

**DEPARTMENT OF
*COOPERATIVE
GOVERNANCE AND
TRADITIONAL AFFAIRS*
PROVINCE OF FREE STATE
VOTE NO. 8**

ANNUAL REPORT

2020/2021 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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Chief Financial Officer: Kgopotso.Moahloli@fscogta.gov.za

Chief Director: Corporate Services: Letshela.Mokoena@fscogta.gov.za

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

3. FOREWORD BY THE MEC



Name: TS NXANGISA

Title: MEC: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

The report is presented during one of the most exciting periods in the times of Local Government environment. The President of the Republic, HE Cyril Ramaphosa has proclaimed the 27th of October, 2021 as the date for the Local Government elections in the country, and needless to say, the period ahead is going to be characterized by many occasions in the Local Government.

Political parties and independent candidates will crisscross the length and breadth of the country, seeking mandate from the electorate and soliciting their votes in the forthcoming elections. This period is more than often characterized by ambitious manifestos sold to the people, with the hope that they will elect the candidates of their choice. This period will once again test the democracy of our country and as CoGTA we must be ready to face the litmus test.

The period lying ahead will also test the tenacity of our municipalities to withstand the challenging demands from our people to be provided services on a sustainable basis. The voter turn around at the Local Government elections is always a barometer to test the satisfaction rate of the people towards this sphere of government.

As reflected in the previous report, the Department is still guided by its vision, which is to build an “Intergraded, Responsive and Developmental Local Government in the Province”. This vision is still our driving force to partner with all the stakeholders in the Province towards achieving the type of Free State we will all be proud of.

The report is presented when as CoGTA we are actively introducing a new approach of conducting government business, in the form of the District Development Model. The DDM is seen as a new approach of doing business in government, where we are moving away from the fragmented way of operation and consolidating the resources, both financial and non-financial to bring improved services to the people.

Chapter 7 of the Constitution of the Republic of South Africa, under the Objects of Local Government, states that “The objects of local government are:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment ; and
- e) To encourage the involvement of communities and community organizations in the matters of local government.

The above mentioned objects are going to be the litmus test upon which the survival of this sphere of government is going to be measured. The community will be gauging the previous performance of this sphere of government on exactly this yardstick.

In the period under review, the following deliverables were achieved by the Department:

- a) Effective liaising with all municipalities in the Province;
- b) More coordinated integrated development and planning at the local government level;
- c) Fostered a close working relation with institutions of Traditional Leadership in the Province

- d) Promote and enhance an efficient functional Free State House of Traditional Leaders, albeit some challenges where we could have done better.

Some of our noted successes during the year under review towards realizing the above goals are the following:

During the new Municipal financial year 2020/2021 MIG financial year which started in July 2020 and will come to an end by June 2021, the amount of R487,200,847.85 (61%) out of a revised allocation of R797,376,000.00 was spent as at 30 April 2021. Municipalities have the opportunity to reach 100% expenditure by the end of June 2021 when the Municipal Financial Year comes to an end.

National Treasury further reallocated additional MIG funds to the following six Municipalities, namely: Mohokare (R5m), Masilonyana (R10m), Matjhabeng (R44,4m), Nala (R7m), Mantsopa (R10m) and Mafube (R6m). These Municipalities, with the exception of Matjhabeng, received an additional allocation due to performance. Matjhabeng Local Municipality received an additional allocation due to a request to National Treasury for additional funds specifically to attend to their Waste Water Treatment Works in all towns.

166 044 Households were serviced and 11.5km of roads and storm water were completed during the implementation of MIG projects from July 2020 until April 2021. 1992 Temporary Jobs were created from July 2020 until April 2021 through the implementation of MIG projects.

The Department appointed 9 Contractors through open tender process to the total amount of R15 million to assist with the cleaning, fumigation/disinfection of 27000 VIP's toilets within Mangaung Metropolitan Municipality, Botshabelo. The project started on 18 December 2020 and was completed by 31 March 2021.

I would like to express my sincere appreciation to all staff members, stakeholders and other role-players for their contributions, hard work and dedication towards realizing the long-term vision of the Department, thereby improving the quality of life of all the citizens in the Free State Province.

In conclusion, much still has to be done towards creating viable and sustainable municipal service delivery in the Province. I am confident that this can be achieved if all stakeholders and role-players work together towards increasing our efforts to create stable governance at local level.



T.S. NXANGISA
MEC: COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

31 AUGUST 2021

4. REPORT OF THE ACCOUNTING OFFICER



Name: MV DUMA
 Title: HEAD OF DEPARTMENT

PRE-DETERMINED OBJECTIVES:

During the year under review, the Monitoring and Evaluation Unit, supported by the Internal Audit unit, interrogated evidence on the (non-financial) performance of the Department in terms of validity, accuracy and completeness, thereby ensuring that the performance recorded and reported is a true reflection of our actual performance. This resulted in the Department achieving **80%** of its planned performance targets. Progress against pre-determined objectives and related targets was also monitored and reported on a quarterly basis, and scrutinized during Senior Management meetings, thereby ensuring that remedial actions are taken timeously to address areas of poor performance.

FINANCIAL MANAGEMENT:

Departmental receipts:

Departmental receipts	2020/2021			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	182	189	(7)	175	181	(6)
Interest, dividends and rent on land	12	9	3	12	11	1
Sale of capital assets	0	0	0	1	2	(1)
Financial transactions in assets and liabilities	70	85	(15)	1 181	1 177	4
Total	264	283	(19)	1 369	1 371	(2)

The adjusted revenue budget allocated to the department for the 2020/2021 financial year amounted to a total of R 264 000. An amount of R 283 000 was collected resulting at an over collection of R 19 000.

The big decrease in Financial transactions in assets and liabilities is related to a once off amount of R 1 112 000 recovered from a Local Municipality in terms of funds not utilized in terms of the transferring conditions.

Tariff Policy:

The 2020/2021 tariffs levied by the department related to the sale of tender documents and sale of old cell phones and machinery and equipment. The tariffs for the selling of tender documents had been standardized between all departments and is determined by Provincial Treasury. In terms of the sale of old cell phones and machinery and equipment the tariffs are listed below:

Detail	Fees
Sale of old cell phones	5% of original value
Sale of machinery & equipment	5% of original value

Programme Expenditure:

Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	138 759	128 783	9 976	163 428	153 984	9 444
Local Governance	136 921	135 091	1 830	159 461	146 128	13 333
Development and Planning	73 775	69 609	4 166	69 625	64 142	5 483
Traditional Institutional Management	47 615	45 802	1 813	64 898	59 126	5 772
House of Traditional Leaders	10 508	9 752	756	16 873	15 036	1 837
Total	407 578	389 037	18 541	474 285	438 416	35 869

The final departmental appropriation for the 2020/2021 financial year amounted to R 407,578 million (2019/2020: R 474,285 million). This represents a decrease of approximately 14% over the previous financial period. Expenditure recorded against the final vote funds amounted to R 389,037 million (or 95, 5%) for the 2020/2021 financial year versus R 438,416 million (or 92, 4%) for the 2019/2020 financial year. The year-on-year decrease in actual expenditure is approximately 11 %.

Consequently, approximately R 18,541 million (or 4, 5%) of the voted funds of R 407,578 million remained unspent (for surrendering to the Revenue Fund).

Virements/roll overs:**Programme 1: Administration****Virement**

An amount of **R 1,834,000** as a possible saving on the economic classifications Goods and services was effected as a virement to Programmes various items under the economic classification as follows:

Sub Programme	Economic Classification	Amount
To: Programme 3	Goods and Services	(R1,197,000)
To: Programme 2	Goods and Services	(R 637,000)
TOTAL		(R1,834,000)

Shifting

The shifting amounting to R 339,000 was done from economic classification: Goods and Service to Machinery and Equipment.

Programme 2: Local Governance

Virement

An amount of R 1,213,000 as a possible saving was effected as a virement to different Programmes and on various items under the economic classification as follows:

Sub Programme	Economic Classification	Amount
To: Programme 3	Goods and Services	(R1,850,000)
From: Programme 2	Goods and Services	R 637,000
TOTAL		(R1,213,000)

Shifting

The shifting amounting to R 196,000 was done from economic classification: Goods and Service to Households.

Programme 3: Development and Planning

Virement

An amount of R 3,607,000 as a possible saving was effected as a virement from different Programmes and on various items under the economic classification as follows:

Sub Programme	Economic Classification	Amount
From: Programme 1	Goods and Services	R1,197,000
From: Programme 2	Goods and Services	R1,850,000
From: Programme 4	Goods and Services	R 560,000
TOTAL		R3,607,000

Shifting

The shifting amounting to R 1,714,000 was done from economic classification: Building & Other Fix Structure and Households to Goods and Service and Machinery and Equipment.

Programme 5: House of Traditional Leaders

Virement

An amount of R 560,000 as a possible saving was effected as a virement to different Programme 3 under the economic classification as follows:

Sub Programme	Economic Classification	Amount
To: Programme 3	Goods and Services	(R560,000)
TOTAL		(R560,000)

Shifting

The shifting amounting to R 10,000 was done from economic classification: Non-profit institution to Households.

Economic Classification

Under spending identified from other Programme was used to defray projected overspending under other Programme in the form of virement and between Economic Classification by means of Shifting within a Programme.

ECONOMIC CLASSIFICATION BUDGET	SECOND ADJUSTMENT APPROPRIATION 2020/ 2021	VIREMENT	SHIFTING	FINAL APPROPRIATION 2020/2021
R thousand	A	B	C	E
Current payments	329 151	-2 244	-1 863	325 044
Compensation of employees	264 225	0		264 225
Goods and services	64 915	-2 244	-1 863	60 808
Interest and rent on land	11			11
Current Transfers and subsidies to:	66 543	0	197	66 740
Provinces and municipalities	64 857			64 857
Departmental agencies and accounts	10			10
Universities and Technicons				0
Non-profit institutions	491		-10	481
Households	1 185		207	1 392
Total Transfers	66 543	0	197	66 740
Payments for capital assets	11 884	2 244	1 666	15 794
Buildings and other fixed structures	5 000	3 607	1 713	10 320
Machinery and equipment	6 884	-1 363	-47	5 474
Software and other intangible assets	0			0
Financial transactions in assets and liabilities				0
TOTAL	407 578	0	0	407 578

Roll overs

The Department requested an amount of R 2,938 million to be rolled over from the 2020/21 financial year to the 2021/22 financial year. This amount relates to commitments already entered into which the Department was unable to pay at 31 March 2021.

Fruitless and wasteful expenditure:

The Department had 8 cases amounting to R 223 851.25 at the beginning of the financial year. During the reporting year 5 new cases were registered to the amount of R 12 394.41. During the 2020/21 financial year 12 cases to the amount of R 230 445.66 was resolved and 1 case to the amount of R 5 800.00 remaining unresolved at year end.

Public Private Partnerships:

The Department did not pursue any public/private partnership during the financial year ending 31 March 2021.

Discontinued activities:

No activities were discontinued by the Department during the year under review.

New or proposed activities:

No new or proposed activities were acquired by the Department during the year under review.

Supply Chain Management:

There was no unsolicited bid proposals concluded for the year under review.

During the year under review, the Department adhered to all supply chain management processes and successfully maintained systems put in place during the previous financial year to prevent irregular expenditure.

The Department however still experienced challenges in relation to the payment of service providers within 30 days. In improving the timeous payment of service providers, the Department has successfully implemented a single (consolidated) register to track all payments throughout the supply chain process, yielding a significant improvement compared to the previous financial year.

Policy and Procedure on Incapacity Leave and Ill-health Retirement (PILIR):

The Department made use of the services of the Thandile Health Risk Manager. All cases pertaining to ill-health, incapacity and related cases were submitted in terms of the prescribed processes to Thandile for a recommendation to the Head of Department (as per legal requirement). The Department approved all recommendations made by Thandile and did not deviate from any recommendation submitted. Where cases were not validated by Thandile, the Department took the necessary actions to address such and, where applicable, funds were also recovered from the salaries of such officials. The Department is also a member of the Provincial Steering Committee of the Health Risk Manager where cases are discussed and best practices shared.

Gifts and Donations received in kind from non-related parties:

None

Exemptions and deviations received from the National Treasury:

There were no exemptions nor deviations received from National Treasury during the year under review.

Events after the reporting date:

None

Other

Covid-19 Impact on the Department:

The COVID-19 epidemic had a serious impact on most of the programmes and activities of the Department. As the Department main outcome is to ensure and assisted local government to be responsive, accountable, effective and efficient, the National lockdown prevented the Department for most of the financial year from performing hands-on support to Municipalities and Traditional Institutions.

The Department received a main Appropriation of R 446,359 million which was reduced to an amount of R 407,578 million in the Special Adjustment Budget.

The Department received and allocation towards Covid-19 support to the amount of R 1 million to procure Personal Protective Equipment as well as an amount of R 15 million for the cleaning of VIP toilets in the Mangaung Metro.

The Department received donations in kind from Provincial Treasury in terms of Personal Protective Equipment in relation to the Covid19 to the amount of R 252 392.26.

Related Party Transactions:

The Department of Provincial Treasury paid for the use of transversal operating systems (i.e. BAS, PERSAL and LOGIS) on behalf of the Department of Cooperative Governance and Traditional Affairs (to SITA). No value for this service can be attributed to this transaction.

The Department of Public Works provided office accommodation to the Department of Cooperative Governance and Traditional Affairs in the OR Tambo Building. No value for this can be attributed to this transaction.

Acknowledgement:

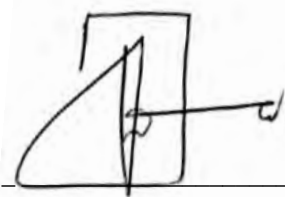
I would like to express my sincere appreciation to all employees and other stakeholders of the Department for their co-operation and hard work during the period under review. The successes achieved by the Department during the period under review would not have been possible without their dedication and commitment.

Conclusion:

In conclusion, much still has to be done towards creating viable and sustainable municipal service delivery in the Province. I am confident that this can be achieved if all stakeholders and role-players work together towards increasing our efforts to create stable governance at local level.

Approval and sign-off:

I hereby submit the 2020/2021 Annual Report of the Department of Cooperative Governance and Traditional Affairs in terms of the Public Finance Management Act, 1999.



MOKETE V. DUMA
HEAD: COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS
31 AUGUST 2021

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

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

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

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

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

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

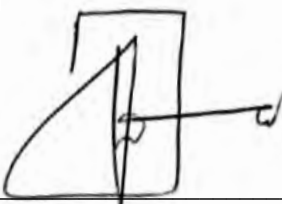
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

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

Yours faithfully

A handwritten signature in black ink, appearing to be 'Mokete V. Duma', is written over a horizontal line.

MOKETE V. DUMA
HEAD: COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS
31 AUGUST 2021

6. STRATEGIC OVERVIEW

- Vision:** Integrated, responsive and developmental local governance in the Free State Province
- Mission:** The Department strives to strengthen inter-sectoral cooperation and support municipalities and Traditional Leaders towards effective service delivery through:
- (i) Integrated and sustainable planning and development
 - (ii) Partnerships
 - (iii) Research
 - (iv) Monitoring and evaluation
 - (v) Accountability
- Values:** The Department's inherent values, as informed by Batho Pele principles, are:
- Results-driven
 - Professionalism and Integrity
 - Responsiveness
 - Accountable and Transparent
 - Value for money
 - Collaborative Leadership

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandate

The Constitution of the Republic of South Africa, 1996, redefined local government as a sphere of government that is distinctive from, yet interdependent and inter-related with provincial and national government. Importantly, the Constitution conferred developmental duties to local government.

7.2 Legislation

The following legislation applied to the Department during the year under review:

- a) Public Finance Management Act, 1999 (Act No. 1 of 1999) (as amended by the Public Finance Management Amendment Act No. 29 of 1999). This Act regulates financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith.
- b) Division of Revenue Act, 2016 (Act No. 3 of 2016) This Act provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2020/2021 financial year, to provide

for reporting requirements for allocations pursuant to such divisions; to provide for the withholding and the delaying of payments; to provide for liability for cost incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and to provide for matters connected therewith.

- c) Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act No. 19 of 1998): The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.
- d) Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970): This Act is used for Town Planning advice to the Department on the subdivision of agricultural land.
- e) Municipal Systems Act, 2000 (Act No. 32 of 2000): The Act introduces changes towards the manner in which municipalities are organized internally, the way they plan and utilize resources, monitor and measure their performance, delegate authority, render services and manage their finances and revenue. Critically, the MSA formalizes a range of alternative service delivery mechanisms that could be used to complement traditional service rendering mechanisms / arrangements used by municipalities. This Act also enables the Integrated Development Plans (IDP). The IDP is a single and inclusive strategic plan that must be compiled and adopted by the municipality. IDPs must include a financial plan, performance management plan, disaster plan and a spatial development framework within which all sector plans should be addressed.
- f) Municipal Demarcation Act, 1998 (Act No. 27 of 1998): The Municipal Demarcation Act of 1998 provided for the re-demarcation of municipal boundaries and this resulted in the rationalization of 843 municipal entities into 284 larger and possible economically viable entities.
- g) Municipal Structures Act, 1998 (Act No. 117 of 1998 as amended in 1999 and 2000): The Act defined new institutional arrangements and systems for local government. Importantly, the Act laid a foundation for local government performance management and ward committee systems.
- h) White Paper on Local Government of 1998: The White Paper on Local Government is a broad policy framework that proposes wholesale changes in the areas of political, administrative structures of local government, electoral systems, demarcations, finances, services, infrastructure development, planning and so forth. The White Paper maps out a vision of developmental local government that is committed to working actively with citizens to identify sustainable ways of meeting their social, economic and material needs and thereby improve their quality of life. Developmental local government envisages the transformation of municipal administrations into rationalized, representative, less bureaucratic, people-centred, efficient, transparent, accountable and responsive entities.
- i) The Fund Raising Act, 1978 (Act No. 107 of 1978): The Act provides for the declaration of a disaster by the President in order to provide relief to the Victims of disasters such as drought disaster.
- j) Disaster Management Act, 2002 (Act No. 57 of 2002): The Act streamlines and unifies disaster management and promotes a risk reduction approach particularly at provincial and local levels. It eliminates the confusion around disaster declaration and addresses current legislative gaps.
- k) National Veld and Forestry Act, 1998 (Act No. 101 of 1998): The Act emphasizes the formation of Fire Protection Associations for the purpose of predicting, preventing, managing and extinguishing veld fires.
- l) The National Environmental and Waste Management Act, 2008 (Act No. 59 of 2008): The Act provides for environmental management strategies so as to prevent and mitigate environmental disasters.
- m) Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003): The Act provides for the recognition of traditional leaders, their roles and functions, recognition of traditional communities, establishment of traditional councils and for matters connected therewith.

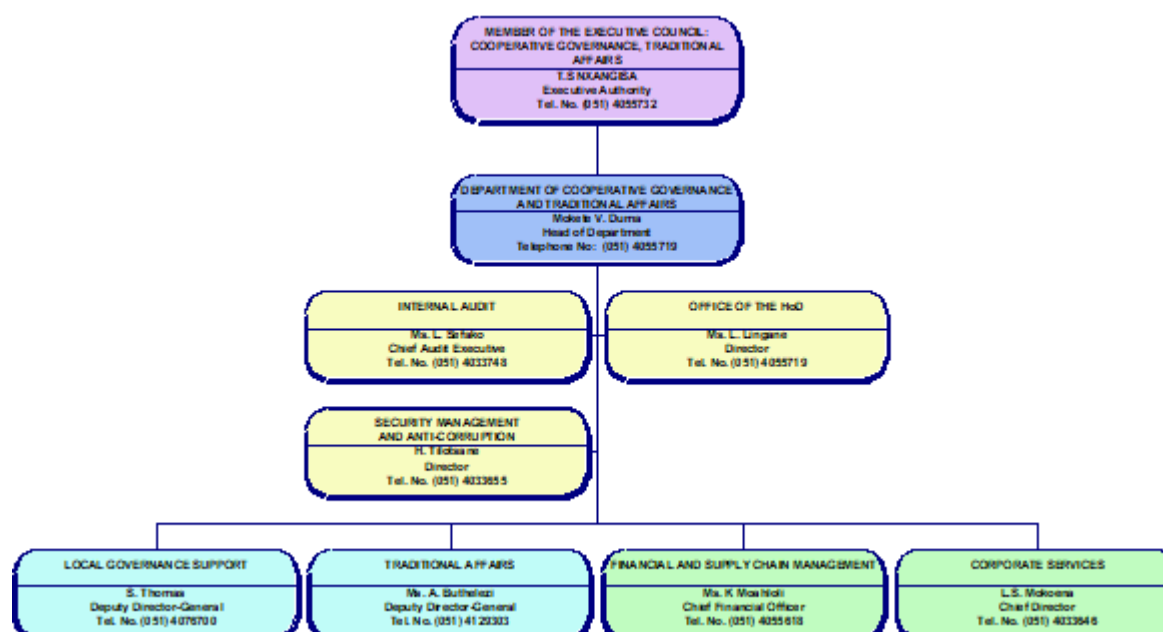
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- n) Public Audit Act, 2004 (Act No. 25 of 2004): This Act gives effect to the provisions of the Constitution establishing and assigning functions to an Auditor-General; to provide for the auditing of institutions in the public sector; to provide for accountability arrangements of the Auditor-General; to repeal certain obsolete legislation; and to provide for matters connected therewith.
 - o) Municipal Finance Management Act, 2003 (Act No. 56 of 2003): This Act aims to modernise budget and financial management practices in municipalities so that financially sustainable municipalities are able to meet their service delivery obligations. The Act also provides a financial governance framework that clarifies the roles and responsibilities of officials, councillors, the Provincial Treasury and this department. The department is responsible for monitoring and supporting municipalities in its implementation, to share its monitoring results and provide warning of impending financial distress. Although the department is endowed with powers of intervention, the primary responsibility to manage finances, identify and avert financial distress rests with municipalities.
 - p) Municipal Property Rates Act, 2004 (Act No. 6 of 2004): This Act regulates the powers entrusted to municipalities to impose rates on property, to exclude certain property categories from rating and to provide a transparent and fair system for rating of properties and granting rates rebates. The Act further provides for ratepayers to have access and recourse to a process of objection and appeal against rates imposed by municipalities. The mandate of the department is to monitor and support municipalities with MPRA implementation, and to ensure that objections and appeals against property values are resolved through a fair and transparent process of appeal/review.
 - q) Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013): This Act provides a framework for the monitoring, coordination and review of the spatial planning and land use management system. It also provides for the establishment, functions and operation of Municipal Planning Tribunals.
 - r) National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977): This Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities for the prescribing of building standards; and for matters connected therewith.
 - s) Safety and Sports and Recreational Events Act, 2010 (Act No. 2 of 2010): To provide for measures to safeguard the physical wellbeing and safety of persons and property at sports, recreational, religious, cultural, exhibition, organisational or similar events held at stadiums, venues or along a route; to provide for the accountability of event role players to provide for certain prohibition to provide risk categorisation of events; to provide for the establishment of measures to deal with safety and security at events; to provide for accreditation of role-players at events; to provide for events ticketing; to provide for the control access of spectators and vehicles at events; to provide for the issuing of safety certificates for planned or existing stadiums or venues; to provide for the contents of safety certificates and amendments to safety certificates; to provide for appointment of inspectors and their powers of entry and inspection; to provide for the development of security services; to provide for spectator exclusion notices; to provide for prohibition notices; to provide for the establishment of an Appeal Board and for appeals; to provide for public liability insurance for events; to provide for payment of fees; to provide for offences and penalties; and to provide for matters connected therewith.
 - t) Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005): To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations, and provide for mechanisms and procedures to facilitate the settlements of intergovernmental disputes.
 - u) Local Government Laws Amendment Act, 1998: This Act amends various acts applicable to local governments such as the Structures Act (in relation to the payment of out of pocket expenses for ward committees and the alignment of the term of office of ward committee members with those of elected councillors.
 - v) Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998).
 - w) National House of Traditional Leaders Act, 2009 (Act No. 22 of 2009). This Act provides for the establishment of the national house of traditional leaders; to determine the powers, duties and responsibilities of the house; to provide for support to the house by government; to provide for the relationship between the house and the provincial houses; to provide for the accountability of the house; and to provide for matters connected therewith.

- x) Free State Traditional Leadership and Governance Act, No. 8 of 2005. This Act provides for the recognition of traditional communities, recognition and establishment of traditional councils, recognition of traditional leaders, their roles and functions, to provide for their removal from office; to provide for a provincial code of conduct; and for matters connected therewith.
- y) House of Traditional Leaders Act, No 6 of 1994. This Act provides for the establishment of a House of Traditional Leaders, and for matters connected herewith.

7.3 Policy Mandates

- (a) National Development Plan
- (b) 2015-2020 Medium Term Strategic Framework
- (c) Free State Growth and Development Strategy
- (d) State of the Nation Address
- (e) State of the Province Address
- (f) Budget Speech of the National Minister for Cooperative Governance and Traditional Affairs
- (g) MEC's Budget Vote Speech
- (h) President's Coordinating Council
- (i) Premier's Coordinating Forum
- (j) Back-to-Basics Programme
- (k) Government's Delivery Agreement on Outcome 9
- (l) Operation Hlasela
- (m) Municipal Infrastructure Grant Policy
- (n) Municipal Service Partnerships White Paper of 2005
- (o) National Disaster Management Framework
- (p) Regional Industrial Development Strategy (RIDS)
- (q) National Local Economic Development Framework
- (r) Free Basic Sanitation Implementation Strategy
- (s) Municipal International Relations Policy Framework
- (t) White Paper on Local Government
- (u) National Spatial Development Perspective (NSDP)
- (v) White Paper on Traditional Leadership and Governance (July 2003)
- (w) Integrated Sustainable Rural Development Program
- (x) Private Public Partnerships Regulations of 2005
- (y) Free Basic Services Policy of 2000
- (z) National guidelines on Indigent Policy and Registers Framework 2005
- (aa) White Paper on Fire Services
- (bb) Integrated Urban Development Framework

8. ORGANISATIONAL STRUCTURE AS AT 31 MARCH 2021



9. ENTITIES REPORTING TO THE EXECUTIVE AUTHORITY

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<i>None</i>			

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

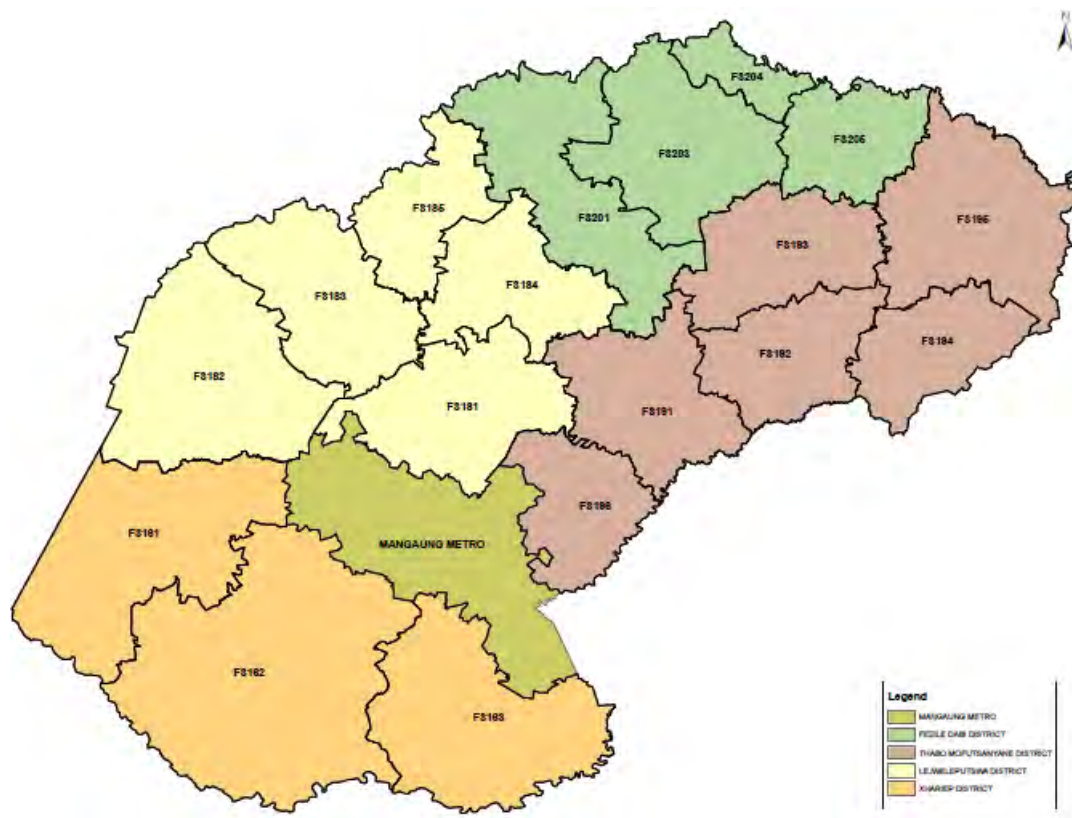
Refer to page 167 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Overview and profiles of Free State Municipalities:

The Free State Province of South Africa is divided, for local government purposes, into one metropolitan municipality (Mangaung) and four district municipalities. The district municipalities are in turn divided into eighteen (18) local municipalities.



MUNICIPAL BY-LAWS

Section 13 sets out the Legislative Procedure for Promulgation of Municipal By-laws and the Department is mandated to assist municipalities comply with legislative requirements as set out in this section.

After promulgation of standard by-laws by the MEC, their adoption is the legislative prerogative of the municipal council in terms of Section 12 of Municipal Systems Act, 2000). Councils in municipalities may also identify and develop new by-laws not on the list of MEC's standard by-laws and the Directorate assists on request in execution of this mandate the Department developed and promulgated 45 Draft Standard by-laws; developed a compliance check list for promulgation of municipal by-laws as well as the By-law Implementation Manual.

