regularity audits		4 441	4 111
Total	4	4 441	4 111

Payments for regulatory audits are for services rendered by the office of the Auditor-General during the prior year.

4.4. CONSUMABLES

		2023/24	2022/23
	Note	R'000	R'000
Consumable supplies		10 247	12 123
Uniform and clothing		826	337
Household supplies		1 765	9 912
Building material and supplies		6 729	-
IT consumables		924	34
Other consumables		3	1 840
Stationery, printing, and office supplies		1 912	1 419
Total	4	12 159	13 542

4.5. PROPERTY PAYMENTS

		2023/24	2022/23
	Note	R'000	R'000
Municipal services		4 144	1 247
Property management fees		273	-
Property maintenance and repairs		3 818	2 236
Other		12 335	9 356
Total	4	20 570	12 839

Property payments increased due to an increase on tariffs for municipal services, and normal escalations on existing contract such as cleaning services, security services, garden services and fumigations in all three buildings occupied by the Department.

Included in other is the Garden Services, Cleaning services, security services and firefighting protection services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

4.6. TRAVEL AND SUBSISTENCE

		2023/24	2022/23
	Note	R'000	R'000
Local		7 715	3 587
Foreign		847	863
Total	4	8 562	4 450

Travel and Subsistence increased due to travelling to physical meetings which are outside the department and trainings offered outside the department buildings

4.7. OTHER OPERATING EXPENDITURE

		2023/24	2022/23
	Note	R'000	R'000
Professional bodies, membership, and subscription fees		12	-
Resettlement costs		9	-
Other		2 845	3 944
Total	4	2 866	3 944

Other operating expenditure comprises of Subscriptions, printing, Courier and Delivery services.

5. PAYMENTS FOR FINANCIAL ASSETS

		2023/24	2022/23
	Note	R'000	R'000
Debts written off	5.1	786	238
Total		786	238

Irrecoverable debt relates to payments made to late employees due to system lags and prescribed debts.

5.1. DEBTS WRITTEN OFF.

		2023/24	2022/23
	Note	R'000	R'000
Nature of debts written off			
Other debt written off		786	238
Total		786	238
Total debt written off	5	786	238

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

6. TRANSFERS AND SUBSIDIES

		2023/24	2022/23
	Note	R'000	R'000
Provinces and municipalities	26	33 369	38 978
Households	Annex 1G	1 699	2 364
Total		35 068	41 342

During the reporting period, the department made the following transfers to the municipalities:

R 11 000 600 for Functional Fire and Rescue Services

- West Rand District Municipality R3 000 000.00
- Midvaal Local Municipality R2 200 000.00
- Emfuleni Local Municipality R4 200 000.00
- Lesedi Local Municipality R2 200 000.00

R20 000 000 for sinkhole and system operations at the two municipalities.

- Merafong City Local Municipality R5 000 000.00
- Rand West Local Municipality R15 000 000.00

R1 769 000 for Expanded Public Works Project as follows:

- Merafong Local Municipality R450 000.00
- Lesedi Local Municipality R900 000.00
- Mogale City Local Municipality R419 000.00

7. EXPENDITURE FOR CAPITAL ASSETS

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets		2 076	2 695
Machinery and equipment	23	2 076	2 695
Intangible assets		14	-
Software	24	14	-
Total		2 090	2 695

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

7.1. ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS - CURRENT YEAR.

Name of entity	2023/24		Total
	Voted funds	Aid assistance	
	R'000	R'000	R'000
Tangible capital assets			
Machinery and equipment	2 076		2 076
Intangible Assets			
Software	14		14
Total	2 090		2 090

7.2. ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS - PRIOR YEAR.