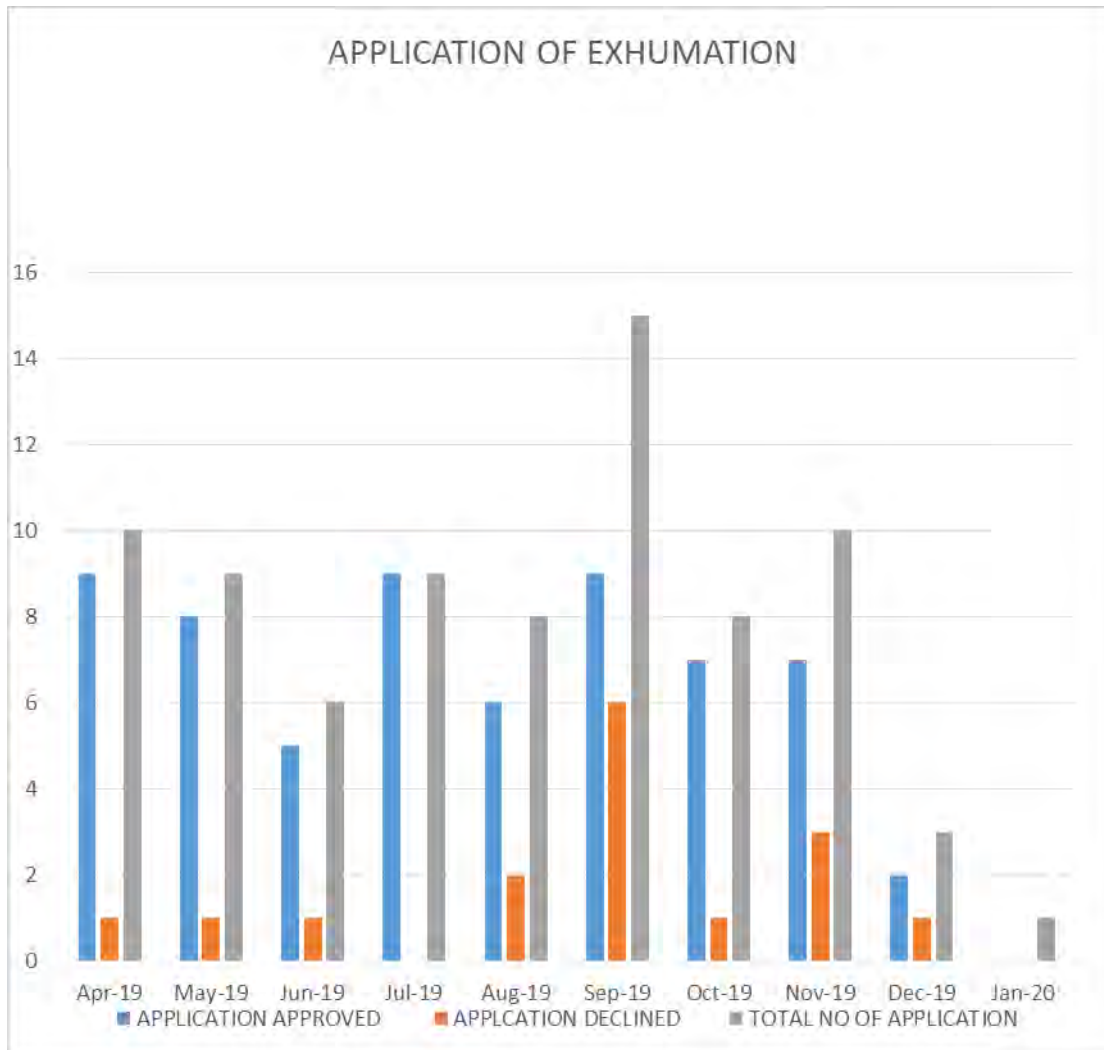
Status for Promulgated By-laws: Free State Municipalities

Municipality	No. By-Laws
Mangaung	44
Thabo Mofutsanyana	02
Setsoto	18
Dihlabeng	05
Nketoana	11
Maluti a Phofung	19
Mantsopa	18
Phumelela	08
Xhariep	04
Letsemeng	08
Mohokare	14
Kopanong	19
Fezile Dabi	03
Moqhaka	27
Ngwathe	08

Metsimaholo	07
Mafube	04
Lejweleputswa	00
Masilonyana	41
Tokologo	02
Tswelopele	14
Matjhabeng	21
Nala	21

Exhumation and re-interment of Mortal Remains

Mandated by the Burial Ordinance 27 of 1966 the Department is responsible for the receiving and the processing of applications for exhumation and re-interment of mortal remains. The following illustrate the application for exhumations in Free State municipalities.



Local Government: Municipal Structures Act 117 of 1998

Section 20: Determination of number of councillors. The Minister have published a formula in the Government Gazette; this formula was designed to determine the number of councillors for each municipality. *The formula must be based on the number of voters registered (RV) on that municipality's segment of the national common voters' roll, on a date determined in the notice.*

After the formula is finalised by the Minister, MECs have determined the number of councillors for each municipality, and to publish them in their respective Provincial Gazette.

Conditions of MECs' deviation from the Minister's formula	Restrictions
If 30 or less councillors determined for municipality by Minister's formula 3 councillors	May be increased, but not reduced if less than 7 councillors
If more than 30 councillors determined for municipality by Minister's formula 10%	May not exceed 270 councillors in metros; and not exceed 90 councillors in local and district municipalities

Determination of Number of Councillors of Municipalities in the Free State:

The Local Government: Municipal Structures Act, 1998.

Section 18(3) of the Local Municipal Structures Act, 1998 (Act No 117 of 1998), the MEC determined the number of Councillors in the Free State Province as contained in the Provincial Gazette as follows.

Schedule

Code	Name of Municipality	Number of Councillors
MAN	Mangaung Metropolitan Municipality	101
DC16	Xhariep District Municipality	16
FS161	Letsemeng Local Municipality	13
FS162	Kopanong Local Municipality	17
FS163	Mohokare Local Municipality	13
DC18	Lejweleputswa District Municipality	39
FS181	Masilionvana Local Municipality	19
FS182	Tokologo Local Municipality	13
FS183	Tswelopele Local Municipality	17
FS184	Matjhabeng Local Municipality	72
FS185	Nala Local Municipality	24
DC19	Thabo Mofutsanyane District Municipality	41
FS191	Setsotho Local Municipality	33
FS192	Dihlabeng Local Municipality	40
FS193	Nketoana Local Municipality	18
FS194	Maluti-a-Phofung Local Municipality	70
FS195	Phumelela Local Municipality	16
FS196	Mantsopa Local Municipality	18
DC20	Fezile Dabi District Municipality	32

FS201	Moghaka Local Municipality	44
FS203	Ngwathe Local Municipality	37
FS204	Metsimaholo Local Municipality	46
FS205	Mafube Local Municipality	17

Local Government: Municipal Structures Act, 1998(Act No.117 of 1998)

Section 25(1) A by-election must be held if a vacancy in a ward occurs, when the municipal manager of the municipality concerned does not call and set a date for a by-election within 14 days of the date of the vacancy the MEC for local government in the province, after consulting the Electoral Commission, must, by notice in the Provincial Gazette, call and set a date for the by-election, which must be held within 90 days of the date of the vacancy.

Current status of the vacancies in wards

Municipality	Ward	Cause of Vacancy	Date of By-elections
Matjhabeng	17	Resignation	7 August 2019
Moqhaka	20	Resignation	7 August 2019
Kopanong	8	Resignation	23 October 2019
Maluti-a-Phofung	01, 07, 08, 10, 11, 15, 16, 18, 20, 23, 24, 26, 29; 31 and 34	Termination of membership of councillors from the party.	28 August 2019

Litigation Management

The Department after utilizing various assessment tools observed an alarming behaviour in litigation management. In an effort to mitigate the high litigation rate in municipalities the Department of Co-operative Governance has identified the need to develop a Litigation Management Strategy and to establish the Free State Municipalities Legal Advisors Forum.

Amongst other strategies that the unit has employed is the regular checking of the litigation registers of municipalities.

A Draft Litigation Management Strategy has been developed by the Department and a consultative process with municipalities is underway and the final document will be adopted once the processes has be finalised. Furthermore Municipalities have been given the strategy to present it to their respective council and customization.

Xhariep and Fezile Dabi District Legal Advisor Forums have been established and are fully functional. Lejweleputswa District Legal Advisors Forum also has been established but it is currently not functional due to the vacancy in the Legal Unit. Progress have been made in relation to the establishment of Thabo Mofutsanyana and the Provincial Legal Advisors Forum.

Covid 19 has been a major challenge despite other challenges the unit is experiencing, the utilisation of virtual makes it impossible for the unit to achieve its target. The other issue is that of comorbidities which crippled the performance of the unit in terms of performance.

The following are cases that the Department has indirect involvement

Samwu National Provident Fund v/s Dihlabeng - Pending

Matjhabeng LM v/s Eskom - Pending

Life Health Care Group v/s Mangaung - Pending

Dihlabeng LM v/s Eskom - Pending

Maluti A Phofung LM v/s Eskom - Pending

Boxmore Plastic SA v/s Maluti A Phofung - Pending

INTEGRATED DEVELOPMENT PLANNING

This Directorate has made the impossible possible during these challenging times and unprecedented period and while we continue to wage the war against the invisible Covid-19 pandemic enemy. The Department of Cooperative Governance and Traditional Affairs together with other state organs conducted and facilitated the Remote Provincial IDP Assessment Sessions.

The IDP Assessment session was necessitated by the Municipal System Act 32 of 2000, section 31 which require office of the MEC for local government to provide comments on the respective municipal integrated development plans in the province.

The overall objective of these sessions was to engage with municipal IDPs with a view of providing comments that are aimed at improving the legal compliance, credibility and quality of IDPs across the 23 municipalities in the Province.

Furthermore the department together with other Provincial IDP key stakeholders collectively managed to successfully convene two bi-annual Virtual Provincial IDP Capacity Building, under following themes:

- 2020/2021 Approved Budgeted Projects and Programmes update due to Covid 19 Pandemic
- Roll out Approved Revised IDP Guidelines

In order to create a platform that allows IDP stakeholders to discuss on IDP-related developmental issues and to realize and achieve the departmental objectives as well as the Constitutional mandate as espoused in section 154 of the Constitution of RSA, and as part of the Departmental Annual Performance Plan and in preparation of the provincial IDP assessment sessions, the Department conducted and facilitated two Virtual Provincial IDP Support Teams Meetings, Virtual Provincial IDP Manager's Forums, Virtual Provincial IDP Capacity Building Sessions and lastly Municipal IDP Engagement Sessions with the aim to achieve the following objectives:

Specific area of focus	Progress to date
To enhance integration amongst all spheres of government	A Provincial Support Team composed of various personnel from various departments and the SoE have been established and progress has been made on this specific area of focus.
To encourage maximum participation and accountability of the IDP stakeholders during IDP processes	There is an improved participation of various stakeholders, however the municipal directors (usually called the section 56 managers) as the drivers on the implementation of the IDP, it is expected that they should participate at the maximum level on all the IDP related matters
To strengthen legality of the IDP and to ensure the credibility of the IDP (Internal auditor and municipal manager)	An affirmative move has been witnessed in this area of focus. A legally compliant template was designed by the department to guide and standardise the assessment of municipal Integrated Development Plans by providing guidelines for the crafting, designing and improving IDPs. There is however, a concern that most of the internal auditors and municipal manager do not adhere to the request of verifying and signing of the draft IDPs as assessed during the quarterly assessment sessions.
To encourage continuous engagement with municipalities (quarterly IDP assessments at district level)	The department has successfully facilitated and conducted the quarterly IDP assessment and further conducted the IDP and Budget bilateral sessions in collaboration of the Provincial Treasury.
To improve the quality of the IDP document	The outcomes of the quarterly IDP assessment sessions have illustrated a steady progress on the quality of the strategic planning documents of the municipalities

MUNICIPAL FINANCE

Submission of the 2019/2020 Annual Financial Statements

Due to the COVID-19 pandemic the date for submission of the 2019/2020 Annual Financial Statements were extended to 31 October 2020. However, 3 Municipalities still submitted the Statements late. These Municipalities are Mohokare, Nala and Mantsopa Local Municipalities.

FINANCIAL STATEMENTS : 2019/2020
RECEIVED AT THE OFFICE OF THE AUDITOR GENERAL AND AUDIT INFO

Municipality	Date AFS received Auditor - General	Pre-Determined Objectives	Audit Work File	Date Draft Annual Report Submitted
DC 16 Xhariep	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 161 Letsemeng	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 162 Kopanong	02/03/2021	02/03/2021	02/03/2021	02/03/2021
FS 163 Mohokare	30/11/2020	30/11/2020	30/11/2020	30/11/2020
DC 18 Lejweleputswa	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 181 Masilonyana	Outstanding	Outstanding	Outstanding	Outstanding
FS 182 Tokologo	Outstanding	Outstanding	Outstanding	Outstanding
FS 183 Tswelopele	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 184 Matjhabeng	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 185 Nala	04/12/2020	04/12/2020	04/12/2020	04/12/2020
DC 19 Thabo Mofutsanyana	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 191 Setsoto	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 191 Dihlabeng	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 193 Nketoana	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 194 Maluti a Phofung	Outstanding	Outstanding	Outstanding	Outstanding
FS 195 Phumelela	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FC 196 Mantsopa	04/12/2020	04/12/2020	04/12/2020	04/12/2020
DC 20 Fezile Dabi	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 201 Moqhaka	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 203 Ngwathe	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 204 Metsimaholo	31/10/2020	31/10/2020	31/10/2020	31/10/2020
FS 205 Mafube	18/02/2021	18/02/2021	18/02/2021	18/02/2021
Complied	14	14	14	14
Submitted Late	5	5	5	5
Outstanding: Prior year/s AFS not submitted	2	2	2	2
Outstanding: 2018/19 Audit only finalised in November 2020	1	1	1	1
Total	22	22	22	22

Entities	Date AFS received Auditor - General	Pre-Determined Objectives	Audit Work File	Date Draft Annual Report Submitted
Maluti a Phofung Water (Pty) Ltd	Outstanding	Outstanding	Outstanding	Outstanding
Lejweleputswa Development Agency (Pty) Ltd	31/10/2020	31/10/2020	31/10/2020	31/10/2020
Fezile Dabi Development Agency	31/10/2020	31/10/2020	31/10/2020	31/10/2020
Complied	2		2	
Submitted Late	0		0	
Outstanding: Prior year/s AFS not submitted	1		1	
Outstanding: 2018/19 Audit only finalised in November 2020	0		0	
Total	3		3	

Annual Report for 2020/21 Financial Year
Vote 8: Department of Cooperative Governance and Traditional Affairs
Province of Free State

Audit Outcomes:

The following Audit outcomes from 2019/2020 points out strong, medium and weak municipalities as far as financial administration, management and compliance capabilities:

FREE STATE 2019/2020 MUNICIPAL AUDIT OUTCOMES						
District	No	Auditee	Audit Outcomes		2019/20	Movement
			2017/18	2018/19		
Xhariep District	1	Xhariep	Unqualified	Unqualified	Unqualified	Unchanged
	2	Kopanong	Qualified	Qualified	Audit pending	
	3	Letsemeng	Qualified	Qualified	Qualified	Unchanged
	4	Mohokare	Qualified	Qualified	Qualified	Unchanged
Lejweleputswa District	1	Lejweleputswa	Unqualified	Unqualified	Unqualified	Unchanged
	2	Masilonyana	Audit pending	AFS outstanding	AFS outstanding	
	3	Matjhabeng	Qualified	Qualified	Qualified	Unchanged
	4	Nala	Qualified	Disclaimer	Qualified	Improvement
	5	Tokolologo	Disclaimer	Disclaimer	AFS outstanding	
	6	Tswelopele	Qualified	Qualified	Unqualified	Improvement
Thabo Mofutsanyana District	1	Thabo Mofutsanyana	Qualified	Unqualified	Qualified	Regression
	2	Dihlabeng	Qualified	Qualified	Qualified	Unchanged
	3	Maluti-A-Phofung	Disclaimer	Audit pending	Audit pending	
	4	Nketoana	Qualified	Disclaimer	Audit pending	
	5	Phumelela	Qualified	Unqualified	Unqualified	Unchanged
	6	Setsoto	Qualified	Qualified	Qualified	Unchanged
	7	Mantsopa	Qualified	Qualified	Audit pending	
Fezile Dabi District	1	Fezile Dabi	Qualified	Disclaimer	Qualified	Improvement
	2	Mafube	Disclaimer	Audit pending	Audit pending	
	3	Metsimaholo	Qualified	Qualified	Qualified	Unchanged
	4	Moghaka	Unqualified	Qualified	Qualified	Unchanged
	5	Ngwathe	Disclaimer	Qualified	Qualified	Unchanged
Municipal Entities	1	Centlec (Pty) Ltd	Qualified	Unqualified	Unqualified	Unchanged
	2	Lejweleputswa Dev. Agency	Qualified	Unqualified	Unqualified	Unchanged
	3	Maluti-A-Phofung Water (Pty) Ltd	Audit pending	AFS outstanding	AFS outstanding	
Summary			2017/18	2018/19	2019/20	
Adverse			0	0	0	
Disclaimer			4	4	0	
Qualified			16	11	11	
Unqualified			3	6	6	
Clean			0	0	0	
Audit pending			2	2	5	
AFS outstanding			0	2	3	
Total			25	25	25	

The majority of Municipalities could sustain their audit opinion during the 2019/2020 MFMA audit.

Only 3 Municipalities could improve their audit outcomes during the 2019/2020 Audit. The audit outcome of the Fezile Dabi District Municipality and the Nala Local Municipality improved from Disclaimer to Qualified while the Tswelopele Local Municipality improved from a qualified audit opinion to an unqualified audit opinion.

The Audit outcomes of the following Municipalities are still pending:

- Kopanong Local Municipality

The 2019/2020 Annual Financial Statements were only submitted to the AG on 02 March 2021.

- Maluti a Phofung Local Municipality

The AG is currently auditing the 2018/2019 Annual Financial Statements of the Municipality.

- Mantsopa Local Municipality

The audit outcome of the Municipality is still unknown.

- Tokologo Local Municipality

The Municipality's 2018/2019 audit was only finalised in November 2020 and the Municipality did not submit its 2019/2020 Annual Financial Statements as yet.

- Nketoana Local Municipality

Due to unrest in the Municipality and concerns with regard to the safety of the Audit Team, the AG withdrew the Audit Team from the Municipality.

- Mafube Local Municipality

The AG is currently busy with the audit of the Municipality's 2018/2019 and 2019/2020 Annual Financial Statements.

- Masilonyana Local Municipality

The AG is currently in the final stages of the audit of the Municipality's 2017/2018 Annual Financial Statements. The Municipality's 2018/2019 and 2019/2020 Annual Financial Statements is still outstanding.

The main reasons why Municipal Audit Opinions stagnated or regressed are the following:

- Going concern
- Unauthorised, Irregular and Fruitless and Wasteful expenditure
- Conditional Grants
- Expenditure
- Revenue
- Trade and other Receivables
- Investment Property
- Property, Plant and Equipment (both movable and infrastructure assets)

The main root causes for disclaimer and qualified opinions are the following:

- Leadership and Oversight inadequacy
 - Ineffective leadership culture, with no consequences for actions
 - Leadership instability

- Financial and Performance Management
 - No proper Record Management
 - No monthly Asset count for movable Assets
 - Inadequate and lack of implementation plan for Infrastructure Assets
 - Quality of Annual Financial Statements
 - High reliance on Consultants
 - CFOs not performing their functions
 - Inadequate Procurement and Contract Management
- Governance
 - Lack of response to Risks identified and discussed with Management
 - Ineffective Governance Structure
- Procurement/ SCM
 - Leadership did not prevent, detect and monitor non-compliance with Laws and Regulations
 - Tender processes were sometimes not followed
 - Lack of supporting documentation
 - Lack of consequences management
- Predetermined Objectives
 - Predetermined Objectives in Municipalities are not well defined
 - Municipalities are not able to meet their Predetermined Objectives
 - Lack of supporting documentation
- HR Management
 - Poor Leadership
 - Low staff morale
 - High level of suspensions
 - Terminations not timely submitted to System Administrators
 - Overtime not approved in advance
- IT Management
 - Leadership did not implement and monitor IT Governance Framework and related IT controls
 - No IT Strategic Plans and Municipal wide IT planning is not in place
 - Lack of Security Management and User Access Controls
 - Lack of IT Service continuity and Programme Change Management

The following are remedial actions required from municipalities:

- Daily disciplines of reconciling cash receipts, deposits and payments
- Proper document management
- Monitoring of monthly reconciliations
- Implementation of consequences management
- Confirmation of monthly Asset counts and Asset reconciliations, including progress on record keeping of Infrastructure Assets
- Monthly feedback to the Mayor on revenue and expenditure linked to Performance Management

Audit Committees and Internal Audit Units:

The apparent weaknesses in oversight and early warning structures further impedes the capabilities of municipalities to anticipate challenges and constraints, resolve these timely and also to strengthen oversight and internal control. The fact that prior year Audit findings are not timely resolved may also be attributed to these apparent capacity constraints.

AUDIT COMMITTEES: 2019/2020 AGSA ASSESSMENT

MUNICIPALITY	PROVIDED LIMITED / NO ASSURANCE	PROVIDED SOME ASSURANCE	PROVIDED ASSURANCE
Xhariep DM			
Letsemeng LM			
Kopanong LM	2019/2020 Audit not finalised as yet		
Mohokare LM			
Lejweleputswa DM			
Masilonyana LM	2017/2018 audit in progress & 2018/2019 & 2019/2020 AFS not finalised as yet		
Tokologo LM	2019/2020 AFS not finalised as yet		
Tswelopele LM			
Matjhabeng LM			
Nala LM	Audit Committee not established		
Thabo Mofutsanyana DM			
Mantsopa LM	2019/2020 Audit pending		
Setsoto LM			
Dihlabeng LM			
Nketoana LM	2019/2020 Audit pending		
Phumelela LM			
Maluti A Phofung LM	2018/2019 Audit pending		
Fezile Dabi DM			
Moqaka LM			
Ngwathe LM			
Metsimaholo LM			
Mafula LM	2018/2019 and 2019/2020 Audit pending		

AGSA Management reports 2019/2020

INTERNAL AUDIT UNITS: 2019/2020 AGSA ASSESSMENT

MUNICIPALITY	PROVIDED LIMITED / NO ASSURANCE	PROVIDED SOME ASSURANCE	PROVIDED ASSURANCE
Xhariep DM			
Letsemeng LM			
Kopanong LM	2019/2020 Audit not finalised as yet		
Mohokare LM			
Lejweleputswa DM			
Masilonyana LM	2017/2018 audit in progres & 2018/2019 and 2019/2020 AFS not finalised as yet		
Tokologo LM	2019/2020 AFS not finalised as yet		
Tswelopele LM			
Matjhabeng LM			
Nala LM			
Thabo Mofutsanyana DM			
Mantsopa LM	2019/2020 Audit pending		
Setsoto LM			
Dihlabeng LM			
Nketoana LM	2019/2020 Audit pending		
Phumelela LM			
Maluti A Phofung LM	2018/2019 Audit pending		
Fezile Dabi DM			
Moqaka LM			
Ngwathe LM			
Metsimaholo LM			
Mafube LM	2018/2019 and 2019/2020 Audit pending		

AGSA Management reports 2019/2020

Municipal Public Accounts Committees (MPACs):

The functionality of MPAC's for the 2019/2020 financial year is summarised in the table below taking into consideration the assurance provided for the 2019/2020 financial year as reflected in the Management Letters of the respective Municipalities;

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEES (MPAC's):
2019/2020 AGSA ASSESSMENT**

MUNICIPALITY	PROVIDED LIMITED / NO ASSURANCE	PROVIDED SOME ASSURANCE	PROVIDED ASSURANCE
Xhariep DM			
Letsemeng LM			
Kopanong LM	2019/2020 Audit not finalised as yet		
Mohokare LM			
Lejweleputswa DM			
Masilonyana LM	2017/2018 audit in progress & 2018/2019 and 2019/2020 AFS not finalised as yet		
Tokologo LM	2019/2020 AFS not finalised as yet		
Tswelopele LM			
Matjhabeng LM			
Nala LM			
Thabo Mofutsanyana DM			
Mantsopa LM	2019/2020 Audit pending		
Setsoto LM			
Dihlabeng LM			
Nketoana LM	2019/2020 Audit pending		
Phumelela LM			
Maluti A Phofung LM	2018/2019 Audit pending		
Fezile Dabi DM			
Moqaka LM			
Ngwathe LM			
Metsimaholo LM			
Mafube LM	2018/2019 and 2019/2020 Audit pending		

AGSA Management reports 2019/2020

The following challenges were highlighted which negatively impact on the functionality / effectiveness of MPAC's in the Free State emanating from previously held training sessions and interactions with members of MPAC's:

- No budget allocation, limited support staff e.g. researcher, office admin assistant etc. as well as limited resources
- Lack of training provided to the broader Council
- The guidelines for MPAC's are not legislated
- Political interference
- Lack of work ethic
- Lack of commitment amongst MPAC members

- Poor cooperation by officials in terms of logistics such as travel arrangements e.g. accommodation and claims

Debtors

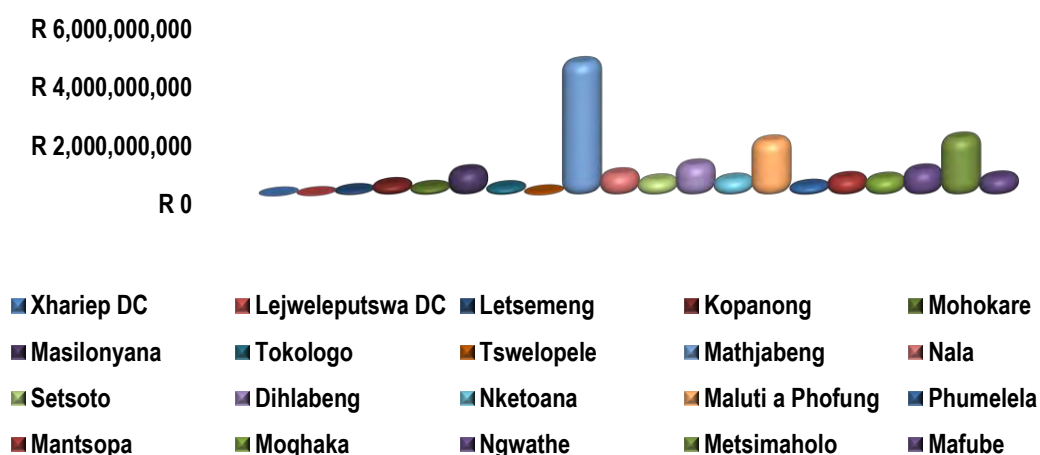
The outstanding debtors of Free State municipalities have reached alarming proportions as illustrated in the table below. The absence of cost reflective and economic tariffs combined with poor revenue-raising mechanisms and weak implementation of debt collection policies further compounds the problem. Correct metering and accurate billing was found to be a serious challenge to most municipalities, which constrains credit control and revenue collection.

OUTSTANDING DEBTORS AS AT 31 MARCH 2021					
Municipalities	Current	30 + Days	60 + Days	120 + Days	TOTAL
Xhariep DC	R 300	R 134,560	R 65,492	R 6,308,354	R 6,508,706
Lejweleputswa DC	R 0	R 0	R 0	R 30,137,361	R 30,137,361
Letsemeng	R 4,667,034	R 2,785,260	R 9,059,350	R 155,973,874	R 172,485,518
Kopanong	R 6,222,350	R 8,434,780	R 7,249,756	R 375,404,021	R 397,310,907
Mohokare	R 26,338	R 11,082,296	R 5,485,719	R 279,031,418	R 295,625,771
Masilonyana	R 15,900,519	R 15,340,418	R 15,409,861	R 797,126,841	R 843,777,639
Tokologo	R 5,898,468	R 5,405,482	R 4,919,452	R 267,301,014	R 283,524,416
Tswelopele	R 6,021,436	R 3,809,273	R 3,291,072	R 104,011,338	R 117,133,119
Mathlabeng	R 154,247,768	R 120,862,286	R 110,132,737	R 4,150,584,270	R 4,535,827,061
Nala	R 18,129,133	R 14,897,211	R 15,852,737	R 687,571,270	R 736,450,351
Setsoto	R 21,887,497	R 16,921,786	R 25,327,487	R 461,834,513	R 525,971,283
Dihlabeng	R 67,582,609	R 22,946,394	R 22,468,305	R 923,783,146	R 1,036,780,454
Nketoana	R -292,342	R 35,325,614	R 24,882,185	R 491,789,684	R 551,705,141
Maluti a Phofung	R 32,982,144	R 30,510,324	R 37,578,237	R 1,755,334,410	R 1,856,405,115
Phumelela	R 1,993,285	R 4,998,530	R 4,938,239	R 324,343,274	R 336,273,328
Mantsopa	R 11,280,061	R 16,553,745	R 12,696,796	R 567,159,259	R 607,689,861
Moghaka	R 60,054,846	R 21,464,586	R 18,416,710	R 484,605,905	R 584,542,047
Ngwathe	R 71,670,525	R 26,669,775	R 770,329,828	R 0	R 868,670,128
Metsimaholo	R 146,496,503	R 38,952,965	R 40,153,118	R 1,730,776,242	R 1,956,378,828
Mafube	R 12,474,929	R 13,639,075	R 13,066,899	R 587,445,688	R 626,626,591
TOTAL	R 637,243,403	R 410,734,360	R 1,141,323,980	R 14,180,521,882	R 16,369,823,625

* Note: Xhariep DM Debtors figure is for the Rent owed by Kopanong LM

* Note: Lejweleputswa DM Debtors figure is money owed by Councillors for being overpaid

Outstanding Debtors



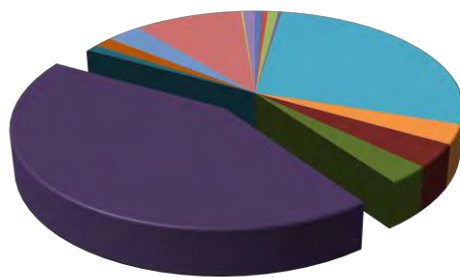
The following are main root causes for the deteriorating debt position of municipalities:

- Absence of, or restricted application of credit control
- Incorrect, incomplete, dormant information in consumer debtor data bases – Debtor data base verifications over due
- Incorrect, irregular meter readings and billing of consumers
- Failure by most Municipalities to apply the procedure determined for dealing with debtor legacy issues (MFMA Circular 16/2010)
- Poor Customer care and application of “amnesties” for default payers, which stimulates mal-payment rather than combat it over longer term
- Poor service delivery and unaccountable Municipal officials are catalysts for mal-payment and often stimulates the creation of ratepayer coalitions against the Municipality

Creditors:

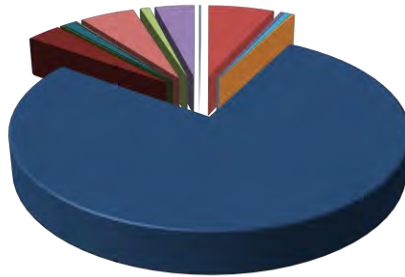
CREDITORS PAYABLE ON 31 MARCH 2021								
Municipality	ESKOM 31/03/2021	Water Boards as at 31/03/2021	Outstanding Pension (30 days Plus)	Outstanding Other Salary Deductions (30 days Plus)	SARS (PAYE, UIF & VAT)	AGSA	Other Creditors (30 days Plus)	Total Creditors
Xhariep			R 0	R 0	R 0	R 1,949,052	R 6,601,511	R 8,550,563
Lejweleputswa			R 0	R 0	R 0	R 986,463	R 2,980,428	R 3,966,891
Thabo Mofutsanyana			R 0	R 2,895,928	R 1,546,809	R 208,228	R 0	R 4,650,965
Fezile Dabi			R 0	R 0	R 0	R 1,355,293	R 0	R 1,355,293
Letsemeng	R 76,702,771	R 10,496,718	R 0	R 1,335,225	R 718,423	R 5,165,411	R 4,596,782	R 99,015,330
Kopanong	R 9,192,594	R 444,667,632	R 141,705,178	R 2,674,876	R 6,726,337	R 5,087,866	R 14,405,043	R 624,459,526
Mohokare	R 724,051	R 100,644	R 60,970,287	R 1,197,408	R 3,860,811	R 9,679,589	R 22,156,868	R 98,689,658
Masilonyana	R 81,928,336	R 18,468,890	R 0	R 0	R 0	R 1,813,385	R 12,640,885	R 114,851,496
Tokologo	R 129,537,542	R 46,213,357	R 0	R 1,187,202	R 0	R 2,514,656	R 1,906,182	R 181,358,939
Tswelopele	R 43,561,228	R 12,435,715	R 0	R 0	R 0	R 1,445,614	R 2,302,045	R 59,744,602
Matjhabeng	R 3,769,347,492	R 5,200,612,767	R 17,703,945	R 0	R 11,502,498	R 9,149,718	R 131,386,274	R 9,139,702,694
Nala	R 439,241,767	R 227,018,202	R 4,470	R 0	R 171,771	R 3,641,554	R 29,496,461	R 699,574,225
Setso	R 5,449,545	R 0	R 0	R 0	R 0	R 3,820,878	R 11,380,117	R 20,650,540
Dihlabeng	R 517,736,134	R 8,870,962	R 0	R 0	R 0	R 5,127,764	R 83,759,954	R 615,494,814
Nketoana	R 406,990,305	R 1,451,176	R 2,363,785	R 1,077,292	R 871,976	R 5,850,659	R 26,233,765	R 177,258,777
Maluti A Phofung	R 5,866,958,830	R 1,488,413,852	R 0	R 0	R 0	R 1,902,200	R 35,803,551	R 7,393,078,433
Phumelela	R 141,601,817	R 77,852,281	R 0	R 0	R 0	R 7,743,697	R 4,131,410	R 231,329,205
Mantsopa	R 229,946,862	R 1,752,640	R 1,206,355	R 1,662,376	R 0	R 9,099,880	R 24,387,766	R 268,055,879
Moqhaka	R 434,249,404	R 7,686,517	R 0	R 0	R 0	R 11,242,102	R 21,404,771	R 474,582,794
Ngwathe	R 1,337,414,051	R 367,342,808	R 135,926,129	R 4,908,051	R 37,097,311	R 6,813,113	R 108,548,012	R 1,998,049,475
Metsimaholo	R 24,056,286	R 62,638,000	R 0	R 0	R 0	R 7,613,148	R 11,276,000	R 105,583,434
Mafube	R 150,255,601	R 267,219,277	R 74,000,730	R 4,111,169	R 24,923,818	R 4,642,661	R 50,548,992	R 575,702,248
Total	R 13,664,894,616	R 8,243,241,438	R 433,880,879	R 21,049,527	R 87,419,754	R 106,852,931	R 605,946,817	R 22,895,705,781

ESKOM AS AT 31 MARCH 2021



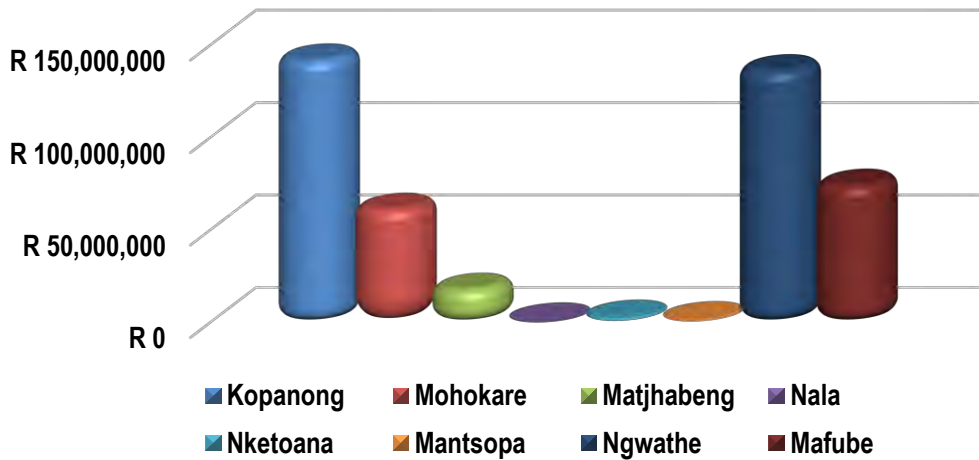
Letsemeng	Masilonyana	Tokologo	Tswelopele
Matjhabeng	Nala	Setso	Dihlabeng
Nketoana	Maluti A Phof	Phumelela	Mantsopa
Moqhaka	Ngwathe	Metsimaholo	Mafube

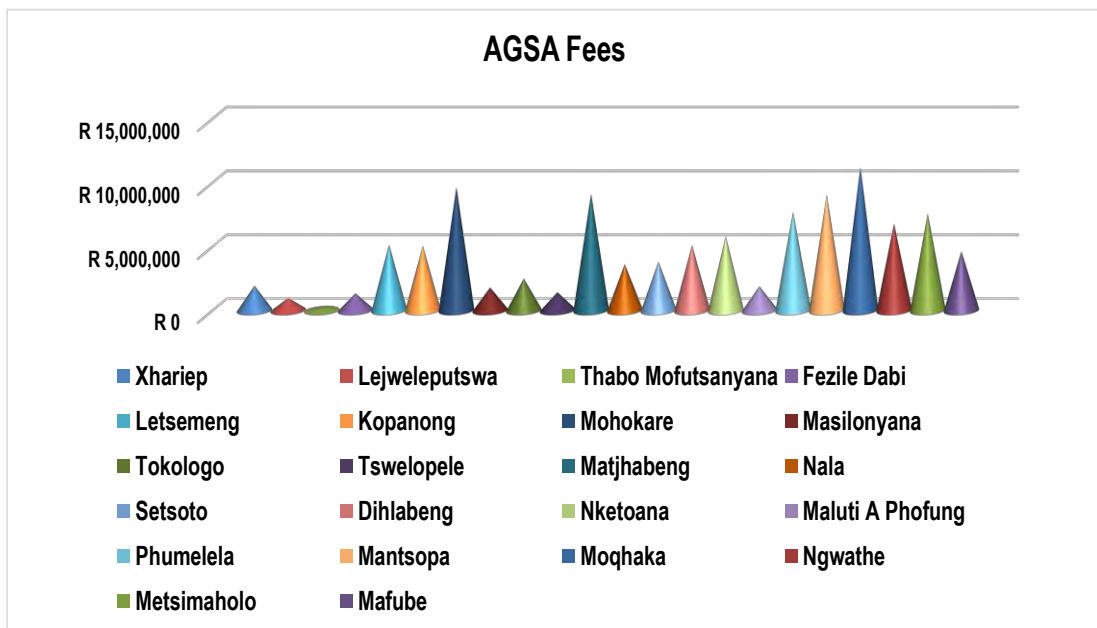
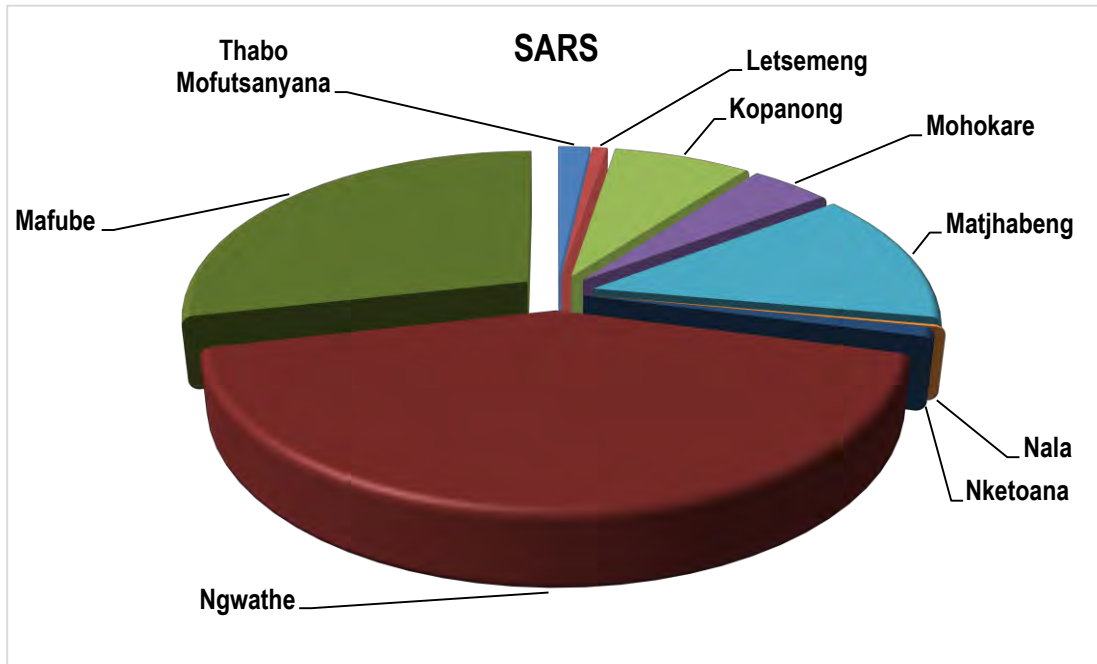
Water Boards / DWS as at 31 March 2021

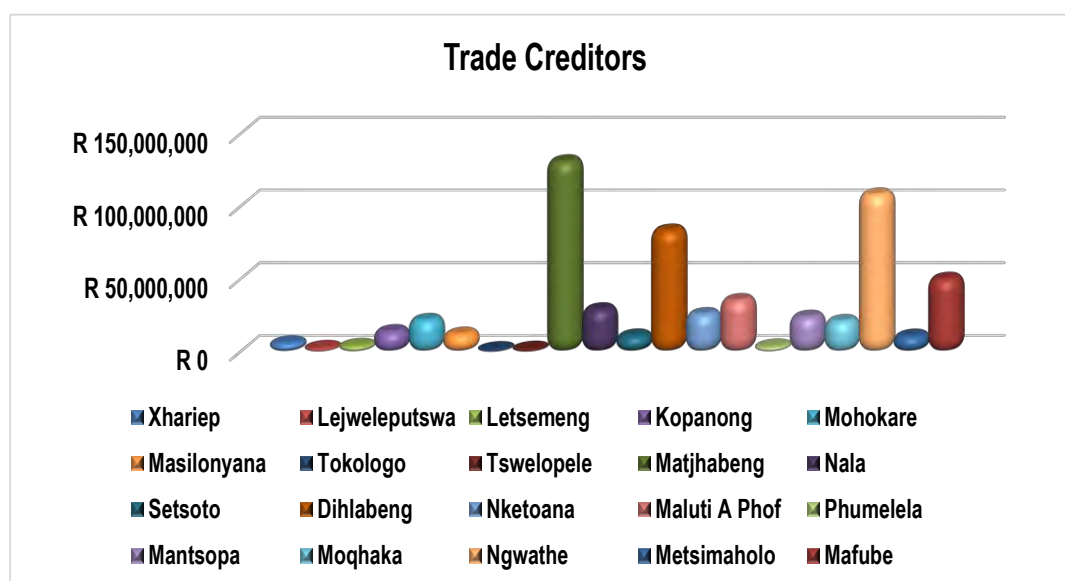


Letsemeng	Kopanong	Mohokare	Masilonyana	Tokologo	Tswelopele
Matjhabeng	Nala	Dihlabeng	Nketoana	Phumelela	Mantsopa
Moqhaka	Ngwathe	Metsimaholo	Mafube		

Outstanding Pension Fund Contribution







The main root causes for the escalation of creditors in municipalities are the following:

- The absence of creditor management plans
- The absence of cash flow forecasting and cash flow management;
- Poor fiscal discipline and expenditure management

Pre-existing concerns over the financial position of Free State Municipalities aside, more and more Local Municipalities find it increasingly difficult to deliver electricity, water, and sanitation to communities as a result of the COVID19 pandemic. Some of the challenges that Local Municipalities face in executing regulations pertaining to expanded service delivery included the need to double if not triple the volume of water delivered to communities to maintain hygienic standards. Expanded services, specifically water tanks, and water tankers while costly, are providing vital relief in the battle against the pandemic. Overall Free State Municipalities owed Bloem Water and Sedibeng Water Board the amount of R8, 243,241,438 as at 31 March 2021. The residents of some Municipalities experienced interruptions in water supply, often over several consecutive days. Particularly Mohokare Local Municipality is experiencing challenges in this regard. Procuring water tanker trucks for Council provide an avenue to ensure a more affordable and sustainable option instead of hiring such equipment.

For the 2020/21 Municipal financial year, National Treasury projected that Municipal collection rates will continue to decline up until at least the end of June 2021. Electricity is anticipated to present a major challenge as electricity revenue is often used to cross-subsidise other non-revenue municipal functions. As at 31 March 2021, Free State Municipalities collectively owed ESKOM R13, 664,894,616. A recent watershed judgment by the Supreme Court of Appeal has dealt a hefty blow to Eskom's plans to collect from non-paying customers in finding that ESKOM's decision to interrupt power supply to defaulting municipalities was irrational. Eskom is constrained by R480 billion in debts and remains reliant on government interventions to remain functional. Because ESKOM has in numerous instances interrupted electricity supply to defaulting and arrears Municipalities in a bid to extract payment, most Free State Municipalities are hopeful that the High Court ruling would grant them too some reprieve. However, notwithstanding the High Court ruling, ESKOM is proceeding with the attachment of municipal assets. The attachments affect Municipalities negatively and impact on their abilities to render sustainable services at a crucial point in time.

LOCAL ECONOMIC DEVELOPMENT

The Department monitor and support municipalities with the development of Local Economic Development Strategies (LED) that will address the economic challenges and create an enabling environment for business to grow. Credible LED strategies that will include issues such as rural development, Spatial Planning and Land Use Management Act, local procurement, informal economy and Green economy, that will form part of the IDP as a sector plan.

COGTA monitors and supports municipalities with the establishment of Business Forums that will create LED platforms (community involvement, business partnerships, sector integration and mentorship) that will ensure engagement on the implementation of LED. The department have working relationships with SALGA, Provincial and National Sector Departments, Business Chambers, FS Agriculture, STATSA, SEDA and several other institutions that can assist with the implementation of economic development on local level.

The outbreak of Covid 19 in South Africa in March 2020 and the declaration of the national state of disaster and COVID19 Regulations and Directives had a huge impact on the local economies of municipalities that need to be addressed. Extraordinary measures need to be taken and put in place to restore the economy to inclusive growth. The virus has caused devastation to the lives of people as well as the economy of the Free State. The Economic Reconstruction and Recovery Plan that was developed, in October 2020, for the country is to support a rapid economic rebound through 4 priority interventions: **Massive roll out of infrastructure, rapid expansion of energy generation capacity, employment stimulus to create jobs and support livelihoods and the drive for industrial growth.**

District and Metro Municipalities were requested by National Dept. of Cooperative Governance to develop District /Metro Economic Recovery Plans that will assess the current situation with the impact of Covid19 and to come up with recovery and implementation plans in order to achieve the goals as set in the Economic Reconstruction and Recovery Plan. The implementation of the plans will be key in giving effect to the recovery plans. The availability of different Covid19 Relief Initiatives are already rolled out to communities, this will require greater coordination and integration between the spheres of government.

The Sub Directorate LED support District/Metro municipalities with the development and the implementation of the Recovery Plans, in order to ensure alignment with the LED Strategies of municipalities. COGTA, Directorate IDP and LED is also involved in the development of the One Plans for District Municipalities as part of the District Development Model.

SPATIAL PLANNING

The focus of Free State Dept. of Cooperative Governance and Traditional Affairs is to provide support to municipalities to ensure that the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) is successfully implemented. The department has provided support with the following:

- Ensuring (with the Department of Rural Development and Land Reform) that the municipalities meet the requirements for implementing the Act. The requirements are the establishment , Gazetting and operation of municipal planning tribunals, Land Use Planning Bylaws and tariff structures
- Drafting of Land Use Schemes and Spatial Development Frameworks that are consistent with SPLUMA
- Drafting/Reviewing of Spatial Development Frameworks in line with SPLUMA
- Providing municipalities with technical assistance with Land Use Administration, Town Planning and Geographical Information Systems.

Establishment of Municipal Planning Tribunal (MPT), tariff structures and Land Use Planning By-laws:

All the municipalities in the province meet the requirements.

The table below depicts the compliance per municipality:

SPLUMA REQUIREMENTS			
DISTRICT	MUNICIPALITY	MPT	BYLAWS & TARIFFS
LEJWELEPUTSWA	Tokologo	Yes	Yes
	Tswelopele	Yes	Yes
	Nala	Yes	Yes
	Masilonyana	Yes	Yes
	Matjhabeng	Yes	Yes
THABO MOFUTSANYANE	Mantsopa	Yes	Yes
	Setsoto	Yes	Yes
	Dihlabeng	Yes	Yes
	Maluti-a-Phofung	Yes	Yes
	Nketoana	Yes	Yes
	Phumelela	Yes	Yes
FEZILE DABI	Moqhaka	Yes	Yes
	Ngwathe	Yes	Yes
	Mafube	Yes	Yes
	Metsimaholo	Yes	Yes
XHARIEP	Kopanong	Yes	Yes
	Letsemeng	Yes	Yes
	Mohokare	Yes	Yes
MANGAUNG	Mangaung Metro	Yes	Yes

Land Use Schemes:

The compilation of the LUS is mandated by SPLUMA and requests all municipalities to adopt a land use scheme within 5 years from the commencement of the Act. The land use scheme is a system that regulates and manages land use and confers land use rights

Fezile Dabi District

	PROGRESS
MAFUBE	It is still in the Initiation Phase.
METSIMAHOLO	The process of drafting the Land Use Scheme has not started yet.
MOQHAKA	Council approved LUS in February 2020
NGWATHE	The draft process has started. It is driven by DALRRD . The Department is part of PSC for the Compilation of the LUS 2020/2021

Mangaung Metro

	PROGRESS
MANGAUNG	The municipality appointed a service provider.

Thabo Mofutsanyana District

	PROGRESS
DIHLABENG	Draft LUS Regulations and draft Maps have been completed by the department. Draft Maps and Regulations are still being finalised in consultation with the Municipality Public participation could not started from January 2021 as the draft maps are not yet finalised.
MALUTI-A-PHOFUNG	The Department started in April 2020 to assist the municipality. Draft regulations are available. There is no draft maps yet.
MANTSOPA	The Department assists the Local Municipality with the compilation of the LUS, starting April 2021. Draft LUS Regulations in process Draft LUS Maps in process
NKETOANA	The department has completed the draft LUS Regulations. The compilation of the draft LUS Maps is still in process. Public participation could not started from January 2021 as the draft maps are not yet finalised.
PHUMELELA	Draft LUS Regulations have been completed by the department. The compilation of the LUS Maps is still in process. Public participation to take place from June 2021
SETSOTO	The final LUS was adopted by Council in March 2020.

Xhariep District

	PROGRESS
KOPANONG	The department is assisting the municipality with the compilation of the land use scheme to be finalised in 2022. - Draft LUS Regulations completed - DALRRD (Rural Development) assisted the Department with land use surveys - Draft LUS Maps in process and to capture data from RD.
LETSEMENG	The department is assisting the municipality with the compilation of the land use scheme to be finalised in 2022 Draft LUS Regulations completed

	- DALRRD (Rural Development) assisted the Department with land use surveys - Draft LUS Maps in process
MOHOKARE	The department is assisting the municipality with the compilation of the land use scheme to be finalised in 2022 - Draft LUS Regulations completed - Draft LUS Maps in process to be finalised.

Lejweleputswa District

	PROGRESS
MASILONYANA	Municipality appointed Service Provider and the LUS was approved by Council. Process is finalised.
MATJHABENG	DALRRD (Rural Development) appointed a service provider in 2021 and the process is still going on.
NALA	The department has completed the draft LUS Regulations. The compilation of the draft LUS Maps is still in process. Public participation could not started from January 2021 as the draft maps are not yet finalised.
TOKOLOGO	The department has completed the draft LUS Regulations. The compilation of the draft LUS Maps is still in process. Public participation could not started from January 2021 as the draft maps are not yet finalised.
TSWELOPELE	The department has completed the draft LUS Regulations. The compilation of the draft LUS Maps is still in process. Public participation could not started from January 2021 as the draft maps are not yet finalised.

Spatial Development Framework

The Spatial Development Framework (SDF) intends to guide overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of the municipal IDP. The aims of the SDF are to guide decision making; promote sustainable, functional and integrated human settlements; maximise resource efficiency and enhance regional identity and unique character of a place.

Thabo Mofutsanyana District

	PROGRESS
THABO MOFUTSANYANA DISTRICT	The department assisted the municipality with the compilation of the Spatial Development Framework. A draft has been approved by Council and it is being advertised for Public Comment.
DIHLABENG	The Municipality is busy with the revision of the Spatial Development Framework.
MALUTI-A-PHOFUNG	A 2019/2020 SDF was approved by Council. It was not Gazetted. A revision of the 2019/20 SDF has not started.
MANTSOPA	The department is assisting the municipality with the compilation of the Spatial Development Framework, started in April 2021
NKETOANA	COGTA started with the SDF revision in April 2020.
PHUMELELA	Draft SDF is available and was adopted by Council in March together with the IDP for Public Participation.
SETSOTO	The department assisted the municipality with drafting of the Spatial Development Framework 2019. Awaits the progress from the Municipality

Xhariep District

PROGRESS	
XHARIEP DISTRICT	The department is finalising the SDF for Council approval – after approval, public participation will start.
KOPANONG	The department is assisting the municipality with the review of the SDF from April 2021.
LETSEMENG	The department is assisting MISA and the municipality with review of the SDF, started September 2020
MOHOKARE	The Final SDF was adopted by Council on 26 March 2020 The municipality indicated the assistance of the department with the review of the SDF. Awaiting the formal request and Process Plan from the municipality

Lejweleputswa District

PROGRESS	
LEJWELEPUTSWA DISTRICT	Final Draft to be adopted by Council. The review is indicated again on the 2021 APP.
MASILONYANA	The Masilonyana SDF was adopted by Council in 2020. Process is finalized.
MATJHABENG	A service provider was appointed by the Municipality in 2018 to draft the Spatial Development Framework, however the process was stopped due to non-payment.
NALA	Final Draft is available.
TOKOLOGO	Final SDF was adopted by Council in 2019.
TSWELOPELE	The department has started with the process of reviewing the Spatial Development Framework.

Fezile Dabi District

PROGRESS	
FEZILE DABI DISTRICT	The department is assisting the Municipality with the SDF 2020/2021. The project is in its Final Phase.
MAFUBE	The department is assisting the Municipality with the SDF 2021/2022. The project is in its Initial Phase.
METSIMAHOLO	A service provider was appointed by the Municipality to draft the Spatial Development Framework. SDF was adopted by Council
MOQHAKA	A service provider was appointed by the Municipality to draft the Spatial Development Framework. SDF was adopted by Council

GEOGRAPHIC INFORMATION SYSTEMS (GIS)

The Geographical Information Systems provides crucial services to the municipalities in terms of processing and capturing GIS data to produce maps according to the needs, ensuring availability of accurate and credible spatial information. The department supports municipalities with the development and maintenance of a database for GIS.

MUNICIPALITIES WITHOUT A FUNCTIONAL GIS

The following Municipalities and Districts do not have a functional GIS, because there is a lack of funds, resources and personnel in the municipalities. The GIS unit at GOGTA support the following Local Municipalities and Districts that have not a functional Geographical Information System by keeping their databases of all their information up to date:

- Metsimaholo, Ngwathe and Mafube Local Municipality.
- Thabo Mofutsanyana District, Phumelela, Nketoana, Maluti-A-Phofung, Setsoto and Mantsopa Local Municipality.
- Lejweleputswa District, Nala, Tswelopele, Masilonyana and Tokologo Local Municipality.
- Xhariep District, Letsemeng, Kopanong and Mohokare Local Municipality.

MUNICIPALITIES WITH A FUNCTIONAL GIS

Fezile Dabi, Dihlabeng and Matjhabeng District Municipalities as well as the Moqhaka Local Municipality have the personnel, equipment and software to run a Geographical Information System at the District and Municipal offices. They keep their own databases up to date and share their data with the GIS unit at COGTA if needed. The GIS unit also provide them once a year with the latest shape files captured by the Surve.

MUNICIPAL PERFORMANCE

Based on municipal organograms there are 129 senior managers' posts, with 94 (73%) posts currently filled and 35 (27%) vacant posts. Of the filled posts, 27 (29%) positions are currently filled by women and they are: 07 Municipal Manager, 03 Chief Financial Officer, 03 Director Technical Services, 05 Director Corporate Services, 07 Director Community Services, 01 LED & Planning, and 01 other post.

STATUS QUO ON THE APPOINTMENT OF TOP 6 SENIOR MANAGERS (PROVINCIAL OVERVIEW)

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning	Dir/Man Community Services	Director Other
Total No. of posts	23	23	20	23	09	21	10
Total No. filled	22	19	17	17	05	13	06
Total No. Vacant	01	04	03	06	04	08	04
Total No. filled by female	07	03	05	06	01	07	01

STATUS QUO ON THE APPOINTMENT OF TOP 6 SENIOR MANAGERS (MANGAUNG METRO)

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Mangaung Metro	Filled	Filled	Filled	Filled	Filled	Filled	04	10/11	91%
Total Number of Posts	01	01	01	01	01	01	05	11	
Filled	01	01	01	01	01	01	04	10	91%
Vacant	0	0	0	0	0	0	01	01	9%
Total No. filled by female	0	0	0	0	0	0	01	01	9%
Total number of Posts in Mangaung Metro is 11, with 10 posts filled and 01 Vacancy. 01/11 posts are filled by women resulting in 9% representation.									