Name of entity	2022/23		Total
	Voted funds	Aid assistance	
	R'000	R'000	R'000
Tangible capital assets			
Machinery and equipment	2 695		2 695
	2 695		2 695
Total	2 695		2 695

8. CASH AND CASH EQUIVALENTS

Note	2023/24	2022/23
	R'000	R'000
Consolidated Paymaster General Account	11 531	20 566
Total	11 531	20 566

The consolidated paymaster general account reflects the balance of cash in the bank account for the Department on the last day of the reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

9. PREPAYMENTS AND ADVANCES

	Note	2023/24 R'000	2022/23 R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)		-	-
SOCPEN advances		-	-
Total		-	-

Analysis of Total Prepayments and advances

Current Prepayments and advances	-	-
Non-current Prepayments and advances	-	-
Total	-	-

9.1. ADVANCES PAID (EXPENSED)

	Balance as at 1 April 2023 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year advance R'000	Amount as at 31 March 2024 R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	-	(223 078)	-	236 127	13 049
Other institutions	-	-	-	-	-
Total	-	(223 078)	-	236 127	13 049

The department made a prepayment of R236m to City Power on the Energy Emergency response Plan that was implemented by the Province through COGTA to address the energy crisis in municipalities. At the end of the financial year the project to the extent of R13m was still in progress.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

10. RECEIVABLES

	Note	2023/24			2022/23		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	10.1	170	-	170	99	-	99
Staff debt	10.2	124	-	124	945	-	945
Other receivables	10.3	49	-	49	-	-	-
Total		343	-	343	1 044	-	1 044

A decrease in Staff Debts relates to debt write offs of late employees and prescribed debts including monies paid to the Department by the former employee.

10.1. RECOVERABLE EXPENDITURE

	Note	2023/24	2022/23
		R'000	R'000
Salary Reversal Control		72	-
Salary Recoverable		98	99
Total	10	170	99

10.2. STAFF DEBT

	Note	2023/24	2022/23
		R'000	R'000
Departmental Debts		124	945
Total	10	124	945

Staff Debt is wholly payment made to deceased staff members. Due to lags between approval and payment date on the payroll, at this point it is extremely difficult to recall payment approved to a staff member should they become deceased after approval but before payment date.

10.3. OTHER RECEIVABLES

	Note	2023/24	2022/23
		R'000	R'000
Salary GEHS Refund		49	-
Total	10	49	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		21 095	15 820
As restated		21 095	15 820
Transferred from statement of financial performance (as restated)		11 708	21 095
Voted funds not requested/not received	1.1	-	-
Paid during the year		(21 095)	(15 820)
Closing balance		11 708	21 095

The funds to be surrendered to the Provincial Revenue Fund are composed as follows.

Compensation of Employees	R10 664 000
Goods and Services	R1 039 000
Transfers and Subsidies	R1 000
Capital Assets	R4 000

11.1. RECONCILIATION ON UNSPENT CONDITIONAL GRANTS

		2023/24	2022/23
	Note	R'000	R'000
Total conditional grants received	1.2	1 769	2 106
Total conditional grants spent		(1 769)	(2 106)
Unspent conditional grants to be surrendered		0	0
Due by the Provincial Revenue Fund		0	0

12. DEPARTMENTAL REVENUE AND PRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		17	33
As restated		17	33
Transferred from statement of financial performance (as restated)		765	256
Paid during the year		(764)	(272)
Closing balance		18	17

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

13. PAYABLES - CURRENT

		2023/24	2022/23
	Note	R'000	R'000
Other payables	13.1	130	14
Total		130	14

13.1. OTHER PAYABLES

		2023/24	2022/23
	Note	R'000	R'000
Description			
Sal: ACB Recall		47	4
Sal: Income Tax		72	6
Sal: Fin Other Institute		3	2
Sal: Garnishee		2	2
Sal: Pension Fund		6	-
Total	13	130	14

14. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

		2023/24	2022/23
	Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		12 473	21 351
Add back non-cash/cash movements not deemed operating activities		(18 952)	(16 744)
(Increase)/decrease in receivables		701	106
Increase/(decrease) in payables - current		116	(3 453)
Expenditure on capital assets		2 090	2 695
Surrenders to Revenue Fund		(21 859)	(16 092)
Net cash flow generated by operating activities		(6 479)	4 607

15. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

		2023/24	2022/23
	Note	R'000	R'000
Consolidated Paymaster General account		11 531	20 566
Total		11 531	20 566

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**16.1. CONTINGENT LIABILITIES**

Liable to	Nature	Note	2023/24	2022/23
			R'000	R'000
Claims against the department		Annex 3B		
Intergovernmental payables		Annex 5	131	189
Total			131	189

The unconfirmed balance of R131 000 is owed to the Department of Roads and Transport and claimed by the department during the reporting period hence was included under contingent liabilities and under Annexure 5