STATUS QUO ON THE APPOINTMENT OF TOP 6 SENIOR MANAGERS (XHARIEP DISTRICT)

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Xhariep DM	Filled	Filled	N/A	Filled	N/A	Filled	0	04/04	100%
Letsemeng LM	Filled	Filled	Filled	Vacant	N/A	Filled	0	04/05	80%
Kopanong LM	Filled	Vacant	Filled	Filled	N/A	Vacant	0	03/05	60%
Mohokare LM	Filled	Filled	Filled	Vacant	N/A	Vacant	0	03/05	60%
Total Number of Posts	04	04	03	04	0	04	0	19	
Filled	04	03	03	02	0	02	0	14	74%
Vacant	0	01	0	02	0	02	0	05	26%

Total No. filled by female	01	0	01	01	0	0	0	03	21%
Total number of Posts in Xhariep District is 19 with 14 posts filled and 05 Vacancies. 03/14 posts are filled by women resulting in 21% representation									

STATUS QUO ON THE APPOINTMENT OF TOP 6 SENIOR MANAGERS (LEJWELEPUTSWA DISTRICT)

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Lejweleputswa DM	Filled	Filled	N/A	Filled	Filled	Vacant	0	04/05	80%
Masilonyana LM	Filled	Vacant	Filled	Vacant	Vacant	Filled	0	03/06	50%
Tokologo LM	Filled	Filled	Filled	Filled	N/A	N/A	0	04/04	100%
Tswelopele LM	Filled	Vacant	Filled	Vacant	N/A	Vacant	0	02/05	40%
Matjhabeng LM	Filled	Filled	Filled	Vacant	Vacant	Vacant	01	04/07	57%
Nala LM	Filled	Filled	Vacant	Filled	N/A	Vacant	0	03/05	60%
Total Number of Posts	06	06	05	06	03	05	01	32	
Filled	06	04	04	03	01	01	01	20	63%
Vacant	0	02	01	03	02	04	0	12	37%
Total No. filled by female	03	0	01	01	0	01	0	06	30%
Total number of Posts in Lejweleputswa District is 32 with 20 posts filled and 12 Vacancies. 06/21 posts are filled by women resulting in 30% representation									

STATUS QUO ON THE APPOINTMENT OF TOP 6 SENIOR MANAGERS (THABO MOFUTSANYANA DISTRICT)

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Thabo Mofutsanyana DM	Filled	Filled	N/A	Filled	N/A	Filled	0	04/04	100%
Dhlabeng LM	Filled	Filled	Filled	Filled	Filled	Filled	0	06/06	100%
Setsotho LM	Filled	Filled	Filled	Filled	N/A	Filled	0	05/05	100%
Nketoana LM	Filled	Filled	Filled	Filled	N/A	Filled	0	05/05	100%
Mantsopa LM	Filled	Filled	Filled	Filled	N/A	Filled	0	05/05	100%
Phumelela LM	Filled	Filled	Filled	Filled	N/A	N/A	0	04/04	100%
Maluti-a-Phofung LM	Filled	Filled	Filled	Filled	Vacant	Vacant	01	05/09	44%
Total Number of Posts	07	07	06	07	02	06	03	38	
Filled	07	07	06	07	01	05	01	34	89%
Vacant	0	0	0	0	01	01	02	04	11%
Total No. filled by female	02	02	02	02	0	02	0	10	29%
Total number of Posts in Thabo Mofutsanyana District is 38 with 34 posts filled and 04 Vacancies. 10/32 posts are filled by women resulting in 29% representation									

STATUS QUO ON THE APPOINTMENT OF TOP 6 SENIOR MANAGERS (FEZILE DABI DISTRICT)

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Fezile Dabi DM	Filled	Filled	Vacant	Filled	Filled	Filled	0	05/06	83%
Moqhaka LM	Filled	Filled	Filled	Filled	Filled	Filled	0	06/06	100%
Ngwathe LM	Filled	Filled	Filled	Filled	N/A	Filled	0	05/06	83%
Metsimaholo LM	Filled	Vacant	Vacant	Vacant	Vacant	Vacant	0	01/06	17%
Mafube LM	Vacant	Filled	Filled	Filled	N/A	Filled	0	04/05	80%
Total Number of Posts	05	05	05	05	03	05	01	29	
Filled	04	04	03	04	02	04	0	21	72%
Vacant	01	01	02	01	01	01	01	08	28%
Total No. filled by female	01	01	01	02	01	04	0	10	50%
Total number of Posts in Fezile Dabi District is 29 with 21 posts filled and 08 Vacancies. 10/20 posts are filled by women resulting in 50% representation.									

Submission of Employment Contracts and Performance Agreements

Section 57 of the Municipal Systems Act 32 of 2000 reads-

- A person to be appointed as the municipal manager of a municipality, and a person to be appointed as a manager directly accountable to the municipal manager, may be appointed to that position only-
- In terms of a written employment contract with the municipality complying with the provisions of this section; and
- Subject to a separate performance agreement concluded annually as provided for in subsection (2).

Based on the preceding legislative requirement, herewith the outstanding employment contracts for the 2020/2021 financial period:

SUBMITTED	OUTSTANDING
Mangaung Metro Xhariep DM Kopanong LM Mohokare LM Lejweleputswa DM Masilonyana LM Tokologo LM Tswelopele LM Matjhabeng LM Thabo Mofutsanyana DM Nketoana LM Dihlabeng LM Mantsopa LM Phumelela LM Moghaka LM Ngwathe LM Nala LM Setsoto LM Metsimaholo	Fezile Dabi DM Letsemeng LM Maluti-a-Phofung LM Mafube LM

Performance Agreements of Municipal Managers: (2020/2021)

The following reflects the status of 2020/2021 performance agreements in municipalities:

SUBMITTED	OUTSTANDING
Mangaung Metro Xhariep DM Kopanong LM Mohokare LM Lejweleputswa DM Masilonyana LM Tokologo LM Tswelopele LM Matjhabeng LM	Letsemeng, Dihlabeng (seconded Acting MM), Metsimaholo (second Acting MM) and Mafube (seconded Acting MM) LMs.

Thabo Mofutsanyana DM	
Maluti-a-Phofung LM	
Nketoana LM	
Mantsopa LM	
Phumelela LM	
Moqhaka LM	
Ngwathe LM	
Fezile Dabi DM	
Nala LM	
Setsoto LM	

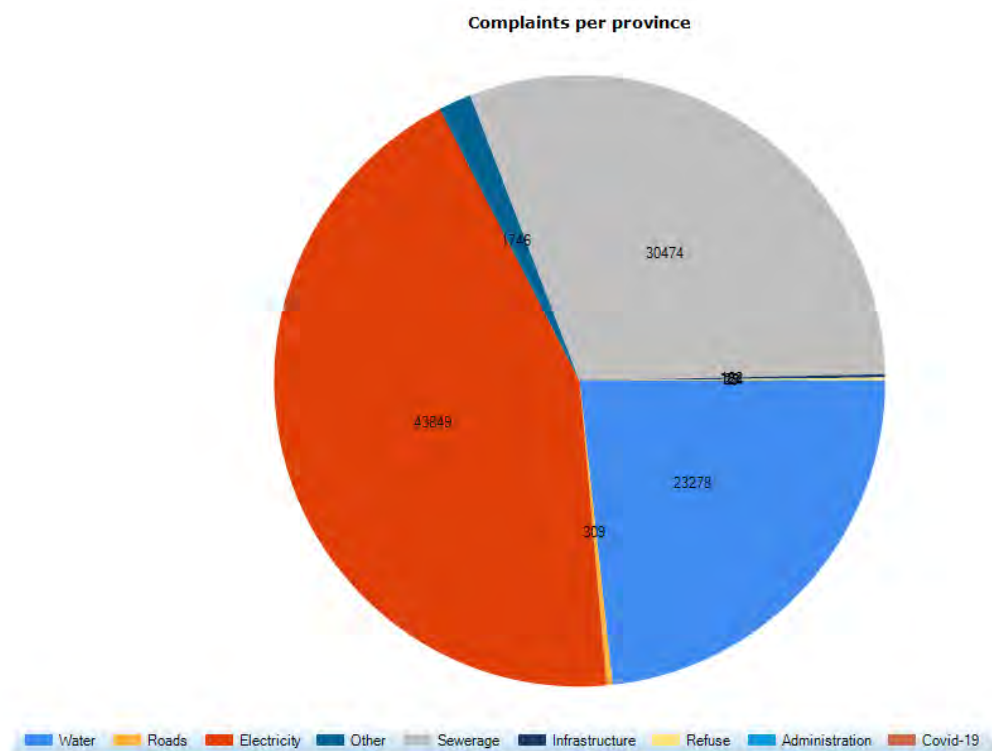
Citizens' Complaints and Compliments Management System

During the year under review, municipalities were supported on the development and/or maintenance of their Citizens' Complaints and Compliments Management Systems. The system is also being used to strengthen public participation towards communicating some of government programmes to the community, especially for the convening of Izimbizo. The graphs below reflect the level of usage of the system by municipalities and number of protest actions that took place during the period under review. The general trends with regard to the responsiveness of our municipalities, shows highest level and downward trend with regards to petitions not responded to. It must be noted that the upward swing of the number of petitions has to do more with the events outside the municipal competence and not the actual lack of delivery of services by municipalities. Therefore, our complaints management systems are beginning to bear positive fruits.

The following municipalities did not utilize the web-based Complaints and Compliments Management System:

- Tswelopele
- Mangaung (Metro)
- Mohokare
- Metsimaholo
- Masilonyana
- Nketoana
- Tokologo
- Nala
- Ngwathe
- Mafube
- Mantsopa

The graph below is a summary of the total number of complaints received in all municipalities during the period under review:



Inter-Governmental Relations

The Department continuously supported all District IGR Forums to hold meetings, especially District Technical IGR Support Forums whose main mandate is to technically support the District Mayors in the coordination and strengthening of the service delivery machinery of government through the IGR system. The main challenges experienced are the lack of following up on the implementation of resolutions taken during IGR Forum meetings and attendance of meetings by primary members. The main challenge during the period under review was Fezile Dabi District not convening both Technical and Political IGR meetings. The other problem is convening Political IGR Forums as the primary members do not prioritise these meetings.

Ward Committees

308 out of 309 ward committees were established. Ward 5 in Maluti A Phofung remains a challenge and no ward committee has been established yet. The ward committees have varied levels of functionality (development and implementation of ward operational plans, development and implementation of ward based data-base of community concerns, schedules of ward committee and community and report-back meetings, development of ward profiles, submission of monthly reports (quarterly reports), recording and submission of database of community concerns, filling of vacancies, database of portfolios and payment of out of pocket expense. Furthermore the Department is focusing on preparations for the 2021 local government elections and monitor the readiness of municipalities with regard to the re-establishment of ward committees after the local government elections.

Municipalities will be assisted with refresher training on the roles and responsibilities of ward committees **and the code of conduct**. The Department will further support all municipalities to convene regular ward committee forums to ensure that challenges faced by ward committees are addressed.

The Department is embarking on a road-show to request all municipalities to ensure that both ward committees and Public Participation Officers are included in the Workplace Skills Plan of the municipality.

FREE BASIC SERVICES

All municipalities in the province are providing Free Basic Services to qualifying households. The Department is currently assisting municipalities to align their Indigent policies to the National guidelines. The department is also monitoring municipalities on how indigent registers are updated. An assessment toolkit was developed in conjunction with the National Department of Cooperative Governance to assist municipalities to align their Indigent policies to the National guidelines. The Department in collaboration with the National Department of Cooperative Governance will be supporting municipalities in the communication of Free Basic Services to qualifying households.

Due to failure by certain municipalities to pay ESKOM on their Free Basic Electricity account Eskom has removed qualifying Indigent households from their system in the following municipalities:

- Mafube since 2018 affecting 800 households
- Mantsopa since 2021 affecting 2700 households
- Tokologo since 2020 affecting 1123 households
- Kopanong since 2016 affecting 874 households.
- Mangaung (Wepener and Vanstandensrus affecting 1348 households since 2018, and Soutpan since 2018 and affecting 439 households.

The challenges facing municipalities generally are:

- Households that do not indicate when no longer indigent to the municipality,
- The registration of indigent households throughout the year.
- The process of obtaining letters of authority for child headed households to ensure access to Free Basic Services
- The process of registering indigents in some cases is long.
- The indigent policies are not in line with the National guidelines.
- Provision of Free Basic Services to households in privately owned land is limited.
- Provision of Free Basic Services to backyard households is not undertaken in municipalities
- Provision of Free Basic Services in rural areas in QwaQwa and certain areas of Thaba’Nchu is limited.

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Vote 8: Department of Cooperative Governance and Traditional Affairs
Province of Free State

The following reflects status of free basic services in the Free State Province:

Municipality	Households N0	Indigents N0	FBW	FBE	FBSAN	FBRR
Maluti-a-Phofung	100228	34201	664	3353	664	664
Setsoto	37169	4676	7141	7141	7141	7141
Dihlabeng	46857	5927	2630	2630	2630	2630
Nketoana	16634	3863	5075	5273	5329	5309
Phumelela	12531	1441	1441	1441	1441	1441
Mantsopa	16951	265	265	265	265	265
Matjhabeng	127407	12179	12179	12179	12179	12179
Tokologo	18 473	1303	1032	0	1150	1153
Tswelopele	12340	3674	12340	3674	3416	3674
Nala	24343	9366	9366	9366	9366	9366
Masilonyana	17100	2555	2555	2555	2555	2555
Mangaung	385685	51892	51892	67163	51892	51892
Ngwathe	28655	10362	8592	8592	8592	8592
Metsimaholo	40996	10362	1094	10118	9228	9118
Letsemeng	10024	1693	1693	1693	1693	1693
Mohokare	8464	864	864	864	864	864
Moqhaka	35235	14989	14989	14989	14989	14989
Mafube	18 701	3 680	3 680	3 680	3 680	3 680
Kopanong	13 527	2290	2 290	2 290	2290	2 290
Total	971320	147313	148782	157336	139364	139495

MUNICIPAL INFRASTRUCTURE

The Municipal Infrastructure Grant (MIG) continued to contribute towards municipal service delivery in the Province during the 2019/2020 MIG financial year (July 2019-June 2020) and the 2020/2021 MIG financial year (July 2020 - April 2021) which overlapped with the Provincial financial years. The 2020/2021 MIG financial year will only come to an end by the 30 June 2021.

a) 2019/2020 MIG financial year

A total amount of R652, 348,027.93(85%) out of a revised allocation of R770, 107,000.00 was spent as at 30 June 2020. With regard to the 2018/2019 MIG roll over to the amount of R18,399,902.01, an amount of R11,085,728.71 was spent in respect of Lejweleputswa District Municipality for the implementation of Masilonyana MIG projects.

Nine (9) Municipalities, during the financial year received MIG funds on a Cost Reimbursement method whereby monthly transfers were done based on claims received by the Municipality.

The MIG expenditure per Municipality as at 30 June 2020 is indicated underneath:

Municipality	Expenditure vs MIG Allocation 2019/2020					
	Allocation	Adjustment (March 2020)	Revised Allocation	Expenditure	%	Balance
Letsemeng (FS161)	17 149 000.00	-	17 149 000.00	10 459 354.82	61%	6 689 645.18
Kopanong (FS162)	20 540 000.00	-	20 540 000.00	14 580 548.12	71%	5 959 451.88
Mohokare (FS163)	17 991 000.00	-	17 991 000.00	8 389 508.05	47%	9 601 491.95
Xhariep (DC16)	-					-
Masilonyana (FS181)	32 421 000.00	-	32 421 000.00	23 717 261.85	73%	8 703 738.15
Tokoloko (FS182)	16 553 000.00	-	16 553 000.00	15 232 110.11	92%	1 320 889.89
Tswelopele (FS183)	16 488 000.00	-	16 488 000.00	11 441 629.27	69%	5 046 370.73
Matjhabeng (FS184)	119 070 000.00	-	119 070 000.00	74 681 096.00	63%	44 388 904.00
Nala (FS185)	29 645 000.00	-	29 645 000.00	28 434 878.15	96%	1 210 121.85
Lejweleputswa (DC18)	-					-
Setsotho (FS191)	47 203 000.00	-	47 203 000.00	41 682 723.73	88%	5 520 276.27
Dihlabeng (FS192)	38 648 000.00	10 000 000.00	48 648 000.00	48 648 000.00	100%	-
Nketoana (FS193)	38 372 000.00	6 000 000.00	44 372 000.00	44 372 000.00	100%	-
Maluti-a-Phofung (FS194)	162 763 000.00	-	162 763 000.00	162 763 000.00	100%	-
Phumelela (FS195)	21 048 000.00	-	21 048 000.00	21 048 000.00	100%	-
Mantsopa (FS173)	19 971 000.00	-	19 971 000.00	13 105 238.53	66%	6 865 761.47
Thabo Mofutsanyana (DC19)						
Moqhaka (FS201)	40 178 000.00	-	40 178 000.00	40 178 000.00	100%	-
Ngwathe (FS203)	41 971 000.00	-	41 971 000.00	36 656 808.10	87%	5 314 191.90
Metsimaholo (FS204)	51 652 000.00	-	51 652 000.00	34 513 871.20	67%	17 138 128.80
Mafube (FS205)	22 444 000.00	-	22 444 000.00	22 444 000.00	100%	-
Fezile Dabi (DC20)			-	-		-
Provincial Total	754 107 000.00	16 000 000.00	770 107 000.00	652 348 027.93	85%	117 758 972.07

The MIG expenditure per Municipality can be categorized as follows:

6 Municipalities namely Dihlabeng, Nketoana, Maluti a Phofung, Phumelela, Moqhaka and Mafube reported

100 % expenditure:

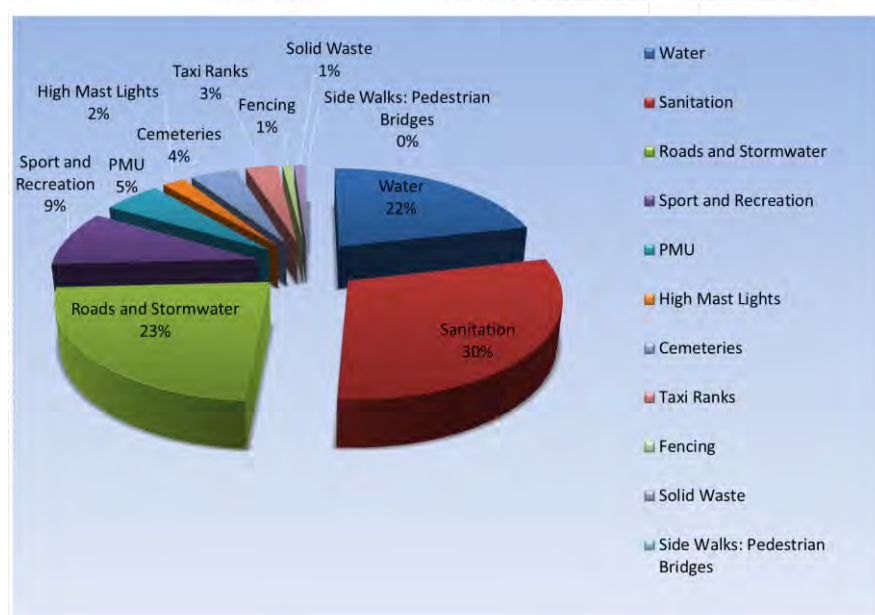
12 Municipalities did not spend 100% of their 2019/2020 MIG allocation:

Letsemeng (61%)	Cost Reimbursement. The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Kopanong (71%)	Cost Reimbursement. The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Mohokare (47%)	Cost Reimbursement. The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Masilonyana (73%)	Cost Reimbursement. The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Tokologo (92%)	Cost Reimbursement. The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Tswelopele (69%)	The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Matjhabeng (63%)	Cost Reimbursement. The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Nala (96%)	The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Setsoto (88%)	The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Mantsopa (66%)	Cost Reimbursement. The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Ngwathe (87%)	The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.
Metsimaholo (67%)	The late implementation of projects by the Municipality and the National Lockdown resulted in the lower than expected expenditure.

MIG Project Categories and Households serviced: 30 June 2020

The total amount of R663, 433,756.64 (Roll over included) was spent on the following project categories:

Expenditure 2019/2020 and 2018/2019 Roll Over				Households Serviced	
Water	R	142 146 906.26	21.4%	35 257	Internal Ret: 1000 in Dihlabeng Mautse
Sanitation	R	197 110 461.58	29.7%	86 364	Internal Ret: 1000 Dihlabeng; 350 Setsoto; 1209 in MAP
Roads and Stormwater	R	152 705 695.83	23.0%		19.67km completed
Sport and Recreation	R	61 336 412.19	9.2%	68 987	
PMU	R	35 408 385.10	5.3%		
High Mast Lights	R	13 820 242.30	2.1%	36 062	4 in Phumelela and 30 in Mantsopa
Cemeteries	R	28 586 271.36	4.3%		
Taxi Ranks	R	19 527 190.00	2.9%		
Fencing	R	5 585 839.49	1%	24 273	
Solid Waste	R	6 912 213.92	1.0%		
Side Walks: Pedestrian Bridges	R	294 138.61	0.0%		
Subtotal	R	663 433 756.64	100.0%	250 943	



250 943 Households were serviced through MIG projects implemented and **19,67km** of roads and stormwater were completed during the 2019/2020 MIG financial year.

MIG Temporary Job creation: July 2019 – June 2020

2685 (90%) Temporary Jobs were created from the planned 3000 jobs and more specifically as follows:

- Adult Men: 910
- Adult Women: 335
- Young Men: 972
- Young Women: 398

- Disabled Men: 40
- Disabled Women: 30

Women jobs created:

28% (763) Women employed of the above total

b) 2020/2021 MIG financial year

The Provincial MIG Expenditure target for the end of April 2021 was set at 80%. A total amount of R487, 200,847.85 (61%) out of a revised allocation of R797, 376,000.00 was spent as at 30 April 2021. Municipalities have the opportunity to reach 100% expenditure by the end of June 2021 when the Municipal Financial Year come to a end.

The total MIG allocation for the 2020/2021 financial year was reduced with R9, 159,000.00 (1,2%) through the Division of Revenue Second Amendment Act affecting all 18 Local Municipalities.

National Treasury, during March 2021, stopped MIG funds in four (4) Municipalities, namely: Tokologo (R3m), Setsoto (R2m), Dihlabeng (R5m) and Metsimaholo (R12, 2m). This was done due to under performance of these Municipalities as at 31 December 2020.

National Treasury further reallocated additional MIG funds to the following six (6) Municipalities, namely: Mohokare (R5m), Masilonyana (R10m), Matjhabeng (R44, 4m), Nala (R7m), Mantsopa (R10m) and Mafube (R6m). These Municipalities, with the exception of Matjhabeng, received an additional allocation due to performance. Matjhabeng Local Municipality received an additional allocation due to a request to National Treasury for additional funds specifically to attend to their Waste Water Treatment Works in all towns.

Ten (10) Municipalities will for the 2020/2021 financial year be on a Cost Reimbursement method whereby monthly claims will be verified by MISA before service providers can be paid. These Municipalities are: Letsemeng, Kopanong, Mohokare, Masilonyana, Tokologo, Matjhabeng, Maluti-a-Phofung, Mantsopa, Metsimaholo and Mafube.

Note must be taken that Municipalities are responsible for the procurement of service providers as well as for the Implementation of projects. The Provincial MIG Management Unit (CoGTA) is responsible for the monitoring of projects and support to Municipalities.

National Treasury finalized the Roll over process for unspent 2019/2020 MIG funds and final approvals were given to the following Municipalities: Matjhabeng (R44.3m), Setsoto (R2m) and Lejweleputswa (R7.3m). The approved roll over amount for Lejweleputswa will be spend on projects in the Masilonyana Local Municipality.

Roll over applications previously declined for Ngwathe (R5, 3m) and Tswelopele (R5m) were reversed and approval granted.

The MIG expenditure per Municipality as at 30 April 2021 is indicated underneath:

April 2021					Provincial Expenditure Target: 80%		
Municipality	Expenditure vs MIG Allocation 2020/2021						
	Allocation (Original)	Adjustment (Jan 2021)	Adjustment (Mar 2021)	Revised Allocation	Expenditure	%	Balance
Letsemeng (FS161)	17 061 000,00	-209 000,00		16 852 000,00	12 443 398,49	74%	4 408 601,51
Kopanong (FS162)	20 428 000,00	-251 000,00		20 177 000,00	13 825 997,51	69%	6 351 002,49
Mohokare (FS163)	17 898 000,00	-220 000,00	5 000 000,00	22 678 000,00	15 643 397,27	69%	7 034 602,73
Xhariep (DC16)	-						-
Masilonyana (FS181)	30 017 000,00	-368 000,00	10 000 000,00	39 649 000,00	25 515 627,14	64%	14 133 372,86
Tokologo (FS182)	16 470 000,00	-202 000,00	-3 000 000,00	13 268 000,00	2 869 509,79	22%	10 398 490,21
Tswelopele (FS183)	16 405 000,00	-201 000,00		16 204 000,00	11 553 574,25	71%	4 650 425,75
Matjhabeng (FS184)	118 247 000,00	-1 451 000,00	44 478 000,00	161 274 000,00	51 889 713,08	32%	109 384 286,92
Nala (FS185)	29 468 000,00	-362 000,00	7 000 000,00	36 106 000,00	23 138 364,86	64%	12 967 635,14
Lejweleputswa (DC18)	-						-
Setsoto (FS191)	46 899 000,00	-576 000,00	-2 000 000,00	44 323 000,00	32 641 724,47	74%	11 681 275,53
Dihlabeng (FS192)	47 405 000,00	-582 000,00	-5 000 000,00	41 823 000,00	13 515 031,80	32%	28 307 968,20
Nketoana (FS193)	25 225 000,00	-310 000,00		24 915 000,00	21 247 972,19	85%	3 667 027,81
Maluti-a-Phofung (FS194)	161 626 000,00	-1 983 000,00		159 643 000,00	129 929 068,03	81%	29 713 931,97
Phumelela (FS195)	20 933 000,00	-257 000,00		20 676 000,00	14 697 931,27	71%	5 978 068,73
Mantsopa (FS173)	19 863 000,00	-244 000,00	10 000 000,00	29 619 000,00	21 045 564,51	71%	8 573 435,49
Thabo Mofutsanyana (DC19)							
Moqhaka (FS201)	49 924 000,00	-613 000,00		49 311 000,00	37 469 751,24	76%	11 841 248,76
Ngwathe (FS203)	41 704 000,00	-512 000,00		41 192 000,00	24 674 929,81	60%	16 517 070,19
Metsimaholo (FS204)	44 366 000,00	-544 000,00	-12 200 000,00	31 622 000,00	12 904 652,87	41%	18 717 347,13
Mafube (FS205)	22 318 000,00	-274 000,00	6 000 000,00	28 044 000,00	22 194 639,27	79%	5 849 360,73
Fezile Dabi (DC20)				-	-		-
Provincial Total	746 257 000,00	-9 159 000,00	60 278 000,00	797 376 000,00	487 200 847,85	61%	310 175 152,15
Cost Reimbursement Municipalities							

The MIG expenditure per Municipality against approved Roll Overs of unspent 2019/2020 MIG funds is indicated underneath:

April 2021				
Municipality	Unspent 2019/2020 MIG Funds	Roll Over (Approved)		
		2019/2020 Roll over amount	Expenditure	Balance
Letsemeng (FS161)	6 689 645,18	-		
Kopanong (FS162)	5 959 451,88	-	-	
Mohokare (FS163)	9 601 491,95	-	-	
Masilonyana (FS181)	8 703 738,15	-	-	
Tokologo (FS182)	1 320 889,89	-		
Tswelopele (FS183)	5 046 370,73	5 046 370,73	-	5 046 370,73
Matjhabeng (FS184)	44 388 904,00	44 388 904,00	24 808 749,32	19 580 154,68
Nala (FS185)	1 210 121,85	1 210 121,85	-	1 210 121,85
Lejweleputswa (DC18)	7 314 173,30	7 314 173,30	5 791 584,11	1 522 589,19
Setsoto (FS191)	5 520 276,27	2 042 138,10		2 042 138,10
Mantsopa (FS173)	6 865 761,47	-		
Ngwathe (FS203)	5 314 191,90	5 314 191,90		5 314 191,90
Metsimaholo (FS204)	17 138 128,80	-	-	-

The MIG expenditure per Municipality can be categorized as follows:

2 Municipalities namely Nketoana (86%) and Maluti a Phofung (81%) reached the 80% Provincial Expenditure Target:

7 Municipalities spend between 70% and 79% (Low Risk):

Municipality	Reasons for under expenditure forwarded by Municipalities
Letsemeng (74%)	Cost Reimbursement. Late submission of claims by service providers resulted in the low expenditure.
Tswelopele (71%)	The Municipality is awaiting the evaluation of a Budget Maintenance application before further expenditure can be reported and therefore the low expenditure.
Setsoto (74%)	The late implementation of projects and rain delays during January and February 2021 resulted in the low expenditure. National Treasury Stopped R2m MIG funds during March 2021 due to underperformance measured at the end of December 2020.
Phumelela (71%)	Rain during January and February 2021 resulted in the low expenditure and the Municipality is still in the process to recover. The Municipality has already put measures in place to catch up on the time lost during rain delays. No immediate intervention is needed.

Mantsopa (71%)	Cost Reimbursement. The Municipality received an additional MIG allocation of R10m during March 2021 which resulted in a lower percentage expenditure. The Municipality would have reached the monthly Expenditure target against their original MIG allocation.
Moqhaka (76%)	The late implementation of projects and rain delays during January and February 2021 resulted in the low expenditure. The Municipality has already put measures in place to ensure 100% expenditure by 30 June 2021. No immediate intervention is needed.
Mafube (79%)	Cost Reimbursement. The Municipality received an additional MIG allocation of R6m during March 2021 which resulted in a lower percentage expenditure. The Municipality would have reached the monthly Expenditure target against their original MIG allocation.

5 Municipalities spend between 60% and 69% (High Risk):

Municipality	Reasons for under expenditure forwarded by Municipalities
Kopanong (69%)	Cost Reimbursement. The late implementation of projects and slow progress on site resulted in the low expenditure. The low expenditure will be addressed during the scheduled May 2021 MIG Quarterly Coordinating Forum sessions.
Mohokare (69%)	Cost Reimbursement. The Municipality received an additional MIG allocation of R5m during March 2021 which resulted in a lower percentage expenditure. The Municipality would have reached the monthly Expenditure target against their original MIG allocation.
Masilonyana (64%)	Cost Reimbursement. The Municipality received an additional MIG allocation of R10m during March 2021 which resulted in a lower percentage expenditure.
Nala (64%)	The Municipality received an additional MIG allocation of R7m during March 2021 which resulted in a lower percentage expenditure. The Municipality would have reached the monthly Expenditure target against their original MIG allocation.
Ngwathe (60%)	The late implementation of projects and rain delays during January and February 2021 resulted in the low expenditure. Measures are already in place to ensure 100% expenditure by 30 June 2021. No immediate intervention is needed.

4 Municipalities spend less than 60% (Critical Risk):

Municipality	Reasons for under expenditure forwarded by Municipalities
Tokologo (22%)	Cost Reimbursement. Late implementation and no reporting by the Municipality resulted in the low expenditure. No expenditure on capital projects was reported during April 2021 due to outstanding MIG MIS capturing matters. National Treasury Stopped R2m MIG funds during March 2021 due to underperformance measured at the end of December 2020.

	The Provincial MIG Management Unit is currently assisting the Municipality addressing the reporting challenges and MISA is assisting the Municipality on Technical matters.
Matjhabeng (32%)	Cost Reimbursement. The late implementation of projects resulted in the low expenditure. National Treasury further allocated an addition MIG amount of R44,7m to the Municipality to specifically address challenges at their Waste Water Treatment Works in different towns. National Treasury approved the roll over application of R44.3m and the Municipality already reported R24,8m expenditure against the roll over. This resulted in the lower than expected expenditure against the 2020/2021 MIG allocation. The low expenditure will be addressed during the May 2021 MIG Quarterly sessions.
Dihlabeng (32%)	Slow municipal procurement processes resulted in the low expenditure. National Treasury Stopped R5m MIG funds during March 2021 due to underperformance measured at the end of December 2020. The low expenditure will be addressed during the May 2021 MIG Quarterly sessions.
Metsimaholo (41%)	Cost Reimbursement. The low expenditure is due to the late appointment of service providers. National Treasury Stopped R12,2m MIG funds during March 2021 due to underperformance measured at the end of December 2020. The low expenditure will be addressed during the May 2021 MIG Quarterly sessions.

MIG Project Categories and Households serviced by the end of April 2021 are as follows:

MIG EXPENDITURE CATEGORIES:2020/2021 MIG FINANCIAL YEAR: APRIL 2021				
Expenditure 2020/2021 including 2019/2020 Roll Over			Households Serviced	
Water	R	143 346 299.18	27.7%	13 556
Sanitation	R	137 355 332.79	26.5%	7 373
Roads and Stormwater	R	116 835 120.71	22.6%	11.5Km completed
Sport and Recreation	R	44 012 003.09	8.5%	91 968
PMU	R	29 478 381.51	5.7%	
High Mast Lights	R	2 578 131.39	0.5%	2 148
Solid Waste Disposal	R	6 944 597.05	1.3%	2 744
Cemeteries	R	16 012 993.33	3.1%	44 584
Taxi Ranks	R	14 654 705.27	2.8%	
Fencing	R	1 213 439.68	0.2%	3 671
Sidewalks	R	5 370 177.27	1.0%	-
Subtotal	R	517 801 181.27	100.0%	166 044

Category	Percentage
Water	28%
Sanitation	27%
Roads and Stormwater	23%
Sport and Recreation	8%
PMU	6%
Cemeteries	3%
Taxi Ranks	3%
Sidewalks	1%
High Mast Lights	1%
Solid Waste Disposal	1%
Fencing	0%
High Mast Lights	0%

166 044 Households were serviced through MIG projects implemented and **11.5km** of roads and storm water were completed during the 2020/2021 MIG financial year.

MIG Temporary Job creation: July 2020 – April 2021

1992 (66%) Temporary Jobs were created from the planned 3000 jobs by the end of April 2021. Detail is as follows:

- Adult Men: 649
- Adult Women: 234
- Young Men: 793
- Young Women: 300

- Disabled Men: 14
- Disabled Women: 2

Women jobs created

27% (536) Women employed of the above total

The MIG temporary job creation per Municipality until the end of April 2021 is indicated underneath:

Municipality	Planned MIG Job Creation 2020/2021	Adult Men	Adult Women	Young Men	Young Women	PWD Men	PWD Women	Total
XHARIEP		58	11	76	29	0	0	174
LETSEMENG	95	25	8	16	12	0	0	61
KOPANONG	39	10	3	16	2	0	0	31
MOHOKARE	93	23	0	44	15	0	0	82
LEJWELEPUTSWA		150	54	213	67	1	1	486
MASILONYANA	174	57	17	80	20	0	0	174
TOKOLOGO	76	0	0	0	0	0	0	0
TSWELOPELE	108	16	8	17	11	0	0	52
MATJHABENG	249	53	24	87	28	1	1	194
NALA	66	24	5	29	8	0	0	66
THABO MOFUTSAN - YANA		359	111	366	140	11	0	987
SETSOTO	161	22	13	40	13	0	0	88
DIHLABENG	253	2	1	5	2	0	0	10
NKETOANA	108	17	15	26	11	0	0	69
MALUTIA PHOFUNG	913	264	63	226	84	11	0	648
PHUMELELA	95	11	7	13	11	0	0	42
MANTSOPA	83	43	12	56	19	0	0	130
FEZILE DABI		82	58	138	64	2	1	345
MOQHAKA	196	32	24	60	31	2	1	150
NGWATHE	86	20	16	33	15	0	0	84
METSIMAHOLO	46	7	7	18	7	0	0	39
MAFUBE	97	23	11	27	11	0	0	72
Total	2938	649	234	793	300	14	2	1992

The following contributed in the effective monitoring of the Municipal Infrastructure Grant in the 2020/2021 financial year (April 2020-March 2021):

12 Virtual MS Teams MIG quarterly forum meetings were conducted during September 2020 and November 2020 and February 2021 with 18 Municipalities (Tokologo did not attend during November 2020) and Sector Departments in order to discuss project implementation, challenges, remedial measures, project expenditure, PMU related issues, MIG non-financial reports, job creation and the MIS Status.

Implementation plan sessions were held by the Department with all 18 Municipalities in order to determine readiness for the implementation of the 2021/2022 infrastructure projects.

6 MIG one to one sessions were held by the Department in Kopanong, Setsoto, Dihlabeng, Metsimaholo, Matjhabeng and Tswelopele on the stopping of funds.

Virtual Meetings were conducted by the National and Provincial Departments of Cooperative Governance and 7 Municipalities (Setsoto, Tswelopele, Kopanong, Matjhabeng, Dihlabeng, Metsimaholo and Tokologo) on the under expenditure in order to make a decision on the stoppings of funds.

1 Additional meeting was held with Tokologo on MIG performance whereby the Provincial and National team was present.

1 MIG Intervention meeting held with Metsimaholo with regard to under expenditure, project progress, challenges and remedial measures.

43 MIG one to one meetings(virtual/actual visits) held with 15 Municipalities namely Dihlabeng(5), Masilonyana(7), Metsimaholo(6), Kopanong(2), Letsemeng(2), Matjhabeng(4), Ngwathe(4), Maluti a Phofung(2), Mohokare(3), Setsoto(2), Phumelela(1), Mafube(2), Nketoana(1), Nala(1) and Tswelopele(1) on MIG implementation plans, Roll Overs, MIG reporting, cost reimbursement, project reconciliation and project registration.

5 Site visits conducted during the 2020/2021 financial year (Nketoana -2; Setsoto -1; Phumelela -2) where after recommendations were made to the. Municipal Manager.

18 PMU Evaluations conducted on line and through visits and all PMU's were functional.

Infrastructure Operation and Maintenance

Maintenance of the infrastructure remains a challenge in the Free State Municipalities since Municipalities are at the centre of service delivery. Expectations from the Communities are that services have to be rendered without any interruptions irrespective of the internal challenges faced by these Municipalities. Some of the challenges are but not limited to:

- Skills capacity shortage within Infrastructure departments
- Low human resource capacity within the Infrastructure departments
- Inability to collect revenue
- Poor asset management
- Poor fleet condition and machinery
- High staff turnover
- Utilisation of DoRA grants for operations etc.

DEPARTMENTAL SUPPORT TO MUNICIPALITIES ON OPERATION AND MAINTENANCE ISSUES:

COVID 19 RESPONSES: CLEANING, FUMIGATION AND DISINFECTION OF VIP TOILETS WITHIN MANGAUNG METRO

The Department appointed 9 Contractors through open tender process to the total amount of R15 million to assist with the cleaning, fumigation/disinfection of 27000 VIP's toilets within Mangaung Metropolitan Municipality, Botshabelo. The project started on 18 December 2020 and was completed by 31 March 2021.

ONGOING TECHNICAL SUPPORT

Internal capacity within COGTA also plays a major role coming to support these Municipalities and also strengthening them to execute their functions. We have 60% vacancy rate within our unit which affects optimal use of human resource which we do not have. Due to capacity constraints within the Department, only the Xhariep and Lejweleputswa Districts are being supported on matters related to infrastructure operation and maintenance, and more specifically through the Basic Services Coordinating Forum (in partnership with sector Departments).

We have also embark on a campaign to assist Municipalities to put more effort in ensuring that Master Plans for Infrastructure Services are developed. We have just completed Mohokare and Letsemeng Master Plans to the value of R16m, we are continuing supporting Maluti-A-Phofung LM with development of Energy Master Plan including Audit of electricity infrastructure and metres to the value of R6, 7m. DBSA (Development Bank of South Africa) also partnered with COGTA to assist Municipalities in ensuring that Municipalities have Master Plans. Letsemeng and Mafube LM's are currently benefiting from DBSA support. Other outstanding Municipalities (Masilonyana, Tswelopele, Dihlabeng, Phumelela, Mantsopa, and Matjhabeng) who have applied for this support are to be considered after completion of DBSA internal processes. MISA also partnered with us in ensuring that assessment of infrastructure is conducted as and when required in different Municipalities utilising their professionals is different specialities. MISA also funded Water Conservation/ Water Demand Management projects in Mafube and Maluti-A-Phofung LM and projects were implemented successfully.

To ensure that there is capacity within Municipalities in the Infrastructure Departments, during quarterly forum meetings of Services Delivery as COGTA we urged Municipalities to apply for skills funding available at National Treasury through DoRA called ISDG (Infrastructure Skills Development Grant). Thorough assessment of fleet was conducted by Department of Police Roads and Transport (Government Garage) so that they act on what the report recommends. This process was concluded in Mafube and Masilonyana LM's.

We are exploring possibilities of working with other sector partners in ensuring that Municipalities are assisted on O & M and delivery of services is sustained. The FS COGTA and the Development Bank of Sothern Africa (DBSA) have signed Memorandum of Agreement (MOA) to partner and collaborate to accelerate the development of sustainable infrastructure in municipalities through non-lending and lending support assistance with, amongst others, master plans, project preparation, asset care, revenue enhancement, and any other future non-lending products of the DBSA. The objective of this collaboration and partnership is to develop programs and support measures for Local Government in the Province as part of the Province's oversight function in general and in the execution of the deliverables of the MOA.

DISASTER MANAGEMENT

The Free State Disaster Management Centre (FSPDMC) is responsible for the administration & implementation of two pieces of legislation, i.e. the Disaster Management Act 57 of 2002 amended by Act 16 of 2015 (DM Act), Act 57 of 2002 & the Fire Brigade Services Act (FBSA), 1987. (Act no 99 of 1987).

Disaster management functions has been 'assigned' to local government through the promulgation of the Disaster Management Act, 2002 (Act no 57 of 2002 as amended by Act 16 of 2015). The Constitution, 1996 (Act 108 of 1996) assigns in section 156 executive authority to local government to administer fire fighting services with provincial and national government having concurrent legislative competence. Section 152 (1) (d) also requires local government *"to promote a safe and healthy environment"*. Section 26(g) of Municipal Systems Act as well as Municipal IDP guidelines provide for municipalities have an integrated disaster management plan.

According to Part A, Schedule 4 of the Constitution, disaster management is a functional area of concurrent national and provincial legislative competence. This means that national and provincial governments have a legal imperative to ensure that disaster management is implemented according to legislative requirements (i.e. the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and Disaster Management Act, 2002 (Act No. 57 of 2002). The Disaster Management Amendment Act, 2015 (Act No. 16 of 20015) further requires the local government to also deal with disaster management responsibilities.

The Constitution further assigns national and provincial government various additional powers to monitor, guide, support and intervene, within certain parameters, in local government to ensure that the objectives of local government are met. Links to other indicators: Outcome 9 of the 10 point plan and NDP Programme 3: Sub-programme: Disaster Management and Fire Brigade Services. Sustainable Development Goals 2030(SDG) 13 Climate Action. National Development Plan (NDP) Chapter 5: Environmental Sustainability & Resilience SDG 13 2030 Climate Action: climate related hazard & natural hazards.

Disaster Management is a functional area of concurrent competence of national, provincial, and municipal spheres in terms of Part A of Schedule 4 of the Constitution. The Disaster Management Act, No 57 of 2002 as amended Disaster Management Act, No 16 of 2015, prescribe the establishment of disaster management centers at National, Provincial and Local level. Section 29 of the Act prescribes the establishment of a Provincial Disaster Management Centre which forms part of, and functions within, a department designated by the Premier in the provincial administration. The Provincial Disaster Management Centre must, among others:

- specialize in issues concerning disasters and disaster management in the province;
- promote an integrated and coordinated approach to disaster management in the province;

- act as a repository of, and conduit for, information concerning disasters, impending disasters and disaster management in the province;
- act as an advisory and consultative body on issues concerning disasters and disaster management in the province;
- promote disaster management capacity building, training and education in the province;
- give advice and guidance by disseminating information regarding disaster management in the province, especially to communities that are vulnerable to disasters;
- Establish Institutional Arrangements for Disaster Risk Management;
- Conduct Community based Disaster Risk Assessment;
- Develop and implement Disaster Risk Reduction programs;
- Develop effective Disaster Response and Recovery strategies;
- Implement training and awareness programmes; and
- Support, develop and conduct fire awareness programs

DECLARATION OF THE NATIONAL STATE OF DISASTER: COVID 19

On 15 March 2020, the President of South Africa, in a national address, announced the declaration of the Covid-19 (also known as the Coronavirus) pandemic as a "national disaster". Since then, many significant consequential announcements have been made, relating to restrictions on movement, business activity, travel and other matters, all in the interests of preventing an escalation of the national disaster and alleviating, containing and minimising the effects of the national disaster.

The first step in the process was for the head of the National Disaster Management Centre to classify the Coronavirus pandemic as a national disaster. Immediately thereafter, the Minister of Co-operative Governance and Traditional Affairs, Ms Nkosazana Dlamini-Zuma, declared the national state of disaster in terms of section 27 of the Disaster Management Act.

The initial set of regulations issued on 18 March 2020 made provision for the first wave of

Coronavirus restrictions, including a prohibition on gatherings of more than 100 persons, the closing of schools, limitations on the sale, dispensing and transportation of liquor, and a prohibition on a person who has tested positive for the Coronavirus or a person who has been in contact with a person who has tested positive refusing to be submitted for medical examination, admission to a health facility or quarantine or isolation, or submission to treatment.

The initial regulations (level 5) also allowed for the release of State resources to fight the pandemic, emergency procurement to be undertaken and for specified Cabinet members to be able to issue directions within their mandates. The regulations also criminalised non-compliance with some of the restrictions and prohibitions imposed by the regulations.

Further regulations were issued on 25 March 2020 to give effect to the “lockdown” announced earlier in the week, and which commenced on Friday 27 March 2020. These regulations introduced a new chapter to deal with the impacts of the lockdown, which confined every person to their place of residence unless strictly for the purpose of performing an essential service, obtaining essential goods or services, collecting social grants or seeking emergency, life-saving or chronic medical attention.

The regulations imposed other significant restrictions on economic and other activity. Businesses and other entities had to cease operations during the lockdown, unless they were involved in the manufacturing, supply or provision of essential goods or services. The borders of South Africa were closed, except for transportation of fuel, and essential goods. Attendance at a funeral is limited to 50 people. All commuter transport services other than certain vehicles required for essential services purposes, are prohibited from operating.

As a result of the declaration the Free State Provincial Disaster Management Centre has to oblige to the regulations and restrictions imposed, such as:

Limitation of movement of disaster management officials in implementing disaster management programs other than those related to Covid-19;

Activation of Provincial and Municipal Joint Operation Centres;

Daily reporting to National Disaster Management Centre on the status and activities of the province and municipalities regarding Covid-19;

Providing support to community based organisations, non-governmental organisations, municipalities and other interested parties on matters related to Covid-19.

THE STATE OF DISASTER MANAGEMENT IN MUNICIPALITIES IS AS FOLLOWS

Municipality	Disaster Management Advisory forum	Disaster Management Centres	Disaster Management Plans	Disaster Management Personnel	DM Framework	DM Staff Establishment
Thabo Mofutsanyana	Yes	Yes	No	Yes	Yes (Draft)	2
Maluti-a-Phofung	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	0

Municipality	Disaster Management Advisory forum	Disaster Management Centres	Disaster Management Plans	Disaster Management Personnel	DM Framework	DM Staff Establishment
Setsoto	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Mantsopa	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Nketoana	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	0
Phumelela	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	0
Dihlabeng	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Lejweleputswa	Yes	Yes	Yes	Yes	Yes	12
Matjhabeng	No – participate in district forum	No	No	Yes	Yes (developed in collaboration with district)	1
Masilonyana	No – participate in district forum	No	No	Yes	Yes (developed in collaboration with district)	1
Tswelopele	Yes	No	Yes	Yes	Yes (developed in collaboration with district)	1

Municipality	Disaster Management Advisory forum	Disaster Management Centres	Disaster Management Plans	Disaster Management Personnel	DM Framework	DM Staff Establishment
Tokologo	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Nala	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	1
Fezile Dabi	Yes	Yes	Yes	Yes	Yes	6
Metsimaholo	Yes	Yes	Yes (Draft)	Yes	Yes (developed in collaboration with district)	1
Moqhaka	Yes	Yes	Yes	No	Yes (developed in collaboration with district)	0
Mafube	No	No	No	No	Yes (developed in collaboration with district)	0
Ngwathe	No	No	No	No	Yes (developed in collaboration with district)	0
Yes	Xhariep	No	Yes	Yes	Yes	3
No – participate in district forum	Kopanong	No	Yes	Yes	Yes (developed in collaboration with district)	0

Municipality	Disaster Management Advisory forum	Disaster Management Centres	Disaster Management Plans	Disaster Management Personnel	DM Framework	DM Staff Establishment
No – participate in district forum	Letsemeng	No	No	No	Yes (developed in collaboration with district)	0
No – participate in district forum	Mohokare	No	Yes	Yes	Yes (developed in collaboration with district)	0
Mangaung	Yes	Yes	Yes	Yes	Yes	19

THE FREE STATE RISK PROFILE

Hazard	Risk Priority
Drought	Extremely High
Floods	Extremely High
Wildfires (Veldfires)	Extremely High
Infestation	Extremely High
Severe Weather	Extremely High
Air and water pollution	Extremely High
Human & Animal Diseases	High
Cold fronts	High
Heat waves	High
Dam failures	High
Hazardous material transportation	High
Thunderstorms	Extremely High

Road accidents	High
Electricity disruptions (load shedding)	High
Mining	High
Rail transport hazards	Acceptable
Desertification	Acceptable
Soil erosion	Acceptable
Sinkholes	Low

THE STATE OF FIRE SERVICES IN THE FREE STATE

The notable hazard in the Free State is notably veld fires. On average about 230 000 to 250 000 hectares (ha's) burn annually, mainly in the Thabo Mofutsanyana and Xhariep district municipal areas. In terms of section 4(8) National Veld and Forest Act, 101 of 1998 all state landowners are obliged to join the fire protection area in which its land is situated. Section 4(8) reads as follows: *"The owner in respect of State land must join any fire protection association registered in the area in which the land lies."*

When fires burn in severe conditions they quickly extend beyond one property and become a problem that cannot be handled by individuals, but can only be controlled by joint, co-ordinated efforts. In this regard, municipalities need to foster cooperation with Fire Protection Associations (FPAs) and be members of FPAs so as to ensure pro-active and reactive measures in combatting the veld fire risk, as per the legal obligation on all landowners in terms of the National Veld and Forest Fire Act, No. 101 of 1998.

The other main cause of excessive losses to fires in the Province is ascribed to the non-existence of organised fire services at municipal level. Only ten (10) municipalities render fire services, it should be noted with great concern that these municipalities that are rendering a fire service are extremely challenge in providing the basic fire services to the community they serve due to resource constrains.

NAME OF SERVICE	ESTABLISHED FIRE SERVICES	COMMENT
Mangaung Metropolitan Municipality Fire and Rescue Services	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5,6,and 6A of FBSA, operate 24/7

Fezile Dabi District Municipality	Yes	Established in terms of sec 3(1) of FBSA .The district is responsible for the fire services at Mafube LM.
Mafube Local Municipality	No	The district is responsible for the fire services at Mafube LM.
Metsimaholo Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA, operate 24/7
Ngwathe Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA, operate 24/7
Moqhaka Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA, operate 24/7
Thabo Mofutsanyana District Municipality	Yes	The district is responsible for the fire services in Phumelela LM. It complies with section 5 of FBSA, complied with sec 84(j) of SA, operates 8 hours a day
Dihlabeng Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of Structures Act, operate 24/7.
Maluti-a-Phofung Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA ,operate 24/7.
Mantsopa Local Municipality	Yes	Established in terms of sec 85 of SA, complied with sec 6A of FBSA, not operating 24/7
Phumelela Local Municipality	No	Service is provided by Thabo Mofutsanyana District Municipality in terms of Powers and functions
Setsoto Local Municipality	No	No established fire service
Nketoana Local Municipality	No	No established fire service
Lejweleputswa District Municipality	No	No established fire service
Matjhabeng Local Municipality	Yes	Established in terms of sec3(1) of FBSA, complied with sec5&6) of FBSA, complied with sec84(1)(j) of SA, operate 24/7
Tswelopele Local Municipality	No	No established fire service; lack of resources; 14 Municipal Employees (on temporary/stand-by) are dealing with fire emergencies but not trained to fight structural and veldfires.
Tokologo Local Municipality	No	No established fire service
Masilonyana Local Municipality	No	No established fire service

Nala Local Municipality	No	No established fire service, serious lack of resources but six (6) fire fighters are appointed by the municipality to deal with fire emergencies.
Xhariep District Municipality	No	No established fire service
Letsemeng Local Municipality	No	No established fire service
Kopanong Local Municipality	No	No established fire service
Mohokare Local Municipality	No	No established fire service

TRADITIONAL AFFAIRS

Recognised traditional leadership in the Free State province is situated in three Municipal areas, namely Maluti A Phofung Local municipality, Phumelela Local Municipality and Mangaung Metropolitan Municipality.

The traditional leadership is as follows: Following the passing on of the King of Bakoena ba Mopeli during 2017/2018 financial year, this traditional community will no longer have a kingship status but a Principal Traditional Leadership Status, thus it is called Bakoena ba Mopeli Principal Traditional Community, which comprises of seven traditional communities, Batlokoa ba Mota Principal Traditional Community, which comprises of three traditional communities, Makgolokoe Traditional Community, they all reside within Maluti A Phofung Local municipality.

Batlokoa Mokgalong Traditional Community resides in Phumelela Local Municipality and Barolong boo-Seleka Traditional Community resides in the Mangaung Metropolitan Municipality.

Prior to 1994, traditional leadership in the province was administered by the QwaQwa Administration of Authorities Act, Act No. 6 of 1983, Bophuthatswana Traditional Authorities Act, Act No. 23 of 1978, and the Black Administration Act, Act No. 38 of 1927.

Post 1994, the provincial government enacted the Free State Traditional Leadership and Governance Act, Act No. 8 of 2005, which repealed a part of the Black Administration Act and the whole of other mentioned pieces of legislation. The provincial government also enacted the Free State House of Traditional Leaders Act, Act No. 6 of 1994, which establishes the Free State House of Traditional Leaders. The development of the new legislation led to the establishment of transformed structures such as the Free State Provincial House of Traditional Leaders, the two Local Houses of Traditional Leaders, i.e., Thabo Mofutsanyana and Mangaung, and Traditional Councils.

The Free State Provincial and Local Houses of Traditional Leaders Act, No 7 of 2017, was assented to by the Premier on 29 September 2019 and came into operation on 31 March 2019.

Before the process of the reconstitution of Traditional Councils in 2007, there were 105 recognized traditional leadership positions. After the reconstitution process, the total number of traditional leaders is 135, comprised as follows:

- 2 Principal Traditional Leaders
- 13 Senior Traditional Leaders (Ten (10) vacancies filled and Three (3) vacant to be filled)

- 117 Headmen (110 vacancies filled and seven (7) vacant to be filled)

The two Principal Traditional Councils will be established once the Minister's determination on the numbers of members constituting the Principal Traditional Council is gazetted.

All staff members of Traditional Councils were absorbed into suitable posts on the structure of the department to improve the efficiency of Councils. Support staff for the two (2) Principal Traditional Leaders were appointed but currently there is a vacancy for a Protocol Officer in the Batlokoa ba Mota Principal Traditional Leader. The Chairperson and the Deputy Chairperson of the Free State House of Traditional Leaders and the Executive Committee Members are appointed on a full-time basis. Members of the House were inaugurated and sworn in, functional committees of the House were established and the opening of the House took place successfully.

The two Local Houses of Traditional Leaders of Mangaung and Thabo Mofutsanyana were established on 24 April 2019 and 30 April 2019 respectively.

The Principal Traditional Leader of Batlokoa ba Mota was recognised and inaugurated into office on the 30th September 2016 and that of Bakoena ba Mopeli was recognised and inaugurated into office on the 13th October 2018.

The traditional leadership of Barolong boo Seleka have been involved in a succession dispute and the investigation by the Toolo Commission on Traditional Leadership Disputes and Claims and its findings were communicated to all relevant parties involved. The Royal family of Richard Maramantshi has been identified by the Commission as the legitimate family to lead Barolong boo Seleka traditional community going forward.

The reconstitution of traditional councils is awaiting the enactment of the Traditional and Koi Leadership Act 3 into law so that 12 traditional councils are legal and fully functional and Department of Traditional Affairs is busy with the legislative processes and hope to finalise the matter in the 2020/21 financial year.

Traditional affairs within the Free State Province face the following challenges:

- Insufficient staff and/or budget that affects the efficacy of the Traditional Affairs Branch.
- The manner in which Initiation Schools are managed within the province remains one of the biggest challenges in that the Free State Initiation Schools Health Act provides a very limited role for traditional leaders, even though they are the custodians of traditional culture. The House is often not consulted until such time when specific challenges are experienced within initiation schools. The House is in negotiation with the Department of Health (who is the custodian of the Initiation Schools Health Act) towards amending or repealing relevant legislation towards allocating more powers to traditional leaders and to include offences for any wrong-doing.
- No provision is made for allocation in the Departmental Structure and support staff for the 2 Principal Traditional Leadership Councils and the two Local Houses.
- No budget and staff for newly established local houses of traditional leaders.
- No office accommodation and equipment for newly established local houses of traditional leaders
- There is no staff and offices to implement the Framework on the Resolution of Traditional Leadership Disputes and Claims.
- Insufficient budget to implement all tools of trades for Traditional Leadership.
- Dilapidated Traditional Council buildings.
- Lack of proper security.
- Limited elementary skills amongst some officials in the Traditional Council Offices including traditional leaders.
- Unclear roles and responsibilities between traditional leaders and councillors and ward committees.
- Development of ways of working with the Traditional Health Practitioners, the Department of health and Tourism and environmental affairs.
- The building of palaces for Marena a Maholo/ Principal Traditional Leaders Mopeli and Mota.
- The landless Traditional Leadership of Batlokoa ba Mokgalong.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
To implement Citizens Complaints Management Services within all municipalities	Municipalities	1 District and 5 additional local Municipalities supported towards implementation of the Complaints Management System	2 District and 7 Additional Local Municipalities supported toward implementation of the Complaints Management System Municipal Supported by Department/ System training initiated and/or conducted by provincial department and/or University of the Free State	The Department has only 3 Municipalities that are partially implementing the Complaints and Compliments Management System and they are as follows: • Maluti A Phofung • Dihlabeng • Moqhaka There has not been a successful training schedule implemented due to the Covid-19. Furthermore the 3 year cycle has come to end which means that there will be a new SDIP Developed.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation There are consultative meetings that take place.	Monthly meetings with Municipalities regarding the implementation and challenges experience with Complaints Management System conducted by the Department Bi-Annual meeting with all affected municipalities during the last quarter of the financial year to determine if the coordination / consolidation of municipal support toward the implementation of the	Monthly and Quarterly meetings were convened with all municipalities in the period under review. Quarterly reports are compiled and submitted to head of department about progress and challenges. Quarterly district meetings are convened to assess progress in the implementation of the system. Individual support meetings were undertaken to various municipalities.

	Complaints Management System are yielding the desired results Customer service satisfaction survey introduced and piloted in 5 identified municipalities	
Access - written communication (e.g. letters, memoranda, etc) - Electronic communication(email/fax) - Meetings	- Written communication (e.g. letters, memoranda, etc.) - Electronic communication (email / fax) - Meetings - Workshops	- Written communication (e.g. letters, memoranda, etc.) - Electronic communication (email / fax) - Meetings
Courtesy Telephonic enquiries will be responded to immediately. Written enquiries will be responded to within 14 working days	Telephonic enquiries will be responded to immediately. Written enquiries will be responded to within 5 working days	Achieved Achieved
Openness & Transparency	Well-coordinated municipal support and training on Complaints Management System, resulting in: - Unity of direction within the Department and within the Province; - Smooth and harmonious team work within the department and with sector departments; - Quintessence of management; - Organizational effectiveness; and Higher efficiency and Economy by avoiding overlapping efforts and duplication of work. Effective and efficient use of approved budget	Monthly and quarterly meetings were convened with all municipalities in the period under review. The GovChat community engagement platform is the world first citizen engagement platform with inbuilt communication tools on the popular What's Up App application. This community engagement platform comes as a result of partnership between GovChat and the Department of Cooperative Governance and Traditional Affairs at a national level. Through this platform the communities will be able to access their elected representatives (councillors). In order to improve accountability and accessibility the platform will use Unstructured Supplementary Service Data (commonly known as USSD) channel which will enable those outside the urban areas to communicate.
Information	Annual publication of the Department's Annual Report reflecting amongst others the extent to which the Department has implemented / achieved its Service Delivery Improvement Plan Information and progress relating to municipal support and training on Complaints Management	Monthly and quarterly meetings were convened with all municipalities in the period under review. Quarterly reports are compiled and submitted to head of department about progress and challenges.

	System within Municipalities placed on the Departmental Website bi-annually	
Redress Enquiries are formally addressed within 14 working days.	Written enquiries and/or complaints from affected municipalities regarding municipal support initiatives / interventions to be formally responded to within 10 working days. Citizen Complaints and Compliments System partially functional, inclusive of monitoring the extent to which complaints have been followed-up / addressed within municipalities	Most complaints referred to the department were responded to within the timeframes. The MEC established a team that respond to community complaints and concerns.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Community Based Plan	Up to date Community Based Plans	The Community Based Plans are in the process of being facilitated with communities/wards within all municipalities.
Demographic Profiles	Up to date Demographic Profile.	The Demographic profiles of all wards/communities within Free State

Complaint's mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
There are suggestion boxes placed at all our offices and Municipalities.	The Suggestion boxes are not opened regularly and even if they are opened there is no designated team to deal with complaints.	The establishment of complaints and compliments champions or teams for all municipalities is still under way.
There is a complaints and compliments register in all offices and municipalities.	The complaints and compliments register must be reviewed on a weekly basis for the Department to be able to mitigate whatever the contents inside the register.	The establishment of complaints and compliments champions or teams for all municipalities is still under way.