17. ACCRUALS AND PAYABLES NOT RECOGNISED.**17.1. ACCRUALS**

Listed by economic classification	Note	2023/24			2022/23
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services		14 443		14 443	12 158
Interest and rent on land					
Transfers and subsidies					
Capital assets		11		11	41
Other					
Total		14 454	-	14 454	12 199

Listed by programme level	Note	2023/24	2022/23
		R'000	R'000
Administrative		3 191	3 847
Local Governance		6 050	3 900
Development Planning		4 200	2 578
Traditional Institute		1 013	1 874
Total		14 454	12 199

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

17.2. PAYABLES NOT RECOGNISED.

	Note	2023/24			2022/23
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Listed by economic classification					
Goods and services		481		481	817
Interest and rent on land					
Transfers and subsidies					
Capital assets					28
Other					
Total		481	-	481	845

	Note	2023/24	2022/23
		R'000	R'000
Listed by programme level			
Administrative		367	792
Local Governance		-	-
Development Planning		114	53
Traditional Institute		-	-
Total		481	845

	Note	2023/24	2022/23
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	-	176
Confirmed balances with other government entities	Annex 5	1 467	1 021
Total		1 467	1 197

18. EMPLOYEE BENEFITS

	Note	2023/24	2022/23
		R'000	R'000
Leave entitlement		27 338	23 802
Service bonus		9 780	8 809
Performance awards		-	-
Capped leave		1 212	1 138
Other		208	188
Total		38 538	33 937

Leave entitlement has R34 701 of credit leaves included.

Capped leave amount has increased due to a new appointment of an official who has capped leave from previous employer.

Included in other is a long service award liability for 20- and 30-years' employees long services respectively and salary related payment for officials transferred to other departments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

	2023/24	2022/23
Note	R'000	R'000
Included in the above totals are the following:		
Confirmed balances with other departments		
Confirmed balances with other government entities		
Total		

Included in the above totals are the following:

Confirmed balances with other departments

Confirmed balances with other government entities

Total

Annex 5

Annex 5

19. LEASE COMMITMENTS.**19.1. OPERATING LEASES**

	2023/24				Total
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				983	983
Later than 1 year and not later than 5 years				303	303
Total lease commitments				1 286	1 286

	2022/23				Total
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				2 106	2 106
Later than 1 year and not later than 5 years				1 201	1 201
Total lease commitments				3 307	3 307

The operating leases relates to vehicles (G-Fleet) and office automation equipment.

20. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2023/24	2022/23
Note	R'000	R'000
Unauthorised expenditure - current year		
Irregular expenditure - current year	1 091	736
Fruitless and wasteful expenditure - current year		
Total	1 091	736

21. RELATED PARTY TRANSACTIONS

Department has a related party relationship with Gauteng Department of E-Government since both departments were under same Executive Authority..

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

22. KEY MANAGEMENT PERSONNEL

	2023/24	2022/23
Note	R'000	R'000
Political office bearers (<i>provide detail below</i>)		
Officials:	2 201	2 263
Level 15 and 16	9 622	7 689
Level 14 & Inc CRO and CFO	13 751	11 530
Total	25 574	21 482

23. MOVABLE TANGIBLE CAPITAL ASSETS**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**

	2023/24				Closing balance
	Opening balance	Value adjustments	Additions	Disposals	
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	49 824		2 019		51 843
Transport assets	926				926
Computer equipment	33 828		317		34 145
Furniture and office equipment	8 992		1 215		10 207
Other machinery and equipment	6 078		487		6 565
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	49 824		2 019		51 843

Included in the additions is R12 000 for printer that was transferred from Office of the Premier, and R69 000 for laptops under computer equipment that were paid in the current year, however the laptops were received and delivered in the prior year and recorded in the asset register.