2.3 Organisational environment

Salary level	No. of approved (filled and funded vacant) posts	No. of approved posts filled	No. of Funded approved Vacancies (variance)
1	0	0	0
2	38	35	3
3	141	134	6
4	5	2	3
5	29	26	3
6	16	15	1
7	114	94	20
8	38	35	4
9	45	34	11
10	5	5	0
11	42	32	10
12	27	22	5
13	24	18	6
14	5	4	1
15	3	3	0
16	1	1	0
MEC	1	1	0
TOTAL	534	461	73

As can be seen from the above, 341 (73.96%) of the 461 filled posts are production posts, e.g. posts from level 1 to level 8. The majority of these posts are however posts attached to the SMAC, e.g. Programmes 1. 93(20.17%) of the 461 posts are on middle management level and 27 (5.85%) of the 461 posts are on senior management level (including the Head of Department and the MEC).

Considering the mandate of the Department, e.g. to monitor, support, assist and advise municipalities on matters related to municipal service delivery, it is clear that the Department has limited capacity to provide hands-on support and assistance to municipalities in all areas of municipal services on a continuous basis.

As mentioned earlier in this report, the Department did not achieve all its planned targets as per the Annual Performance Plan, primarily due to a high workload coupled with budget- and human capacity constraints in some of the departmental units. Insofar as Municipal MIG projects are concerned, for example, the Department monitored MIG Projects on behalf of the National Department of Cooperative Governance. On 27 September 2018, the Inter-Ministerial Task Team (IMTT) of Service Delivery led by the Minister responsible for Cooperative Governance resolved that all provinces must have an integrated service delivery approach to roll-out infrastructure projects in municipalities. This Department subsequently had to lead sector departments in the implementation of this approach in the pilot project of 57 identified municipalities in the country, which further exacerbated the capacity constraints already experienced in the responsible unit.

The Municipal Finance unit is also seriously under-sourced in terms of both human and capital resources, thereby not enabling the Department to optimally perform its functions as per our legal mandate. Free State Municipalities are currently overwhelmed by a high volume of litigation matters; their capacity does not commensurate to the challenges they face, resulting in municipalities not being able to respond positively to such litigation. This placed a huge responsibility on the Department, who also experienced capacity constraints in this area of work, to assist municipalities optimally.

2.4 Key policy developments and legislative changes

2.1.1 Revisions to the Legislative and Other Mandates

- a) The Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) commenced on 1st July 2015. In terms of the Act, all land development applications must be submitted to a municipality as the authority of first instance. This implies that the Department of Cooperative Governance and Traditional Affairs will no longer receive land development applications.

A provincial spatial planning Bill has been drafted in terms of section 10 of SPLUMA. The draft Bill as well as consultation with relevant stakeholders has been completed. The Bill is in the process of being referred to the Free State Legislature for promulgation.

- b) The Free State Provincial and Local House Act has been enacted, effected the following changes:
 - i. The development of provincial legislation towards ensuring alignment to national legislation;
 - ii. Establishment of the local houses in Mangaung Metro and Thabo Mofutsanyana District Municipality
 - iii. Increased cost implications
 - iv. Tools of trade for newly recognized traditional communities and leaders.
- c) The Free State Traditional Leadership Governance Amendment Act, 2018 has affected the following changes:
 - i. The recognition of Principal Traditional Leadership and establishment of Traditional Council
 - ii. Increased cost implications
- d) The Local Government: Municipal Structures Act Amendment Bill public hearings have been concluded in the Free State: The proposed changes in the Act will include amongst others:
 - i. Election, functions and terms of Office of Chief whips

- II. Establishment of ward committees within 120 days after the election of municipal councils
- III. Establishment and functions of Municipal Public Accounts Committees
- IV. Deletion of District Management Areas in the Act.
- V. Abolishment of Plenary type of municipalities

3 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: Administration

a) Purpose of the Programme:

This programme aims to provide strategic direction, leadership and support to the Ministry and the Department

b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

- i. Office of the MEC
- ii. Corporate Services

c) Core services rendered by the Programme:

- i. Human Resources Management, including Personnel Provisioning, Personnel Utilization and Employee Relations
- ii. Human Resources Planning and Information
- iii. Employee Health and Wellness
- iv. Special Programmes related to gender equality, people with disabilities, youth and women empowerment.
- v. Human Resources Skills Development
- vi. Employee Performance Management
- vii. Structural Designing, including job evaluation, change management / transformation and the rendering of technical support on job descriptions
- viii. Service Delivery Planning and Improvement
- ix. Strategic Planning, Monitoring and Evaluation
- x. Risk Management
- xi. Corporate Communication
- xii. Information Technology
- xiii. Auxiliary Services, including occupational health and safety, record management, executive committee support services, etc.

- xiv. Support to the HoD (Office of the HoD)
- xv. Support to the MEC (Office of the MEC)
- xvi. Internal Audit
- xvii. Security Management and Anti-Corruption
- xviii. Budget Management
- xix. Financial Management
- xx. Supply Chain Management, including Asset Management

Outcomes, outputs, output indicators, targets and actual achievements

PROGRAMME 1: ADMINISTRATION								
Outcome	Output	Output indicator	Audited actual performance 18/19	Audited actual performance 19/20	Planned Target 20/21	Actual achievement 20/21	Deviation from planned target to actual achievement 20/21	Reasons for deviation
Outcome: Improved institutional capacity	Reports produced on the performance information	Number of report produced on performance of the Department against its Annual Performance Plan	4	4	4	4	0	None
	Information sessions facilitated	Number of Information sessions conducted to Middle and lower levels officials on SDIP	-	-	4	3	-1	The workshop scheduled for Quarter 1 could not take place due to the lockdown level 5. However, the unit managed to include the planned Q1 directorates in subsequent workshops that followed.
	Reports on the filling of vacancies	Monitor and report on the filling of funded vacancies	4	4	4	4	0	None
	Reports produced on PMDS implemented	Monitor and report on the extent to which the Performance and	4	2	2	2	0	None

		Development Management System is implemented in the Department						
	Reports on the implementation of OMF	Monitor and report on the extent to which the National Operations and Methodology Framework is implemented in the Department	4	4	2	2	0	None
	Report on the internal control reduced.	Monitor and report on the adequacy and effectiveness of internal controls towards reducing Departmental risks	4	4	4	4	0	None
	Reports on budget spending versus cash flow projection	Monitor and report on budget spending versus cash flow projections	12	12	12	12	0	None
	Payment of suppliers within 30 days	Report on percentage of valid invoices paid within 30 days	12	11	11	10	-1	The department was not able to capture the invoices in time during the January month
	Irregular, unauthorized and wasteful expenditure	Report on irregular, unauthorized and wasteful expenditure	12	11	11	11	0	None
	Department compliance on KCM	Report on compliance with Key Control Matrix (KCM) standards	12	4	4	4	0	None

****Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a department did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.**

Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2020/2021 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 128,783 million (or 92,8 %) against the allocated budget of R 138,759 million, which resulted in an under-spending of R 9,976 million (or 7,2%). The underspending mainly relates critical vacancies not filled and goods and services due to the national Covid-19 lockdown as well as the Microsoft licenses not paid at year end.

Sub-programme expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	8 850	7 578	1 272	11 193	9 511	1 682
Corporate Services	129 909	121 205	8 704	152 235	144 473	7 762
Total	138 759	128 783	9 976	163 428	153 984	9 444

3.2 Programme 2: Local Governance**a) Purpose of the Programme:**

This programme aims at establishing, monitoring, regulating, strengthening, supporting and capacitating municipalities in terms of the Constitution of 1996

b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

- a) Municipal Administration
- b) Municipal Finance
- c) Public Participation
- d) Capacity Development
- e) Municipal Performance Monitoring, Reporting and Evaluation

c) Core services rendered by the Programme:

The services rendered by the Department in terms of this programme include:

- a) Ensuring compliance by and the effective functioning of municipalities within the approved regulatory framework
- b) Monitoring and supporting municipalities towards ensuring financial viability
- c) Promoting good governance service delivery and enhance community participation and strengthening IGR
- d) Providing support and assistance towards accelerating municipal transformation and organizational development
- e) Monitoring, evaluating and reporting on municipal performance

The Department exercises its mandate in respect of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), in partnership with the Free State Provincial Treasury. The Act entrusts Provincial Treasury and the Department with specific roles and responsibilities that are discharged independently, but in consultation with one another. The Act also provides that the Provincial Treasury and the Department exercise certain responsibilities jointly. A Memorandum of Understanding to this effect had been entered into between the parties. The Provincial Treasury and the Department jointly convenes the MFMA Chief Financial Officer forum on a quarterly basis, where areas of mutual interest are discussed and best practices shared.

PROGRAMME 2: MUNICIPAL INTER-GOVERNMENTAL SUPPORT AND CAPACITATION								
Outcome	Output	Output indicator	Audited actual performance 18/19	Audited actual performance 19/20	Planned Target 20/21	Actual achievement 20/21	Deviation from planned target to actual achievement 20/21	Reasons for deviation
Improved municipal and traditional institutional capacity	Anti-corruption measures are implemented	Number of municipalities monitored on the extent to which anti-corruption measures are implemented	22	22	22	22	0	None
	Customized municipal by-laws adopted	No. of municipalities assisted and supported towards customizing and/or adopting municipal by-laws	16	11	8	8 Letsemeng Kopanong Sesotho Xhariep Metsimaholo Nketoana Masilonyana Matjhabeng	0	None

	Municipal by-laws implemented	No. of municipalities supported on the implementation of municipal by-laws	16	1 1	8	8 Letsemeng Kopanong Sesotho Xhariep Metsimaholo Nketoana Masilonyana Matjhabeng	0	None
	Successfully implemented anti-corruption measures	No. of municipalities supported towards successfully implementation anti-corruption measures	16	1 1	8	6 Setsoto Masilonyana Xhariep Metsimaholo Nketoana Matjhabeng	-2	The target was not achieved due to restrictions put in place that prohibited municipal visits and workshops
	Filled vacant posts of wards councillors through by-elections	No of municipalities supported towards filling vacant positions of wards councillors through by-elections	New	New	1	1	0	None
	Developed policies	No. of municipalities supported towards the development of policies	New	New	1	1 Mohokare	0	None
	Removal and internment of mortal remains processed	No of municipalities supported on removal and internment of mortal remains processes	New	New	2	9 Nketoana Setsoto Masilonyana Ngwathe Mohokare Moghaka Mangaung Dihlabeng	+6	The target was overachieved due to the additional applications that were received. As this was a new indicator the department has taken corrective measures and amended the target in the 21/22 financial year to remedy the situation of

								additional applications.
	Litigation management processed.	No of municipalities supported towards litigation management	New	New	2	2 Kopanong Dihlabeng	0	None
Improved coordination of service delivery	Municipalities complying with MSA Regulations	No. of municipalities supported to comply with MSA Regulations on the appointment of senior managers	22 (excluding Letsemeng)	1 0	1	10 Metsimaholo Tokologo Kopanong Mafube Masilonyana Nala Phumelela Maluti-a-Phofung Matjhabeng Moghaka	+9	The target was overachieved due to the municipalities starting the appointment processes to fill vacant senior management posts
	Municipalities supported with Performance Management Systems	No. of municipalities supported to institutionalize the Performance Management System (PMS)	22 (excluding Letsemeng)	18 (All local municipalities)	1	5 Metsimaholo Matjhabeng Tokologo Kopanong Mafube	+4	The target was overachieved due to the municipalities starting the appointment processes to fill vacant senior management posts
	Municipal Performance Report Compiled	No. of Section 47 reports compiled as prescribed by the MSA.	1	1	1	0	-1	National Treasury issued a circular to extend the submission of the AFS and therefore the tabling of the Annual Reports.

								The Annual Reports. Sec 47 Report will be compiled after the Annual report and Oversight Reports are tabled by municipalities. The Section 47 reports will then be compiled in the 1st Quarter of 2021/22 financial year
	Municipalities with senior managers post filled	Monitor the extent to which the Senior Managers posts are filled within municipalities.	4	4	4	4	0	None
	Municipalities with institutionalization of PMS	Monitor the institutionalization of the Performance Management System within municipalities	4	4	4	4	0	None
	Section 57 manager's employment contracts signed.	Monitor the extent to which Section 57 managers have signed employment contracts and performance agreements within due dates	4	4	4	4	0	None
	Municipal Performance Report Compiled	No. of municipalities supported towards developing their annual performance reports in terms of Section 46 of the MSA	12	18 (all LMs)	1	1	0	None
	Employment contracts and performance agreements of Section 57	No. of workshops held towards supporting municipalities on the development and signing of	2	1	1	1	0	None

	Managers signed.	employment contracts and performance agreements of Section 57 Managers						
Improved municipal and traditional institutional capacity	Municipalities complied with Municipal Property Rates Act	No. of municipalities guided to comply with MPRA	3	8	3	3 Mafube Nketoana Nala	0	None
	Municipalities achieving unqualified audit outcomes	Number of municipalities supported to improve their audit outcomes	2	2	2	0	-2	Minister for Finance promulgated Government Notice No. 851 in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), per Government Gazette No. 43582, dated 5 August 2020. The Minister thereby exempted all Municipalities and Municipal Entities from the provisions of Sections 126(1) and (2); 127(1) and (2); 129(1) and 133(2) for the 2019/20 Financial Year.
	Municipal functional audit committees	Monitor the functionality of audit committees in municipalities	4	4	1	0	-1	The restrictions that were in-place made it difficult for Municipal Audit

								Committees to meet.
	Municipalities complied with Municipal Property Rates Act	Monitor compliance with the MPRA within municipalities	1	1	1	1	0	None
	Report on the revenue management and debt collection	Monitor revenue management and debt collection within municipalities	4	4	4	4	0	None
	Financial turn-around plans implementation in Municipalities	No. of municipalities supported to implement financial turn-around plans	2	2	2	3	+1	The target was overachieved due to the Mantsopa Local Municipality being assisted with the payment of Salaries on two occasions as well as contributing toward the payment of the Audit fees to the Auditor General.
Improved coordination of service delivery	Functional ward committees.	Number of municipalities supported to maintain functional ward committees	19	19 (All locals and Metro)	19	19 Mafube Phumelela Tswelopele Ngwathe Mantsopa Tokologo Nketoana Masilonyana Kopanong Letsemeng Setsoto Mangaung Matjhabeng Dihlabeng MAP Metsimaholo Mohokare Moqhaka Nala	0	None

	Municipal respond to community concerns.	Number of municipalities supported to respond to community concerns	15	19 (All locals and Metro)	19	16 Matjhabeng Setsoto Nala Tswelopele, Masilonyana Nketoana Moghaka Maluti A Phofung Tokologo Mangaung Dihlabeng Kopanong Letsemeng Mohokare Mantsopa Phumelela	-3	The target was not achieved since Municipal visits could not be conducted due to the restrictions that were in place. However, the unit will prioritize the remaining municipalities in the new financial year
	Complaints and Compliments Management System implemented.	Monitor the extent to which municipalities are implementing the Complaints and Compliments Management System	4	4	4	4	0	None
	Functionality of District IGR structures	Monitor the functionality of District IGR structures	4	4	4	4	0	None
	Municipalities implementing the Batho Pele Service Standards Framework.	Monitor the extent to which municipalities successfully implement the Batho Pele Service Standards Framework for Local Government	4	4	4	4	0	None
Improved municipal and traditional institutional capacity	Capacity Building interventions developed and conducted.	No. of capacity building interventions conducted in municipalities.	0	5	4	4	0	None
	Back-to-Basics action	Report on the implementation	3	4	4	4	0	None

	plans implemented.	of Back-to-Basics action plans by municipalities.						
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Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2020/2021 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 135,091 million (or 98,7 %) against the allocated budget of R136,921 million, which resulted in an under-spending of R 1,830 million (or 1,3 %). The underspending was not material.

Sub-programme expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Municipal Administration	18 143	17 634	509	22 156	19 921	2 235
Municipal Finance	70 872	70 744	128	92 282	85 962	6 320
Public Participation	9 911	9 728	183	12 251	11 380	871
Capacity Development	31 430	30 556	874	23 514	20 539	2 975
Municipal Performance Monitoring, Reporting and Evaluation	6 565	6 429	136	9 258	8 326	932
Total	136 921	135 091	1 830	159 461	146 128	13 333

3.3 Programme 3: Development and Planning

a) Purpose of the Programme:

This programme aims to facilitate and render support towards integrated planning and development on local government level

b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

- (i) Spatial Planning / Land Use Management
- (ii) Local Economic Development (LED)
- (iii) Municipal Infrastructure
- (iv) Disaster Management
- (v) IDP Coordination

c) Core services rendered by the Programme:

This Programme provides the following services within the Department:

- (i) Promoting integrated and sustainable planning and development at local government sphere and the successful drafting, review and implementation of SDFs
- (ii) Supporting municipalities on matters related to sustainable spatial planning in terms of Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA)
- (iii) Ensuring the effective land use management in the Free State Province
- (iv) Assisting and/or supporting municipalities on the promotion of local economic development
- (v) Promoting, monitoring and supporting the successful implementation of the Municipal Infrastructure Programme within all municipalities
- (vi) Assisting, supporting and monitoring municipalities towards providing free basic services to indigent people within the Free State Province
- (vii) Managing, coordinating and supporting disaster prevention, -mitigation, -response and -recovery
- (viii) Supporting municipalities with the development and implementation of credible municipal Integrated Development Plans (IDPs) towards integrated service delivery
- (ix) Preventing, mitigating the impact of disasters and developing programmes aimed at disaster response and recovery.

Other stakeholders involved in the above services include:

- (i) Sector Departments such as Health, Water Affairs, Mineral and Energy Affairs and Agriculture, National Human Settlements
- (ii) Service Providers such as Water Boards and others
- (iii) Parastatals such as ESKOM, TELKOM
- (iv) SALGA
- (v) Non-Governmental Organisations of similar interests.

PROGRAMME 3: DEVELOPMENT AND PLANNING								
Outcome	Output	Output indicator	Audited actual performance 18/19	Audited actual performance 19/20	Planned Target 20/21	Actual achievement 20/21	Deviation from planned target to actual achievement 20/21	Reasons for deviation
Improved coordination of service delivery	Consolidated minutes of meetings with municipalities.	No. of municipalities supported with the implementation of SPLUMA	18	18 (all local municipalities)	6	6 Dihlabeng Letsemeng Mantsopa Mohokare Nala Setsoto	0	None
	Consolidated minutes of meetings with municipalities.	No. of municipalities supported on the development and/or maintenance of a Geographical Information System (GIS)	5 Xhariep Kopanong Nala Dihlabeng Matjhabeng	4 Ngwathe Letsemeng Metsimaholo Thabo Mofutsanyane	2	4 Tswelopele Letsemeng Fezile Dabi Mafube	+2	The target was overachieved due to Tswelopele and Mafube requesting assistance with GIS support
	Consolidated minutes of meetings with municipalities.	No. of municipalities supported with the updating of their Spatial Development Frameworks in line with SPLUMA	4 Kopanong Dihlabeng Nala Mantsopa	2 Mohokare Thabo Mofutsanyane	2	4 Mafube Nketoana Tswelopele Xhariep	+2	The target was overachieved due to Mafube and Xhariep requesting assistance with their Spatial Development Framework
	Consolidated minutes of meetings with	No. of local municipalities supported on	4 Dihlabeng	4 Nketoana Kopanong	2	4 Letsemeng Mafube	+2	Mafube and Ngwathe was not planned for

	municipalities.	the compilation of Land Use Schemes in line with SPLUMA	Tswelopele Mohokare Mantsopa	Tokologo Setsoto		MAP Ngwathe		but was supported due to legislation that stated that all municipalities should have Land use schemes by the end of financial year 21/22.
	Consolidated minutes of meetings with municipalities.	No. of meetings held by the Provincial Planning Forum	3	2	2	2	0	None
Improved coordination of service delivery	Report on support provided to municipalities.	No. of municipalities supported with the development of IDPs	23	23	23	23	0	None
Improved coordination of service delivery	Consolidated report on the submission of the Municipal IDP adopted.	No. of municipalities monitored on the adoption of their IDPs: • Metro • District • Local	1 4 18	1 4 18	1 4 18	1 4 18	0	None
	Signed off minutes or presentations made in the meeting or workshop	No. of support initiatives implemented and sustained towards improving municipal IDPs: • Provincial IDP Managers Forum with quarterly meetings • Annual Provincial IDP Assessment Sessions • Municipal Engagement IDP Support Session • Bi-Annual Provincial IDP	4 1 1 2 2	4 1 1 2 2	4 1 1 2 2	4 1 1 2 2	0	None

		Support Team Meetings						
		• Bi-Annual Capacity Building Sessions						
Improved coordination of service delivery	Signed off report of meetings held with municipalities on matters related to LED Strategies	No of municipalities supported on the development of LED Strategies	17	22 (all mun's excluding the Mangaung Metro)	22	22	0	None
	Signed off report of meetings held with municipalities on matters related to LED units	No of municipalities supported on functional LED Units	17	22 (all mun's excluding the Mangaung Metro)	22	22	0	None
	Signed off report of meetings held with municipalities on matters related to development forums.	No. of municipalities supported on the establishment of business development forums	17	22 (all mun's excluding the Mangaung Metro)	22	22	0	None
	Consolidated report on the temporary jobs created through MIG	No of reports submitted towards monitoring the number of temporary jobs created through MIG	4	4	4	4	0	None
	Consolidated report on the number of job created through CWP	No. of reports submitted towards monitoring the number of jobs created through CWP	4	4	4	3	-1	The target was not achieved since Municipal visits could not be conducted due to the restrictions that were in place, during quarter 1 of the 20/21 financial year
	Report detailed on the LED Strategies, units and forums.	No. of reports produced towards monitoring the following in municipalities:	4	4	4	4	0	None

		- The extent to which LED strategies are updated - Functionality of LED units - Functionality of Business Development Forums						
	Signed off minutes on the meeting held.	No. of provincial LED meetings held	3	3	3	2	-1	The target could not be achieved due to restrictions that were in place although the department tried, the virtual meetings did not materialize as resources were not available.
Improved coordination of service delivery	Consolidated signed off minutes on the implementation of infrastructure delivery programmes	Number of municipalities monitored on the implementation of infrastructure delivery programmes: Implementation of MIG projects	18	18	18	18	0	None
	Departmental Signed-off report	No. of municipalities supported to implement indigent policies	19	19 (All local Municipalities and the Mangaung Metro)	19	19	0	None
	Provincial evaluation template and letter of recommendation to Municipalities	No. of Project Management Units (PMU) in Municipalities monitored in terms of their functionality.	18	18	18	18	0	None
	Report on indigent register for the provision of the Free Basic to	No. of municipalities monitored on the implementation of indigent	New	New	19	17	-2	The department couldn't include the two municipalities in the report as the officials from the

	qualifying households.	register for the provision of the Free Basic to qualifying households.						municipalities were not available to accompany the department to do the verification. This was due to lock down restrictions that were in place
	Consolidated financial and non-financial DORA reports for MIG	No. of municipalities monitored in terms of their: * Non-Financial Performance * Financial Performance	18	18	18	18	0	None
	Signed-off reports reflecting the technical capacity of municipalities.	Monitor the extent to which technical posts in municipalities are filled with competent persons towards improving infrastructure delivery	1	1	1	1	0	None
	Signed off reports held with municipalities towards ensuring alignment and implementation to indigent registers	Monitor and report on the extent to which municipalities implement updated indigent register.	4	4	4	2	-2	The target could not be achieved due to Information that could not be obtained from municipalities on Indigent registers as officials in the municipalities responsible for Indigent policies and registers were not reporting for duty due to the pandemic
	Signed off report from the Municipality's progress	Monitor the extent to which existing infrastructure is maintained (operation and maintenance).	4	4 Xhariep DM Lejweleputswa DM	4	4	0	None
	Signed-off minutes of meetings held by	No. of Basic Services Coordinating forums.	New	New	4	4	0	None

	provincial coordinating structures.							
Improved coordination of service delivery	reports on municipalities supported towards ensuring functional Disaster Management Centres	No. of municipalities supported to maintain functional Disaster Management Centres District mun Metro Mun	3 1	4 1	4 1	4 1	0	None
	Signed off progress report	No. of municipalities supported on fire brigade services.	1	1 Thabo Mofutsanyana	4	4	0	None
	signed off quarterly report of meetings of the Provincial DM Advisory Forums	No. of the Provincial DM Advisory Forum convened.	4	4	4	2	-2	The target was not achieved due to restrictions that were in-place and virtual meetings option were explored however the limited resources and the shortage of Disaster Management focal persons in Municipalities posed a huge challenge
	Signed off quarterly report of meetings of the Provincial Fire Services Advisory Committee.	Monitor and report the extent to which Provincial Fire Services Advisory Committee convened.	4	4	4	2	-2	The target was not achieved due to restrictions that were in-place and virtual meetings option were explored however the limited resources and the shortage of Disaster Management focal persons in Municipalities posed a huge challenge
	Signed off reports	Monitor and report on the following:	4		4	3	-1	Municipal officials responsible for Disaster

		• Adverse and disaster incidents in the Province	4		4	3		Management were not available during the Q2 as they were dealing with their respective Joint Operations Centre's for COVID 19.
			4		4	3		
		• The state of Municipal and designated fire services in the Province	4	4	4	3		
			3	4	4	3		
		• The functionality of the District DM Advisory Forum		4				MEC COGTA has approved the establishment of Inter Departmental Committee on Disaster Management (ICDM) for the Free State to address the lack of capacity on Disaster Management with relevant Political and Administrative heads in Municipalities.
		• Functionality of Municipal Disaster Management Centre & Advisory Forums		4				
		• Functional Municipal & Sector Disaster Risk Management Plans		4				

Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2020/2021 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 69,609 million (or 94.4 %) against the allocated budget of R 73,775 million, which resulted in an under-spending of R 4,166 million (or 5,6 %). The underspending mainly relates to the Department not being able to process the last two payments in terms of the cleaning of VIP toilets in the Mangaung Metro.

Sub-programme expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Spatial Planning	19 020	18 830	190	21 367	20 233	1 134
Local Economic Planning/Development and Planning	4 338	4 310	28	5 442	4 571	871
Municipal Infrastructure	40 256	36 643	3 613	31 742	29 393	2 349
Disaster Management	10 161	9 826	335	11 074	9 945	1 129
Total	73 775	69 609	4 166	69 625	64 142	5 483

3.4 Programme 4: Traditional Institutional Management

- Purpose of the Programme:**

This programme aims to provide assistance and support to the Institution of Traditional Leadership in the FS Province in order to realize its constitutional mandate, which is to be custodian of communities that observe customary law. The program also aims to support, capacitate and develop institutions in the areas of traditional leadership in line with the white paper on traditional leadership and governance (2003).

- Brief description of the Programme:**

This Programme consists of the following Sub-Programmes:

- (i) Traditional Institutional Administration

- Core services rendered by the Programme:**

The following services are rendered through this Programme:

- (i) Provide support to Traditional Institutions.
- (ii) Monitor, report and advise on the financial capacity and –performance of Traditional Institutions.
- (iii) Facilitate disputes and claims.
- (iv) Administer the establishment and recognition of traditional institutions.

- (v) Conduct anthropological – and genealogical research and advice thereon.
- (vi) Keep and maintain a database on matters related to traditional leadership in the Free State Province.
- (vii) Forge and maintain partnerships with all relevant stakeholders towards improved service delivery.
- (viii) Facilitate and ensure the successful implementation of a comprehensive Skills Development Framework and –Strategy for Traditional Institutions.
- (ix) Monitor and advice Traditional Institutions on its individual and collective performance.
- (x) Co-ordinate and advice on the allocation of functions by government departments to Traditional Institutions.

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT								
Outcome	Output	Output indicator	Audited actual performance 18/19	Audited actual performance 19/20	Planned Target 20/21	Actual achievement 20/21	Deviation from planned target to actual achievement 20/21	Reasons for deviation
Improved municipal and traditional institutional capacity	Signed off report on the performance of the TC.	Number of Traditional Councils supported to perform their functions	12	13	13	12	-1	There are 12 officially recognized Traditional Councils (TC) and Batlokoa ba Mokgalong is not officially recognized therefore it does not hold monthly meeting
	Signed off report on succession claims and disputes processed	Percentage of succession claims/ disputes processed	-	100% of claims / dispute investigated	100% of claims / dispute investigated	100%	0	None
	Progress report signed	No. of Traditional Councils supported towards reducing audit findings	13	13	13	13	0	None
	Consolidated Performance reports of Traditional Councils	Monitor and report on the performance of Traditional Councils	2	2	2	2	0	None
	Presentation of capacity building initiatives implemented or conducted	No. of capacity building initiatives implemented for Traditional Leaders	1	1	1	1	0	None

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Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2020/2021 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 45,802 million (or 96,2 %) against the allocated budget of R 47,615 million, which resulted in an under-spending of R 1,813 million (or 3,8 %). The under spending mainly relates to the non-filling of critical vacant posts.

Sub-programme expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Traditional Institutional Administration	47 615	45 802	1 813	64 898	59 126	5 772
Total	47 615	45 802	1 813	64 898	59 126	5 772

3.5 Programme 5: House of Traditional Leaders**a) Purpose of the Programme**

This Programme aims to promote and enhance the effective and efficient functioning of the Free State House of Traditional Leaders as well as Local Houses

b) Brief description of the Programme

This Programme consists of the following Sub-Programmes:

- (i) Administration of House of Traditional Leaders

c) Core services rendered by the Programme

The following services are rendered through this Programme:

- (i) Provide procedural and parliamentary services and render assistance and support on the performance of the House of Traditional Leaders
- (ii) Render effective and efficient support and advisory services to the respective Committees of the House of Traditional Leaders
- (iii) Facilitate research and assist and support the House on the development and implementation of policies related to indigenous law, traditions, customs and culture
- (iv) Administer the finances of and render administrative support to the House of Traditional Leaders.