Movable Tangible Capital Assets under investigation 2023/24

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:

Computer equipment	54	1 323
Office equipment	1	10
Other machinery and equipment	8	132
Total		1 465

Movable Tangible Capital Assets under investigation 2022/23

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:

Computer equipment	36	939
Office equipment	1	10
Other machinery and equipment	2	52
Total		1 001

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

23.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				Closing balance
	Opening balance	Prior period error	Additions	Disposals	
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	48 902	-	2 764	(1 842)	49 824
Transport assets	926	-	-	-	926
Computer equipment	33 032	-	1 610	(814)	33 828
Furniture and office equipment	9 502	-	142	(652)	8 992
Other machinery and equipment	5 442	-	1 012	(376)	6 078
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	48 902	-	2 764	(1 842)	49 824

23.2. MINOR ASSETS

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24					Total
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance				2 761		2 761
Value adjustments						
Additions				486		486
Disposals						
Total Minor assets				3 247		3 247

Minor assets with R1 value

	2023/24					Total
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets				476		476
Number of minor assets at cost				1 363		1 363
Total number of Minor assets				1 839		1 839

Minor Capital 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:		
Computer equipment	1	3
		3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					Total
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance				3 712		3 712
Prior period error				-		-
Additions				2		2
Disposals				(953)		(953)
Total Minor assets				2 761		2 761

23.3. MOVABLE TANGIBLE CAPITAL ASSETS WRITTEN OFF**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024**

	2023/24					Total
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off				-		-
Total movable assets written off				-		-

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					Total
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off				2 795		2 795
Total movable assets written off				2 795		2 795

24. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Software	-	14	-	14
TOTAL INTANGIBLE CAPITAL ASSETS	-	14	-	14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

25. STATEMENT OF CONDITIONAL GRANTS RECEIVED.

Name of grant	2023/24						2022/23		
	GRANT ALLOCATION			SPENT			Division of Revenue Act / Provincial grants	Amount spent by department	
	Roll overs	DORA Adjust-ment	Other Adjust-ment	Total Available	Amount received by department	Amount spent by department			% of available funds spent by department
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Expanded Public Works Programme	1 960	(191)		1 769	1 769	1 769	2 106	2 106	100,0%
TOTAL	1 960	(191)	-	1 769	1 769	1 769	2 106	2 106	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

26. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES.

Name of municipality	2023/24					2022/23		
	GRANT ALLOCATION			TRANSFER		Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer			
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Merafong City Local Municipality (EPWP)	450			450	450		500	500
Mogale City Local Municipality (EPWP)	419			419	419		540	540
Lesedi Local Municipality (EPWP)	900			900	900		1 066	1 066
West Rand District Municipality (Leased Fire fighting vehicles)	3 000			3 000	3 000		2 200	2 200
Midvaal Local municipality (Improve Fire and Rescue services Responses)	2 200			2 200	2 200		7 800	7 800
Lesedi Local Municipality (Fire and Rescue services)	2 200			2 200	2 200		4 200	4 200
Emfuleni Local Municipality (fire and rescue services)	4 200			4 200	4 200		7 800	7 800
Merafong City Local Municipality (Software Licencing)							250	250
Sedibeng Municipality (Software License)							250	250
West Rand District Municipality (Fire and Rescue Services)							14 372	14 372
Merafong City Local Municipality	5 000			5 000	5 000			
Rand West City Local Municipality	15 000			15 000	15 000			
TOTAL	33 369	-	-	33 369	33 369	-	38 978	38 978

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

27. 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.

28. NATURAL DISASTER OR RELIEF EXPENDITURE

	2023/24	2022/23
<i>Note</i>	R'000	R'000
Compensation of employees		
Goods and services		12 675
Transfers and subsidies		
Expenditure for capital assets		
Other		
Total	Annex 11	12 675

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2023/24										2022/23			
	GRANT ALLOCATION					TRANSFER					SPENT		DORA and other transfers	Actual transfers
	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	R'000	R'000		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Merafong City Local Municipality (EPWP)	450		450	450			450	421	29	93,6%	500	500	500	
Mogale City Local Municipality (EPWP)	419		419	419			419	415	4	99,0%	540	540	540	
Lesedi Local Municipality (EPWP)	900		900	900			900	530	370	58,9%	1 066	1 066	1 066	
West Rand District Municipality (Leased Fire fighting vehicles)	3 000		3 000	3 000			3 000	325	2 675	10,8%	2 200	2 200	2 200	
Midvaal Local municipality (Improve Fire and Rescue services Responses)	2 200		2 200	2 200			2 200	2 183	17	99,2%	7 800	7 800	7 800	
Lesedi Local Municipality (Fire and Rescue services)	2 200		2 200	2 200			2 200	1 983	217	90,1%	4 200	4 200	4 200	
Emfuleni Local Municipality (Municipality Grass fire unit with equipment)	4 200		4 200	4 200			4 200			0,0%	7 800	7 800	7 800	
Merafong City Local Municipality (Software Licencing)			-	-			-				250	250	250	
Sedibeng Municipality (Software License)			-	-			-				250	250	250	
West Rand District Municipality (Fire and Rescue Services)			-	-			-				14 372	14 372	14 372	
Merafong City Local Municipality	5 000		5 000	5 000			5 000			0,0%				
Rand West City Local Municipality	15 000		15 000	15 000			15 000			0,0%				
TOTAL	33 369	-	33 369	33 369	-	-	33 369	5 857	3 312	0,0%	38 978	38 978	38 978	