In realizing the goal and ensuring the achievement of the respective objectives of this Programme, the following stakeholders are involved:

- (i) All Sector Departments within the Free State Province
- (ii) Municipal Councillor
- (iii) Traditional / Rural Communities.

PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS								
Outcome	Output	Output indicator	Audited actual performance 18/19	Audited actual performance 19/20	Planned Target 20/21	Actual achievement 20/21	Deviation from planned target to actual achievement 20/21	Reasons for deviation
Improved municipal and traditional institutional capacity	Signed-off Memorandum of understanding (MoU's)	No. of MoUs facilitated to enable the House to perform their oversight functions	0	1	1	0	-1	This target could not be achieved as Salga and other stakeholders were not available to finalize the MoU.
	sign-off reports detailed on outreach and empowerment programmes facilitated	No. of outreach and empowerment programmes facilitated and participated in with regards to community development and empowerment.	4	4	2	2	0	None

	Signed off reports capacity building programmes implemented towards capacitating members of the House	No. of capacity building programmes implemented towards capacitating members of the House	2	2	1	1	0	None
	signed-off reports to the House on progress made by traditional councils towards implementing decisions of the House	No. of constituency and progress meetings held with traditional councils towards ensuring the implementation of decisions of the House of Traditional Leaders.	8	10	5	4	-1	The constituency visit of Batlokoa ba Mokgalong could not be held due to the outstanding Land issue that still needs to be addressed first.

Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2020/2021 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 9,752 million (or 92,8%) against the allocated budget of R 10,508 million, which resulted in a under spending of R 0,756 million (or 7.2%). The underspending mainly relates to the critical vacancies not filled and slow spending on goods and services due to the national Covid-19 lockdown.

Sub-programme expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration of House of Traditional Leaders	10 508	9 752	756	16 873	15 036	1 837
Total	10 508	9 752	756	16 873	15 036	1 837

Reporting on the Institutional Response to the COVID-19 Pandemic

Departments must provide a report on the external and internal interventions that were implemented in response to the COVID-19 pandemic. This section should reflect performance of COVID-19 interventions and highlight achievements of interventions funded through the various relief packages (where applicable).

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

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
18 114000	Procurement of PPE towards the mitigation of COVID-19 in the department	Free state Province: -Mangaung Metro Municipality -Thabo Mofutsanyane District	All CoGTA employees (693)	All CoGTA employees	18 114000	15 301 000	N/A	No COVID-19 infection occurred from occurring in the workplace out of all reported 40 cases.

4. TRANSFER PAYMENTS**4.1 Transfer payments to public entities**

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
SABC	Television Licences	7	7	Rendered TV Services

The Department had paid their annual television licence fees to the SABC.

4.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021:

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply 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
Xhariep DM	District Municipality	Financial Support	Yes	16 000	16 000	-
Letsemeng LM	Local Municipality	Financial Support	Yes	2 400	2 400	-
Kopanong LM	Local Municipality	Financial Support	Yes	5 600	5 600	-
Mohokare LM	Local Municipality	Financial Support	Yes	1 600	600	To be spend within Municipal Financial year
Tokologo LM	Local Municipality	Financial Support	Yes	3 500	2 000	To be spend within Municipal Financial year
Matjhabeng LM	Local Municipality	Financial Support	Yes	1 500	-	To be spend within Municipal Financial year
Nala LM	Local Municipality	Financial Support	Yes	1 500	-	To be spend within Municipal Financial year
Setsoto LM	Local Municipality	Financial Support	Yes	600	600	
Dihlabeng LM	Local Municipality	Financial Support	Yes	3 500	3 500	-
Nketoana LM	Local Municipality	Financial Support	Yes	600	600	
Maluti-A-Phofung LM	Local Municipality	Financial Support	Yes	2 100	2 100	
Phumelela LM	Local Municipality	Financial Support	Yes	2 100	600	To be spend within Municipal Financial year

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply 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
Mantsopa LM	Local Municipality	Financial Support	Yes	4 100	2 600	To be spend within Municipal Financial year
Moqhaka LM	Local Municipality	Financial Support	Yes	600	600	-
Ngwathe	Local Municipality	Financial Support	Yes	600	600	-
Mafube LM	Local Municipality	Financial Support	Yes	11 200	11 200	-
Fezile Dabi DM	District Municipality	Financial Support	Yes	7 350	-	To be spend within Municipal Financial year
Traditional Institutional Management	Traditional Councils	Support	Yes	408	408	-
Employee Social Benefits	Officials	Leave Gratuity	Yes	1 039	1 039	-
Employee Social Benefits	Officials	Injury on Duty	Yes	8	8	-
Donations	Various Organisations	Donations	Yes	222	222	-

In terms of the transfers to municipalities the Department gazetted these amounts with specific conditions. Proof in terms of these conditions must be submitted to the Department and if then monitored by the Local Governance Branch.

5 CONDITIONAL GRANTS

5.1 Earmarked funds paid

The Department did not have any conditional grants for the 2020/21 financial year. The following earmarked funds were however allocated by Provincial Treasury and paid out:

Earmarked Allocation	Original Budget (R'000)	Movement (R'000)	Final Budget (R'000)	Expenditure 31 March 2020 (R'000)	Unspent funds (R'000)
Operation Clean Audit: Financial Management	21 523	(21 523)	-	-	-
Municipal Intervention Sec 139	3 956	11 500	15 456	14 318	1 138
Municipal Support Programme	20 000	22 771	42 771	42 771	-
Water Laboratory Support	5 000	-	5 000	4 999	1
Covid-19 Response Fund	16 000	0	16 000	15 301	699
Fire Fighting Equipment	5 000	(5 000)	-	-	-

Municipal Interventions Sec 139: The Department had appointed a number of officials on a contract basis to assist Municipalities placed under Section 139. On a monthly basis these appointees had been remunerated by the Department.

Municipal Support Programme: Funds had been transferred to Municipalities that were in financial difficulties. See detail in the table **“Transfer payments to all organisations other than public entities.”**

Water Laboratory Support: The Department had constructed a Water Testing Laboratory in Kestel to assist the District with the testing of the quality of water.

Covid-19 Response fund: The Department assisted to Mangaung Metro with the cleaning of VIP toilets as well as procured PPE's for the Department.

6 DONOR FUNDS

6.1 Donor Funds Received

No donor funds were received during the reporting period.

7 CAPITAL INVESTMENT

7.1 Capital investment, maintenance and asset management plan

The Department had constructed a Water Testing Laboratory which was completed at the end of the 2020/21 financial year. The asset had been taken up in the asset register of the Department and will be transferred in the 2021/22 financial year to the respective District Municipality.

PART C: GOVERNANCE

• INTRODUCTION

The following governance structures were operational within the Department during the year under review towards ensuring that the Department maintains the highest standards of governance, thereby effectively, efficiently and economically utilizing the Department's resources:

NAME OF COMMITTEE	PURPOSE / OBJECTIVE OF COMMITTEE
Executive Management Committee	a) To coordinate and integrate transverse matters impacting on the functioning of the Department b) To agree on ways of working towards improving the effective and efficient functioning of the Department c) To review and discuss the financial and/or non-financial performance of the Department d) To monitor the extent to which the Department succeed to identify and/or mitigate risks impacting negatively on the effective and efficient functioning of the Department e) To review, consider and take decisions towards improving the effective and efficient functioning of the Department, especially matters of a transverse nature f) To discuss IGR / Inter-departmental Reports and Resolutions emanating from MINMEC, Technical MINMEC and FoHoD
Senior Management Committee	a) To consider and/or propose transverse policies and/or strategies affecting the functioning of the Department b) To share information and/or decisions related to the work of the Department c) To coordinate and integrate matters impacting on the functioning of the Department d) To agree on ways of working towards improving the effective and efficient functioning of the Department e) To report on and/or monitor the financial and/or non-financial performance of the Department f) To identify and mitigate risks impacting negatively on the effective and efficient functioning of the Department g) To make proposals to and/or render advice on matters related to the effective and efficient functioning of the Department
PMDS Moderating Committee: Levels 1 – 12	a) To assess the collective outcome of performance assessment results of departmental employees. b) To make recommendations to the relevant approval authority (Executive Authority / Head of Department) on the granting of performance awards and pay progression, taking into account the availability of funds

NAME OF COMMITTEE	PURPOSE / OBJECTIVE OF COMMITTEE
	c) To make recommendations on disciplinary actions to be taken against supervisors who do not take responsibility for the correct implementation of the PDM system in their units (to the Head of Department).
PMDS Moderating Committees: Senior Managers	a) To assess the outcome of performance assessment results of senior managers. b) To make recommendations to the relevant approval authority (Executive Authority / Head of Department) on the granting of performance awards and pay progression, taking into account the availability of funds
PMDS Quality Assurance Committees	a) To evaluate the overall outcome of performance reviews of components in line with the normal distribution curve. b) To evaluate the standards and norms for similar jobs, thereby ensuring consistency across similar occupational jobs within the Department. c) To refer assessments back to supervisors where motivations do not substantiate points allocated. d) To make recommendations to the Departmental Moderating Committee on the granting of performance awards and pay progression, taking into account the availability of funds e) To make recommendations on financial implications and any other matters toward improving the successful implementation of the PDMS.
IT Steering Committee	a) To review, monitor, prioritize and make recommendations to the HODs on major IT projects, investments. b) To ensure alignment with governance compliance, risk management and support to the strategic and operational objectives of both departments.
Departmental Information Technology Committee (DITC)	a) To provide guidelines to all DITC members and their alternative representatives in the application and management of committee procedures, when requests for procurement of IT equipment are received and presented to the committee. b) To promote departmental efficiency and effectiveness through the application of information technology towards improved service delivery.
Employee Health and Wellness Committee	a) To review the effectiveness of health and safety measures b) To identify potential hazards c) To examine and investigate complaints by employees relating to health and safety d) To report on general matters affecting the health and safety of employees e) To discuss proposed action and policies f) To advise the Department on matters related to employee health and wellness g) To identify demarcated smoking areas

NAME OF COMMITTEE	PURPOSE / OBJECTIVE OF COMMITTEE
Skills Development Committee	a) To provide guidelines with regard to the training, education and development of all departmental employees b) To provide a clear vision and framework to guide skills development within the Department. c) To link human resource development initiatives to broader processes of organizational development in the Department. d) To promote access by all employees to meaningful training and education opportunities. e) To promote the empowerment of previously disadvantaged groups. f) To facilitate the development of effective career paths for all employees in the Department. g) To promote life-long learning in the Department. h) To ensure that training and development in the Department is need- and competency-based. i) To transform the department into a learning organization. j) To advise the HOD on the implementation of training, education and development programmes and the implementation of the Human Resources Development Policy. k) To oversee the development and implementation of the WSP l) To monitor and evaluate skills development in the Department m) To handle all matters related to bursaries within the Department n) To make recommendations on the implementation of internships and Learnerships in the Department.
Audit committee	a) Advisory structure to the Accounting Officer and Executing Authority, to assist the latter in fulfilling its oversight responsibilities. b) The Committee's role is that of an independent monitoring of activities within the Department c) The Committee must report and make recommendations to the Accounting Officers as well as the Executing Authority, however the Accounting Officers retain responsibility for implementing such recommendations. d) The Committee is a central pillar of effective corporate governance and is best positioned to offer effective oversight on the Departments' governance processes e) To approve the Internal Audit risk based strategic and operational plans, charter and review the performance relative to the plan. f) To review the impact of the organizations Risk Management Framework on the control environment.

NAME OF COMMITTEE	PURPOSE / OBJECTIVE OF COMMITTEE
	g) To review the external auditors' proposed audit scope and approach including coordination of audit effort with the Internal Audit Activity. h) To consider the effectiveness of the organisation's system of internal control, including information technology security and control. i) Review the Annual Financial Statements and consider whether they are fairly presented, complete and reflect appropriate accounting principles. j) Review the Annual Report (including non-financial performance information) to verify accuracy and completeness of information. k) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
Risk Management Committee	a) Review the risk management implementation plan, policy, strategy and recommend for approval by the Accounting Officer; b) Review the risk appetite and tolerance developed by management and recommend for approval by the Accounting Officer; c) Develop the Charter for the Committee for approval by the Accounting Officer and oversee the performance of the risk management function; d) Review the Department's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register; e) Evaluate the effectiveness of mitigating strategies to address the material risks of the Department; f) Report to the Accounting Officer any material changes to the risk profile of the Department; g) Review the fraud prevention policy and recommend for approval by the Accounting Officer; h) Evaluate the effectiveness of the implementation of the fraud prevention policy; i) Review any material findings and recommendations by assurance providers on the system of risk management and monitor that audit action plans is implemented to address the identified weaknesses; j) Develop key performance indicators to measure the effectiveness of the risk management performance. k) Interact with the Audit Committee to share information relating to material risks of the institution. l) Provide timely and useful reports to the Accounting Officer on the state of Risk management. m) Dictate the need for the Risk Management Committee to work through sub-committees.

NAME OF COMMITTEE	PURPOSE / OBJECTIVE OF COMMITTEE
Loss Control Committee	a) To manage and control losses and claims for/or against the Department in line with the provisions contained in Chapter 12 of the Treasury Regulations b) To exercise control over losses and claims for/or against the Department in that all such losses and claims must be referred to this Committee and be dealt with accordingly c) Assess all losses and claims referred to the Committee and make recommendations to the Chief Financial Officer and Head of the Department
Asset Disposal Committee	To dispose of the redundant and unserviceable item through selling by quotation or donating and transferring.

• RISK MANAGEMENT

The Department has an approved Risk Management Framework (Inclusive of a risk management policy, strategy, fraud risk management and annual implementation plan) for the 2020/2021 Financial year. The Risk Management Strategy is inclusive of risk tolerance and appetite levels, these levels are both qualitative and quantitative and are updated annually in order to keep up with developments and or recent practices. The Accounting Officer has approved the Risk Management Committee Charter for 2020/2021 financial year which states the Terms of Reference as well as the roles and responsibilities of Members of the Risk Management Committee. The committee is a representative mixture of Executive Managers, Senior Managers, and Risk Champions per invitation of the Committee (i.e. identified officials on salary levels 1 – 12 within the Department).

The Department continued to conduct strategic risk assessments during Strategic Planning Sessions, for the final draft Annual Performance Plan in March 2021 to outline the top risks and have since updated the strategic risk register to align itself with these changes with a view that the risks identified needed to be aligned to the dynamic nature of the Departments business and to also accommodate the strategic direction the Department is headed in. In order to strengthen the management efforts of the strategic risks, the Risk Management Unit has implemented a strategic risk analysis tool. The tool aims to bring closer the gap of mitigation plans and early warning signals of risks by introducing tolerance and appetite levels. The Risk Management Unit continues to monitor the updated risk management register (operational and strategic) and mitigation plan processes to identify new and emerging risks per quarter and make recommendations presented in management meetings and the Risk Management Committee.

The Risk Management Committee was chaired by an external chairperson, when the chairperson resigned due to other commitments. The Accounting Officer subsequently on advice and agreement appointed an internal high ranking executive of the Department to continue until an external chairperson had been appointed. The committee convened two out of four statutory quarterly meetings, with the exception of quarter 3 and 4, which had to be cancelled due to the national lockdown as a result of the Corona Virus pandemic and unavailability of the membership.

During the Risk Management Committee meetings, the Committee monitored the extent to which the recommendations made by the Committee were implemented by Management and the impact thereof towards reducing and/or mitigation of such risks.

The Committee submitted risk reports to the Audit Committee which, after considering the said reports, rendered advice to the Department on a number of issues towards mitigating such risks.

The Departmental Risk Register complies with the minimum requirements of National Treasury Risk Management Framework. The Free State Provincial Treasury continues to monitor the Departments risk management compliance. Ongoing work is done within the Department towards enhancing the risk management maturity and to embed risk management principles into daily business practices. Risk Management Unit continues to provide education and awareness sessions in the areas of risk, fraud and ethics management. Budget constraints hampered the appointment of additional risk management personnel during the year under review.

• FRAUD AND CORRUPTION

The Department is well on its way to implement the Public Service Anti-Corruption Strategy and to develop a fraud prevention capacity that complies with and exceeds the Minimum Anti-Corruption Capacity (MACC) guidelines.

The following are some of our successes to date:

- Continuously focused on and analysed corruption risks as per PFMA's risk assessment guidelines.
- Implemented fraud plans that address corruption risk, as required by the PFMA.
- Verified the previous employment, qualifications, citizenship and criminal record of all persons before they were employed in the Department.
- Established an information system that records all allegations and provides minimum information to designated national departments. The system however needs to be reviewed during the 2020/2021 financial year.
- Ensured that the employees responsible for the minimum functions have positive security clearances and disclose financial interests annually. All officials that had been identified by SSA had been issued with Z 204 forms for completion and subsequent vetting.

The departmental "whistle-blowing" policy is in an advanced stage. The practical hindrance to the finalization, approval and implementation of this policy is the lack of assurance that can be given to the identity of "whistle-blower" if an protected disclosure are to be made. The Departmental Registry and IT systems are not secured to an acceptable level and the associated risk is therefore very high. While the departmental whistle-blowing policy is in place, disclosures will be handled in line with Protected Disclosures Act (PDA) (No 26 of 2000).

The Department has a case management system in place, resulting in all cases being monitored and reported to the Audit Committee. Once investigation reports were approved by the Accounting Officer, the cases were forwarded to the relevant authority or closed, dependent on the final decision.

• MINIMISING CONFLICT OF INTEREST

As prescribed by Chapter 3 of the Public Service Act, 1994 (Act No. 103 of 1994), read with related regulations regarding financial disclosures, the Department reported a 100% compliance rate of all Senior Management Members (SMS) that declared their financial interests by completing and submitting electronic disclosure forms in this regard. These forms were subsequently signed-off by the Head of Department and forwarded to the Office of the Public Service Commission as required by the Public Service Act.

• **CODE OF CONDUCT**

The primary purpose of the Code of Conduct is to give practical effect to the relevant constitutional provisions relating to the public service, all employees are expected to comply with the Code of Conduct provided for in Chapter two (2) of the Public Service Regulations.

The Code serves as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the public service.

The Code seeks to provide direction to employees with regard to their relationship with the legislature, political and executive office-bearers, other employees and the public and to indicate the spirit in which employees should perform their duties, what should be done to avoid conflicts of interests and what is expected of them in terms of their personal conduct in public and private life.

Although the Code of Conduct was drafted to be as comprehensive as possible, it is not an exhaustive set of rules regulating standards of conduct in the Department. However, the Accounting Officer, by virtue of his responsibility in terms of section 7(3)(b) of the Public Service Act which deals with efficient management and administration and the maintenance of discipline, is, inter alia, under a duty to ensure that the conduct of all employees conform to the basic values and principles governing public administration and the norms and standards prescribed by the Act.

The Accounting Officer also has a duty to ensure that all employees are acquainted with these measures, and that they accept and abide by them. In order to achieve this, our Human Resources Management and Development Directorate provided information sessions to existing and newly-appointed departmental employees during the year under review. New employees in the Department are provided with copies of the presentation outlining the Code of Conduct during the orientation arranged by Human Resources Management and Development Directorate.

The primary purpose of the Code is a positive one, viz. to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct, and may be dealt with in accordance with the relevant collective agreement if she or he contravenes any provision of the Code of Conduct or fails to comply with any provision thereof.

• **HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

The Employee Health and Wellness Programme of the Department seeks to promote and maintain the highest degree of physical, mental, spiritual and social well-being of employees in all occupations; prevention of illness caused by working conditions; protection of employees in their employment from risks resulting from factors adverse to health; placement and maintenance of employees in an occupational environment adapted to optimal physiological and psychological capabilities; and, the adaptation to their work.

In addressing the four functional pillars as prescribed by the National Employee Health and Wellness Strategic Framework, the Department targeted the majority of employees within the Department through workshops and information sessions towards improving their understanding of the Employee Health and Wellness Programme.

In promoting awareness on chronic illnesses and awareness on other health issues like Sexually Transmitted Infections (STI), Tuberculosis (TB), HIV/ AIDS and most importantly, Covid19, the Department researched and compiled information pamphlets on the importance of the dangers of these diseases as well as ensuring adherence to the Covid19 protocols. This information was shared with all employees at all times. Covid19 took centre stage during the period under review, hence much attention was given its mitigation and protocol adherence.

In complying with the guidelines based on the regulations as issued under the Covid19 risk adjusted strategy of the following:

- Disaster Management Act, 2002;
- Occupational Health and Safety Act, 1993;
- Directives issued by the Minister of Employment and Labour in respect of Covid19 Occupational Health and Safety Measures in the Workplaces, 2020;

The guidelines contained herewith issued, are to be read together with the provisions as contained in Circular 7 of 2020, Circular 11 of 2020, Circular 15 of 2020, as well as Circular 18 of 2020 as issued by the Department of Public Service and Administration (DPSA).

Following the announcement by the President of the Republic of South Africa regarding the country's alternating Levels of Lockdown, it has become necessary for the Sub-directorate: Employee Health and Wellness to ensure implementation measures that sought to manage the pandemic in the workplace. These were:

Access Control

The Wellness office ensured that all officials reporting for duty or those who access the building must undergo a screening process by means of completing screening forms and temperature scanning. Should a person be found to be presenting with Covid19 related symptoms or temperature be deemed suspicious (38 and above reading), such a person could not be allowed into the workplace and be subjected to observe the prescribed health and safety measures.

Duty to report

All employees had a duty to report any of the following:

- Presenting with Covid19 related symptoms (even while at home)
- Had been in contact with a person who tested Covid19 positive
- Had been tested Covid19 positive (even while at home)

Cases were being reported to the relevant OHS Representative or the Employee Health and Wellness office, only those are well equipped to handle such issues in the departments.

Case reporting

The OHS committee under the leadership of the Wellness office ensured that all officials report suspected COVID-19 cases through the relevant channels in the department. Informal reporting of such cases were likely to cause unnecessary panic among employees and even subject those suspected to be discriminated against. Officials who can be found to have falsely reported or stigmatized suspected employees may be subjected to a disciplinary enquiry.

Health and Safety measures followed:

The following health and safety measures continue to be observed:

All designated frontline officials take measures to-

Screen any employee at the time that they report for work, to ascertain whether they have any of the observable symptoms associated with Covid19, namely:

- Fever
- Cough
- Sore throat
- Redness of eyes
- Shortness of breath, and
- Difficulty in breathing)

Require every employee to report whether they suffer from any of the following additional symptoms:

- Body aches
- Loss of smell or loss of taste
- Nausea
- Vomiting
- Diarrhoea
- Fatigue, and
- Weakness or tiredness

Any employees presenting with the above symptoms were immediately required to inform:

- **Frontline official at the entrance**
- **OHS Representative within the respective area of work**
- **Employee Health and Wellness office**

If an employee presents with those symptoms, or advises the relevant person of these symptoms, such employee are not permitted to enter the workplace or report for work; or if the employee is already at work, OHS Representative immediately:

- Isolate the employee to the designated isolation/ waiting room
- Provided with a surgical mask
- Conduct a detailed screening for contact tracing
- Arrange for the employee to be transported in a manner that does not place other workers or members of the public at risk either to be self-isolated or for a medical examination or testing
- Assess the risk of transmission, disinfect the area and the employee's workstation
- Refer those employees who may be at risk for screening, testing and take any other appropriate measures to prevent possible transmission
- Ensure that the employee is tested or referred to an identified testing site

- Place the employee on paid sick leave in terms of section 22 of the BCEA or if the employee's sick leave entitlement under the section is exhausted, make application for an illness benefit in terms of clause 4 of the Directive issued on 25 March 2020 on the Covid19 Temporary Employer Relief Scheme under regulation 10(8) of the Regulations promulgated in terms of section 27(2) of the Disaster Management Act
- Ensure that the employee is not discriminated against on grounds of having presented with related symptoms or tested positive for Covid19 in terms of section 6 of the Employment Equity Act, 1998 (Act No. 55 of 1998)
- If there is evidence that the employee contracted Covid19 as a result of occupational exposure, lodge a claim for compensation in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993) in accordance with Notice 193 published on 3 March 2020.7 GG 43126 GN193 of 23 March 2020.
- If an employee has been diagnosed with Covid19 and isolated in accordance with the Department of Health Guidelines, the employer may only allow the employee to return to work on the following conditions
- the employee has undergone a medical evaluation confirming that he/ she has been tested negative for Covid19
- the employer ensures that personal hygiene, wearing of masks, social distancing, and cough etiquette is strictly adhered to by the employee; and
- he/ she is closely monitored for symptoms on return to work.

Self-isolation

- An employee has tested positive for the virus or have symptoms and likely have Covid19
- Employees need to avoid contact with other people for 7 days after testing with no symptoms

Quarantine

- Employees have been in close contact with someone with the virus and don't have symptoms and haven't tested positive
- Employees need to avoid contact with other people for 7 days after their exposure to the person with Covid19
- Should employees develop symptoms, they are considered to also have Covid19 and then need to isolate for 10 days from the start of symptoms

Personal Protective Equipment (PPE)

The Wellness office continued to ensure procurement and distribution of PPEs across all work stations. PPEs are managed by the Employee Health and Wellness Unit together with a total of 38 formally appointed Occupational Health and Safety Representatives, these are across all GoGTA offices in Bloemfontein, Thaba Nchu and around the Thabo Mofutsanyana district.

Other awareness programmes implemented within the Department were the following:

- World Diabetes Day, researched and prepared by the official and circulated to all employees of the department.
- World Cancer Day, a pamphlet about the different kinds of cancers was circulated to employees.
- International Epilepsy Day, a pamphlet on how people with epilepsy can lead as normal a life as possible was circulated to employees.

• PORTFOLIO COMMITTEES

The Portfolio committee meetings for the 2020/2021 financial year were held on the following dates:

1st Quarter Non-Financial Performance: 03 November 2020

2nd Quarter Non-Financial Performance: 19 November 2020

3rd Quarter Non-Financial Performance: 24 February 2021

The Portfolio Committee was concerned about the departments repeated findings on performance information on Programme 2: Local Governance and Programme 3: Development and Planning. Portfolio Committee resolved that the Accounting Officer should indicate the steps that will be taken to ensure that the performance information is aligned to the National customised indicators. This matter was resolved.

• SCOPA RESOLUTIONS

RESOLUTION: DEPARTMENTAL SPECIFIC			PROGRESS WITH IMPLEMENTATION	
RESOLUTION NO.	PAR.	DESCRIPTION (RESOLUTION ONLY)	STATUS: 31 MARCH 2021	% RESOLVED
1/2016 (10/2015)	2(b)	Information Technology controls: The Accounting Officer must ensure the establishment of the IT policy that covers the: * Back-up policy/strategy/procedures * Business continuity plan	Resolved	100%
10/2018	1	Irregular expenditure investigations The Portfolio Committee raised a concern about Irregular expenditure which was not prevented in terms of Treasury Regulation 3, 1, 1 as well as the timeframe to finalise the investigation into irregular expenditure. The Portfolio Committee resolved that the Accounting Officer should: a) Ensure controls are implemented to avoid Non-compliance with SCM policies and regulations b) Fast track the investigations into the 2017/18 irregular expenditure c) Ensure disciplinary actions are taken based on recommendations by the investigation team, if any d) Ensure proper consultation with relevant authorities prior to signing deviation submissions from procurement processes	In progress	75%
10/2018	2	Performance Information The Portfolio Committee was concerned about the departments repeated findings on performance information on Programme 2: Local Governance and Programme 3: Development and Planning. The Portfolio Committee resolved that the Accounting	Resolved	100%

RESOLUTION: DEPARTMENTAL SPECIFIC			PROGRESS WITH IMPLEMENTATION	
		Officer should indicate the steps that will be taken to ensure that the performance information is aligned to the National customised indicators		
10/2018	3	Municipal Interventions: The Committee is aware that the department did not always follow due process in the implementation of interventions at municipalities and therefore resolves that in future the department must follow legislative requirements and inform all stakeholders.	In progress	25%
13/2020	1	Accruals and payables not recognized: The Department had significant accruals of R 7 684 000, payables not recognised of R 6 585 000 and commitments of R 13 181 000 as at 31 March 2019. These events or conditions indicate that material uncertainty exists that may cast significant doubt on the departments' ability to meet its financial obligations as they fall due and achieve delivery as outlined in the annual performance plan.	Resolved	100%
13/2020	2	Irregular Expenditure Every year the department has an ever-increasing balance of irregular expenditure, caused by non-compliance with SCM regulations.	In progress	75%
13/2020	3	Non-compliance towards SCM processes Ensure compliance with laws and regulations.	In Progress	50%
13/2020	4	Filling of critical vacant posts Fill the position of Head of DPPM (Departmental Planning and Performance Monitoring) as it has long been vacant.	In Progress	25%
RESOLUTION: TRANSVERSAL			PROGRESS WITH IMPLEMENTATION	
20/2018	1	Supply Chain Management The Portfolio Committee was concerned over the disregard for compliance with supply chain management regulations as this results in negative audit outcomes. The Portfolio Committee therefore resolves that all Accounting Officers:		
	a	Ensure that their SCM units are fully capacitated	In Progress	50%

RESOLUTION: DEPARTMENTAL SPECIFIC			PROGRESS WITH IMPLEMENTATION	
	b	Ensure that staff in the SCM units have the relevant skills	In progress	75%
	c	Indicate which controls are in place to ensure compliance with SCM regulations	Resolved	100%
	d	Ensure that SITA Act and regulations are complied with when procuring IT services	Resolved	100%

• PRIOR MODIFICATIONS TO AUDIT REPORTS

Include a discussion on mechanisms put in place by the Accounting Officer to resolve the matters reported by the AGSA in the previous financial year. This should include all matters in the audit report and those noted as important in the management report.

The discussion should be limited to all matters that gave rise to a qualification, disclaimer, adverse opinion and matters of non-compliance only. The department may include the information in a table as follows:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Non-Compliance: Effective and appropriate steps were not taken to prevent Irregular Expenditure	2017/2018	The Department had already submit 8 cases for condonment and is currently in the process of investigating another 5 cases. The Department is awaiting on the finalisation of 4 cases by other Departments. A procurement checklist had been implemented to enhance compliance.
Non-Compliance: Effective and appropriate steps were not taken to prevent Fruitless and Wasteful Expenditure	2019/2020	All cases except 1 had been written off.

• INTERNAL CONTROL UNIT

During the period under review the internal control unit was responsible for the following:

- Verification of all payments before processing them for compliance in terms of various requirements.
- Authorisation of payments on BAS and LOGIS.
- Checking of all journal transaction for correctness.
- Checking of all Subsistence and Transport claims for compliance
- Safe guarding all documents in relation to payments and journals
- Maintaining of registers in terms of Unwanted expenditure
- Investigate cases of Unwanted expenditure

• INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit Activity has been established in the Department of Cooperative Governance and Traditional Affairs in terms of section 38(1)(a)(ii) of the Public Finance Management Act (Act 1 of 1999) as amended and paragraph 3.2 of Treasury Regulations.

Mandate of the Internal Audit Activity is encapsulated in the *definition of Internal Auditing* which is to provide an independent, objective assurance and consulting service designed to add value and improve the Departments' operations. It assists the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance.

Internal Audit Activity has adopted its formal terms of reference, namely the Internal Audit Charter as per the requirement of *Standard 1000*, of the *International Standards for the Professional Practice of Internal Auditing*. Internal Audit Charter (Charter) is a formal document that defines the Internal Audit Activity's purpose, authority and responsibility and is approved by the Audit Committee. The Charter establishes the Internal Audit Activity's position within the Department which authorizes access to record, personnel and physical properties relevant to the performance of engagement and also defines the scope of Internal Audit Activities.

According to *Standard 1110*, the Internal Audit Activity (IAA) has effectively achieved its Organizational Independence as illustrated by its functional reporting to the Audit Committee and administrative reporting to the Accounting Officer. To this end there has been no pressures or hindrances to functioning of the Internal Audit Activity.

All the Internal Auditors are members of the Institute of Internal Auditors, SA and subscribes to the Code of Ethics and attempts to conduct the reviews with the guidance of the *International Professional Practice Framework; and best practices in the Internal Audit profession as well as Public Finance Management Act read with related Treasury Regulations*.

The Internal Audit Activity has adopted a risk-based audit approach and evaluated the adequacy and effectiveness of controls, towards contributing to the improvement or risk management, control and governance processes.

In terms of the scope of work of this Activity, a duly appointed Audit Committee approved the Annual and Three Year Risk Based Internal Audit Coverage Plan. The plan was based on the outcome of a, duly conducted, risk assessment (inclusive of Covid -19 risks), including statutory audits, audits related to EXCO Resolutions, emerging risks identified by the Auditor-General South Africa, Provincial Treasury KCM reports, Ad-hoc Assignments and follow-up audits.

The Chief Audit Executive presented a detailed activity reports, which included amongst others, progress against the approved Plan to the Audit Committee, during scheduled meetings.

The Audit Committee was established and functioned in terms of Treasury Regulations, 2005(TR) 3.1.1 to 3.1.16 which came into effect as a result of section 76 as well as section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

The Audit Committee members were appointed by the Member of Executive Council: Free State Provincial Treasury in consultation with Member of Executive Council: Department of Cooperative Governance and Traditional Affairs with effect from 01 March 2018 to 28 February 2021 for a period of three years. The Audit Committee term of office was extended until July 2021, by Provincial Treasury.

During the period under review, the Audit Committee fulfilled its mandate, roles and responsibility as elaborated under paragraph below.

The table below discloses relevant information on the audit committee members:

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Adv. Johannes Collen Weapond (chairperson)	B.Com Honours IT LLB B.Tech(Policing/ Investigation) Baccalaureus Jurisprudentiae Diploma in Business Management Certificate in Policing Certificate in Leadership Development Programme in Fraud Examination Diploma in Compliance	External	N.A.	01 March 2018	N/A	7
Adv. Derick Block	Baccalaureus Legum Baccalaureus Jurisprudentiae Diploma in Tax Law Certificate Public Finance Management Certificate Procurement Management	External	N.A.	01 March 2018	N.A.	7
Ms. Thembeke Semane	Postgraduate Diploma in Business Administration Certificated Associate of Bankers (SA –(CAIB) (SA) Bcom Accounting Customer Service Diploma	External	N.A.	01 March 2018	30 September 2019	N.A
Ms. Andiswa Ngcingwana	Masters of Business Administration (MBA) National Diploma in Commercial Practice	External	N.A.	01 March 2018	N.A.	4
Mr. Mmuso Selaledi (CA) (SA)	Bachelor in Accountancy (BAcc)	External	N.A.	01 March 2018	N.A.	5
Mrs DibusengSempe	B Com (General) B Compt(Honours) MCom in Forensic Accounting Basic Course in Quality Management Advanced Course in Total Quality Management Governance for African countries	External	N.A	23 October 2019	N.A	7

AUDIT COMMITTEE REPORT

Free State Department of Cooperative Governance and Traditional Affairs

We are pleased to present our report for the financial year ended 31 March 2021.

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 as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Audit Committee Charter, seven (7) meetings were held during the 2020/21 financial year. There was one special meeting held to assess the responsiveness of the Department to the Covid19 pandemic. The other two special meetings were for the review of the unaudited Annual Financial Statements and discussion of the AGSA Audit Report.

Audit Committee Members

Name of Member	Number of Meetings attended
Adv. Collen Weapond (Chairperson)	07
Mr. Mmuso Selaledi	05
Ms. Andiswa Ngcingwana	04
Adv. Derick Block	07
Ms. Dibuseng Semppe	07

Executive Members

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

Compulsory Attendees	Number of Meetings attended
Accounting Officer: Mr. MV. Duma	07
Chief Financial Officer: Ms. MS Tlali (until 31 January 2021)	05
Chief Financial Officer: Ms. K Moahloli (from 01 February 2021)	01
Deputy Director-General: Ms. MA. Buthelezi	07
Deputy Director-General: Mr. SJ. Thomas	04
Chief Director: Municipal Inter-governmental Support and Capacitation: Mr. LL Khiba	07
Chief Director: Municipal Development and Planning: Adv. TM. Thebe (until 31 December 2020)	05
Acting CD: Municipal Development and Planning: Mr. T. Lobe (from 01 January 2021)	01
Chief Director: Corporate Services: Mr. LS Mokoena	07
Chief Risk Officer: Mr. LL Maleho	07
Chief Audit Executive: Mrs. LM Sefako	07
Director: Security Management and Anti-Corruption: Mr. GH Tilotsane	06
Director: Municipal Policy Advice and Legal Services: Adv. M. Mantso	05
Information Technology Manager: Mr. K. Morake	06
Chief Director: District Development Model: Mr O. Khoabane	01

The Accounting Officer attended of the seven (07) scheduled Audit Committee meetings. The AC has noted that the HOD's term of office has been renewed until 31 March 2021. However, the short period of appointment creates uncertainty within the Department's management processes and could result in a finding relating to uncertainty at a level of leadership.

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 discuss and address 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 adopted appropriate formal terms of reference as its Audit Committee 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

The Audit Committee has observed that the overall control environment of the Department was not satisfactory during the year under review. Some deficiencies in the system of internal control and deviations were reported in the External Audit Reports and the Audit Committee remains committed in making some improvements. Although the Department implemented some measures for consequence management, a register with actions taken should be compiled and continuously updated.

The Department was urged to conduct a personal impact analysis and to develop a readiness plan to implement a compliance framework based on the Protection of Personal Information Act 4 of 2013 (POPIA). Failure to implement the readiness plan could result in non-compliance with POPIA, which has a criminal sanction and penalty regime.

We are pleased that the Department has finally entered into a new agreement with Microsoft. This should enable the Department to utilize IT as a strategic enabler. The Audit Committee is concerned that the ICT Steering Committee was non-functional as no meeting was convened during the year under review.

Business Impact Analysis

Covid19 continues to disrupt the Department's operations, therefore, more stringent measures may be adopted to mitigate against such exposure.

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, consulting and follow-up audits.

The Internal Audit Activity assessed the adequacy and effectiveness of the controls during assurance reviews throughout the year and as at 31 March 2021.

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

The Committee expressed a concern with regards to the delay in procuring an audit software and data analytics for the Internal Audit Activity. Further, the delayed appointment of an external assessor to perform the External Quality Assurance Review will have a negative impact on the compliance of the Internal Audit Activity.

Risk Management

Risk management processes requires urgent attention to ensure effective combined assurance, especially in relation to internal audit.

Combined Assurance

To ensure effective and efficient implementation and monitoring of the Department's system of internal control, an updated Combined Assurance Framework should be designed.

Predetermined Objectives

The interventions undertaken by the Department at municipal level should be coordinated effective and efficiently between the Office of the Premier, the Department and Provincial Treasury.

Forensic Investigations

There were no forensic investigations into alleged financial irregularities, financial misconduct and fraud during the year under review. Investigations for irregular expenditure were still in progress. The Committee recommended that the Department must instigate a forensic investigation with regards to the payment of the event that did not take place and the subsequent claim submitted by the event management company to the Department.

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

The Audit Committee noted 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 confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of the Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements, to be included in the Annual Report with the Accounting officer and AGSA;
- Reviewed the audit report of AGSA;
- Reviewed AGSA's report and Management responses thereto;
- 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 AGSA.

The Department should design an integrated audit action plan. All the AGSA, Internal Audit and Audit Committee findings or recommendations should be included. Management must ensure that all findings are addressed at root cause and actual level of the finding. Due dates must be set at most realistic implementation date.

The Audit Committee must enhance its monitoring of agreed upon actions. The AGSA must test the integrated action plan and Internal Audit must continuously verify whether the proposed controls are implemented.

In – Camera Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues, and matters of concern.

In – Camera Meeting with the Executive Authority

The committee has met with the Executive Authority for the Department to appraise the Member of the Executive Council on the performance of the Department, it believes that the frequency of these interactions would be more beneficial to the Executive Authority. The committee writes reports to the Department when required to highlight matters that need interventions by his office.

Auditor-General of South Africa

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



Mr. Collen Weapond

Chairperson of the Audit Committee

Date: 30 July 2021

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

2. OVERVIEW OF HUMAN RESOURCES

The Department's Human Resources Management unit delivers service in the field of human resources provisioning, human resources utilization as well as policy development.

The main focus from a human resources perspective is the filling of critical vacancies with skilled individuals that will be in a position to enhance the capacity of the Department towards improved service delivery.

Workforce planning is a systematic process for identifying the human resources required to meet Departmental goals and developing the strategies to meet these requirements. Workforce planning is a systematic process for identifying the human resources required to meet Departmental goals and developing the strategies to meet these requirements. The department has a Scarce Skills policy to try and attract scarce skills in the Department and retain it.

In promoting fairness and consistency, the Free State Executive Council has approved a Provincial Performance and Development Management System for Officials on Levels 1 - 12, applicable to all provincial departments within the Free State Province. The performance of senior managers is dealt with in terms of Chapter 4 of the SMS Handbook issued in terms of a directive by the Minister for Public Service and Administration.

In promoting the wellbeing of all employees in the Department, departments have Employee Health and Wellness practices that adheres to regulatory requirements in Part VI of the Public Service Regulations as amended, and are in line with the Employee Health and Wellness Strategic Framework for the Public Service.

The fundamental objective of the Strategic Framework is to facilitate the development of strategies, mechanisms and interventions by government departments and provincial administrations for the implementation of the following four functional pillars:

- HIV& AIDS, TB AND STI management
- Health and Productivity management
- Safety, health, environment, risk and quality (SHERQ) management; and
- Wellness (EAP) management

As the Human Resources Plan aims to give effect to the people aspect of the strategy, the Plan is informed by the strategic objectives of the Department. The White Paper on Human Resources Management in the Public Service (Section 4.2) notes that "Human Resources planning is essential in order to ensure that an organisation's human resources are capable of meeting its operational objectives."

The development of human capital also stands in direct relationship with economic growth and development in the country. A clear acknowledgement within the Free State Growth and Development Strategy is the importance of the management and development of human capital. In this regard a Provincial Human Resource Management and Development Strategy were approved by the Executive Council that will enable the Province to ensure that its human capital is aligned so as to realise its economic growth and development expectations.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	128 783,00	94 601,00	0,00	0,00	73,50	357,00
LOCAL GOVERNANCE	69 609,00	43 657,00	0,00	0,00	62,70	672,00
DEVELOPMENT AND PLANNING	9 752,00	8 079,00	0,00	0,00	82,80	425,00
TRADITIONAL INSTITUTIONAL MANAGEMENT	135 091,00	66 617,00	0,00	0,00	49,30	888,00
HOUSE OF TRADITIONAL LEADERS	45 802,00	43 710,00	0,00	0,00	95,40	141,00
Total	389 037,00	256 664,00	0,00	0,00	66,00	350,00

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	2 879,00	1,10	28,00	102 821,00
02 Skilled (Levels 3-5)	14 697,00	5,70	154,00	95 435,00
03 Highly skilled production (Levels 6-8)	75 501,00	29,20	262,00	288 172,00
04 Highly skilled supervision (Levels 9-12)	72 547,00	28,00	96,00	755 698,00
05 Senior management (Levels >= 13)	40 006,00	15,50	28,00	1 428 786,00
10 Contract (Levels 1-2)	16 163,00	6,20	14,00	1 154 500,00
11 Contract (Levels 3-5)	1 866,00	0,70	7,00	266 571,00
12 Contract (Levels 6-8)	3 126,00	1,20	9,00	347 333,00
13 Contract (Levels 9-12)	6 046,00	2,30	8,00	755 750,00
14 Contract (Levels >= 13)	22 623,00	8,70	17,00	1 330 765,00
19 Periodical Remuneration	1 244,00	0,50	102,00	12 196,00
TOTAL	256 698,00	99,20	733,00	350 202,00

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

PROGRAMME	SALARIES		OVERTIME		HOMEOWNERS ALLOWANCE (HOA)		MEDICAL ASSISTANCE	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COST	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COST	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COST	AMOUNT (R'000)	MED ASST AS % OF PERSONNEL COST
1.ADMINISTRATION PROGRAMME 1	82 902	86.9%	10	0%	1 686	1.8	2 946	3.1%
2.LOCAL GOVERNANCE PROGRAMME 2	37 932	85.4%	85	0.2%	574	1.30	1 247	2.8%
3.DEVELOPMENT AND PLANNING PROGRAMME 3	7 223	87.5%	0	0%	138	1.70	238.00	2.9%
4.TRADITIONAL INSTITUTIONAL MANAGEMENT PROGRAMME 4	58 542	88.2%	231	0.3%	678	1.00	1 314	2%
5.HOUSE OF TRADITIONAL LEADERS PROGRAMME 5	38 443	87.1%	0	0%	1 225	2.80	2 025	4.6%
TOTAL	225 042	87%	327	0.1%	4 302	1.70	7 770	3%

The spending in terms of salaries, overtime, homeowner's allowances and medical assistance represented 70,25 % of the compensation budget. The remaining 29,75 % mainly relates to other non-pensionable allowances that includes the monthly allowances of Traditional Leaders.

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	1 962,00	68,10	0,00	0,00	236,00	8,20	13,40	2 879,00
02 Skilled (Levels 3-5)	10 996,00	74,40	1,00	0,00	881,00	6,00	9,90	14 784,00
03 Highly skilled production (Levels 6-8)	63 206,00	83,60	231,00	0,30	2 170,00	2,90	5,30	75 621,00

04 Highly skilled supervision (Levels 9-12)	63 445,00	86,70	89,00	0,10	803,00	1,10	2,00	73 199,00
05 Senior management (Levels >= 13)	36 434,00	88,90	0,00	0,00	77,00	0,20	0,30	40 962,00
10 Contract (Levels 1-2)	15 535,00	96,10	6,00	0,00	136,00	0,80	2,00	16 165,00
11 Contract (Levels 3-5)	1 841,00	98,70	0,00	0,00	0,00	0,00	0,00	1 866,00
12 Contract (Levels 6-8)	3 021,00	96,00	0,00	0,00	0,00	0,00	0,00	3 146,00
13 Contract (Levels 9-12)	5 705,00	94,30	0,00	0,00	0,00	0,00	0,60	6 053,00
14 Contract (Levels >= 13)	21 958,00	96,60	0,00	0,00	0,00	0,00	0,00	22 740,00
19 Periodical Remuneration	940,00	75,60	0,00	0,00	0,00	0,00	0,00	1 244,00
TOTAL	225 042,00	87,00	327,00	0,10	4 302,00	1,70	3,00	258 660,00

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION PROGRAMME 1	311	259	16.70	17
LOCAL GOVERNMENT PROGRAMME 2	77	65	15.60	4
DEVELOPMENT AND PLANNING PROGRAMME 3	20	19	5	6
TRADITIONAL INSTITUTIONAL DEVELOPMENT PROGRAMME 4	91	75	17.60	16
HOUSE TRADITIONAL LEADERS PROGRAMME 5	227	213	6.20	128
Total	726	631	13.10	171

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	52	42	26.30	13
Skilled(3-5)	180	161	11	5
Highly skilled production (6-8)	294	271	8.10	126
Highly skilled supervision (9-12)	145	112	25.60	9
Senior management (13-16)	55	45	26.30	18
MEC	1	1	0	0
Total	726	631	13.10	171

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
OSD – ENGINEERING RELATED	40	15	37.5	0
OSD – LEGAL PROFESSIONS	6	3	50.00	0
TOTAL	46	18	39.13	0

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	4	4	100	0	0
Salary Level 13	24	18	75	6	25
Total	34	27	79.41	6	25

Table 3.3.2 SMS post information as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	4	4	100	0	0
Salary Level 13	24	19	79.16	5	20.83
Total	34	28	82.35	5	20.83

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ 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 having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
The department was in process of reorganizing the structure and subsequently determining critical vacant posts to be filled. In line with this process funds had to be re-prioritized for filling.

Reasons for vacancies not filled within twelve months
The department was in process of reorganizing the structure and subsequently determining critical vacant posts to be filled. In line with this process funds had to be re-prioritized for filling.

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

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on 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. The table also provides 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 2020 and 31 March 2021

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	38	0	0	0	0	0	0
Skilled (Levels 3-5)	175	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	168	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	119	0	0	0	0	0	0
Senior Management Service Band A	25	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	534	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. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

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

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

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

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				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 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	4	0	0	7	11
Male	6	0	0	0	6
Total	10	0	0	7	17
Employees with a disability	0	0	0	0	0

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

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

Salary band	Number of employees at beginning of period- 1 April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	130	7	90	75.7

Skilled (Levels 3-5)	63	98	1	4.1
Highly skilled production (Levels 6-8)	227	8	13	4.8
Highly skilled supervision (Levels 9-12)	108	1	2	2
Senior Management Service Bands A-D	44	4	4	20
MEC	1	0	0	0
Total	623	118	110	17.70

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

Critical occupation	Number of employees at beginning of period- April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
OSD – ENGINEERING RELATED	14	0	0	0
OSD – LEGAL PROFESSIONS	1	0	0	0
TOTAL	15	0	0	0

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

Termination Type	Number	% of Total Resignations
Death	12	1.9
Resignation	2	0.3
Expiry of contract	90	14.3
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	6	1
Transfer to other Public Service Departments	0	0
Other	0	0
Total	110	17.4
Total number of employees who left as a % of total employment		17.4

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

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
OSD – ENGINEERING RELATED	14	0	0	0	0
OSD – LEGAL PROFESSIONS	1	0	0	0	0
TOTAL	15	0	0	0	0

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

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	130	0	0	3	0
Skilled (Levels 3-5)	63	2	3.7	50	87
Highly skilled production (Levels 6-8)	227	0	0	112	40.5
Highly skilled supervision (Levels 9-12)	108	3	25	71	72.4
Senior Management (Level 13-16)	44	2	13	18	60
MEC	1	0	0	0	0
Total	623	7	1.1	2.54	40.8

3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
MEC	1	0	0	0	0	0	0	0	1
LEGISLATORS, SENIOR OFFICIALS AND MANAGERS, PROFESSIONALS PERMANENT	32	3	0	7	22	0	0	5	69
OFFICERS PERMANENT	77	0	0	5	74	1	1	16	174
Clerks	34	1	0	1	59	2	1	4	102

Craft and related trades workers	0	0	0	0	0	0	0	0	0
Elementary occupations	159	0	0	0	126	0	0	0	285
Total	314	4	0	13	281	3	2	25	631

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
MEC	1	0	0	0	0	0	0	0	1
Top Management	17	0	0	0	3	0	0	0	20
Senior Management	13	1	0	3	6	0	0	0	23
Professionally qualified and experienced specialists and mid-management	42	1	0	5	40	1	1	9	99
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	42	2	0	6	83	3	1	16	153
Semi-skilled and discretionary decision making	47	1	0	0	26	1	0	0	75
Unskilled and defined decision making	5	0	0	30	0	0	0	35	
Total	314	4	0	13	281	3	2	25	631

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced	1	0	0	0	1	0	0	0	2

specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	2	0	0	0	4
Semi-skilled and discretionary decision making	6	0	0	0	6	0	0	0	12
Unskilled and defined decision making	4	0	0	0	17	0	0	0	21
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	13	0	0	0	27	0	0	0	40

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	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	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	1	0	0	0	1

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	4	0	0	1	6
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Employees with Disabilities	0	0	0	0	0	0	0	0	0
Total	4	0	0	0	8	0	0	0	12

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	0	0	0	0	0	0	0	3

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	24	0	0	0	27	1	0	0	52
Professionals	16	0	0	2	19	0	0	0	37
Technicians and associate professionals	3	0	0	0	15	0	0	3	21
Clerks	3	0	0	1	5	0	0	0	9
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	1	0	0	0	1
Elementary occupations	0	0	0	0	0	0	0	0	0
Employees with disabilities	1	0	0	0	1	0	0	0	2
Total	46	0	0	3	67	1	0	3	120

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

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
Head of Department	1	1	1	100
Salary Level 16	0	0	0	0
Salary Level 15	3	3	3	100
Salary Level 14	15	115	15	100
Salary Level 13	21	21	21	100
Total	40	40	40	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
N/A

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	23	301	7.6	573.24	24 923
Female	37	279	13.3	722.41	19 525
Asian					
Male	0	0	0	0	0
Female	1,00	2,00	50,00	13,07	13 069,00
Coloured					
Male	1,00	3,00	33,30	51,18	51 182,00
Female	1,00	3,00	33,30	46,81	46 809,00
White					
Male	4,00	12,00	33,30	181,53	45 382,00
Female	13,00	24,00	54,20	392,25	30 173,00
EMPLOYEES WITH DISABILITY (included above)	1,00	7,00	14,30	17,84	17 844,00
Total	81,00	631	12.8	1998.33	24 671

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	1.00	28.00	3.60	6.04	6 039.00	6,04
Skilled (level 3-5)	5.00	154.00	3.20	45.57	9 115.00	45,57

Highly skilled production (level 6-8)	38.00	262.00	14.50	554.99	14 605.00	554,99
Highly skilled supervision (level 9-12)	33.00	96.00	34.40	1 077.29	32 645.00	1 077,29
Total	77.00	586.00	13.10	1 760.72	22 866.00	0,00

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
OSD – ENGINEERING RELATED	10	14	71.42	360	36 000
OSD – LEGAL PROFESSIONS	1	6	16.66	21	21 045
TOTAL	11	20	55	381	34 363

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A-D	4	24	16.7	237.61	59 403.40	0.80
Total	4	24	16.7	237.61	59 403.40	0.80

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

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

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change

Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	1	100	1	100	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	1	100	1	100	0	0

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

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8)	1	100	1	100	0	0
TOTAL	1	100	1	100	0	0

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use 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 2020 to 31 December 2021

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	3	100	1	0.5	3	2
Skilled (levels 3-5)	122	81.1	25	11.9	5	102
Highly skilled production (levels 6-8)	335	74.9	69	32.9	5	513
Highly skilled supervision (levels 9 -12)	236	82.2	44	21	5	649
Top and Senior management (levels 13-16)	58	98.3	9	4.3	6	395

CONTRACT LEVELS 1-2	329	93.6	57	27.1	6	177
CONTRACT LEVELS 3-5	4	75	2	1	2	4
CONTRACT LEVELS 6-8	0	0	0	0	0	0
CONTRACT LEVELS 9-12	12	83.3	2	1	6	27
CONTRACT LEVELS 13-16	2	100	1	0.5	2	8
Total	1 101	84.2	210	100	5	1 876

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2021

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 2020 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	277	23	12
Skilled Levels 3-5)	922	18	50
Highly skilled production (Levels 6-8)	2 453.92	17	141
Highly skilled supervision (Levels 9-12)	1 709	18	93
Senior management (Levels 13-16)	448	17	27
CONTRACT LEVELS 1-2	1 111	10	112
CONTRACT LEVELS 3-5	51	10	5

CONTRACT LEVELS 6-8	8	3	3
CONTRACT LEVELS 9-12	50	13	4
CONTRACT LEVELS 13-16	20	7	3
Total	7 049.92	16	450

Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2021

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	4.00	4.00	44.00	4.00
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	4.00	4.00	44.00	4.00

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

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

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	188.00	2.00	94 000.00
Capped leave payouts on termination of service for 2020/21	180.00	2.00	90 000.00
Current leave payout on termination of service for 2020/21	389.00	11.00	35 364.00
Total	281.00	6.00	46 833.00

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 of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
No particular occupational class or categories of employees are by nature of their work dangerously exposed to contracting HIV/AIDS	This department has no occupational categories whose work exposes its employees to the risks associated with HIV/AIDS.

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

QUESTION	YES	NO	DETAILS IF YES
1. HAS THE DEPARTMENT DESIGNATED A MEMBER OF THE SMS TO IMPLEMENT THE PROVISIONS CONTAINED IN PART D VI OF CHAPTER 1 OF THE PSR, 2001? IF SO, PROVIDE HER/HIS NAME AND POSITION		X	The department has not formally appointed a designated SMS member to be responsible for Health Promotion and HIV/AIDS programmes. This function has been carried out by the Director: Human Resources and Development.
2. DOES THE DEPARTMENT HAVE A DESIGNATED 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		Currently 6 employees in the Unit of which 1 employee being dysfunctional and 3 of them are temporarily assisting. The Unit operates with an estimated budget of R370 000
3. HAS THE DEPARTMENT INTRODUCED AN EMPLOYEE ASSISTANCE OR HEALTH PROMOTION PROGRAMME FOR YOUR EMPLOYEES? IF SO, INDICATE THE KEY ELEMENTS/SERVICES OF THIS PROGRAMME	X		The Employee Health and Wellness Sub-directorate has 4 functional pillars, they are structured as follows: 1. HIV& AIDS AND TB MANAGEMENT PILLAR To mitigate the impact of HIV& AIDS and TB epidemic and improvement of the department's service delivery to reduce the number of infections and impact on individual employees. Key Performance areas. To implement programmes on: • Prevention; • Treatment, care and support; • Human rights and access to justice; • Research, monitoring and evaluation. 2. HEALTH AND PRODUCTIVITY MANAGEMENT PILLAR To manage communicable and non-communicable diseases, mental health/ psychosomatic illnesses, injury on duty and incapacity due to ill-health and occupational health education in order to enhance productivity

QUESTION	YES	NO	DETAILS IF YES																																										
			<u>Key performance areas.</u> To implement programmes on: • Disease management and chronic illnesses; • Mental health/psychological illness • Injury on duty and incapacity due to ill-health • Occupational health and education promotion 3. SAFETY, HEALTH, ENVIRONMENT,RISK AND QUALITY (SHERQ) MANAGEMENT PILLAR To anticipate, evaluate, educate and control health hazards in the departments to protect employee's health and wellbeing as well as to safeguard the community at large.(clients) <u>Key performance areas.</u> Implement programmes on: • Occupational health and safety; • Environmental management; • Risk and quality management. 4. WELLNESS MANAGEMENT PILLAR To provide individual wellness and organisational wellness to improve work-life balance Key performance areas. Implement programmes on: • Individual wellness (physical) • Individual wellness (Psychosocial wellness) counselling and referrals • Organisational wellness • Work-life balance																																										
4. HAS THE DEPARTMENT ESTABLISHED COMMITTEES AS CONTEMPLATED IN PART VI E.5 (E) OF CHAPTER 1 OF THE PSR 2001? IF SO, PLEASE PROVIDE THE NAMES OF THE MEMBERS OF THE COMMITTEES AND THE STAKEHOLDER/S THAT THEY REPRESENT			COMMITTEE REPRESENTATIVE DATABASE PER COGTA BUILDING O.R Tambo House Building <table><tr><th>NAME</th><th>UNIT</th><th>FLOOR</th></tr><tr><td>Ms M. Ramosidi</td><td>Finance</td><td>7th floor</td></tr><tr><td>Mr. S. Mosese</td><td>Supply Chain Management</td><td>10th floor</td></tr><tr><td>Mr. V Maxatshwa</td><td>IT Unit</td><td>11th floor</td></tr><tr><td>Mr. M. Mokhele</td><td>Skills Development</td><td>12th floor</td></tr></table> CoGTA in the L.T Trust building (Elizabeth Street) <table><tr><th>Name</th><th>Unit</th><th>Floor</th></tr><tr><td>Ms Z. Magagula</td><td>Municipal Intergovernmental Relations</td><td>1st floor</td></tr><tr><td>Ms L. Jonker</td><td>Municipal Admin</td><td>4th floor</td></tr><tr><td>Ms C. Prinsloo</td><td>LED and IDP</td><td>3rd floor</td></tr><tr><td>Ms M. Mabalane</td><td>Spatial Planning</td><td>4th floor</td></tr><tr><td>Mr M Radiopane</td><td>Spatial Planning</td><td>5th floor</td></tr></table> CoGTA in the L.M Trust building (Charlotte Maxeke Street) <table><tr><th>Name</th><th>Unit</th><th>Floor</th></tr><tr><td>Ms R. Makaudi</td><td>Municipal Planning & Development</td><td>5th floor</td></tr><tr><td>Ms M. Liphoko</td><td>Municipal Performance Monitoring</td><td>