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2023/24				2022/23	
	TRANSFER ALLOCATION		EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available		
R'000	R'000	R'000	R'000	R'000	R'000	%
Household						
Transfers						
H/H Employees benefit: Post Retirement Benefit – Key Health Medical Scheme				401		487
H/H Employees benefit: Injury on duty						5
H/H Employees benefit: leave gratuity				779		1 872
H/H Bursaries non-employees				519		
				-		
TOTAL				1 699	-	2 364

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

**ANNEXURE 4
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Gauteng Department of Human Settlement				51		51		
Subtotal				51		51		
Other Government Entities								
Subtotal								
TOTAL				51		51		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

**ANNEXURE 5
INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Gauteng Office of the Premier			91			91		
National Department of Agriculture, Land Reform & Rural Development			98			98		
Gauteng Department of Roads and Transport			131		131			
Gauteng Department of Justice		93					93	
National Department of Co-operative Governance and Traditional Affairs		35					35	
Gauteng Department of Health		48					48	
Total Departments	1 467	1 021	131	189	131	189	365	
OTHER GOVERNMENT ENTITIES								
Current								
G-Fleet	1 467	1 021			1 467		1 021	
Government Printing				184		184		
Total Other Government Entities	1 467	1 021	-	184	1 467	1 205		
TOTAL INTERGOVERNMENT PAYABLES	1 467	1 197	131	373	1 598	1 570		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

**ANNEXURE 6
INVENTORIES**

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2024	Note	Material and Supplies		Insert major category of Inventory		Insert major category of Inventory		Insert major category of Inventory		TOTAL
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance		-	-	-	-	-	-	-	-	-
Add/(Less): Adjustments to prior year balances										-
Add: Additions/Purchases - Cash		434 443								434 443
(Less): Issues		(434 443)								(434 443)
Closing balance		-	-	-	-	-	-	-	-	-

ANNEXURE 11
NATURAL DISASTER OR RELIEF EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2023/24				2022/23
	Q1	Q2	Q3	Q4	Total
	R'000	R'000	R'000	R'000	R'000
Compensation of employees					
Goods and services					
Advertising					12 675
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE					12 675

ANNEXURE 12
ANALYSIS OF PREPAYMENTS AND ADVANCES NOTE 9

Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Contract reference number	Total contract value	Contract commencement date	Contract end date	Frequency of the prepayment or advance	Balance outstanding as at 31 March 2023	R'000	Total amount prepaid / advanced in the current year	R'000	Less: goods, services or capital assets received in the current year	%	Add / (Less): Other	R'000	Balance outstanding as at 31 March 2024	R'000	Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
City Power	Energy	Energy Installation project	Public entities		441 000	Nov-23	30-Jun-24	Twice	-	236 127	236 127	(223 078)		-	1 3 049				The department made a prepayment of R236m to City Power on the Energy Emergency response Plan that was implemented by the Province through COGTA to address the energy crisis in municipalities. At the end of the financial year the project to the extent of R13m was still in progress.
TOTAL										- 236 127	(223 078)				- 1 3 049				
TOTAL PREPAYMENTS AND ADVANCES										- 236 127	(223 078)				- 1 3 049				

The department made a prepayment of R236m to City Power on the Energy Emergency response Plan that was implemented by the Province through COGTA to address the energy crisis in municipalities. At the end of the financial year the project to the extent of R13m was still in progress.



CONTACT DETAILS

Address

30 Simmonds Street
Johannesburg
2000

Online

Email: Tafita.Mokoena@gauteng.go.za
Website: www.gauteng.gov.za

Phone

+27 10 345 0809



GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA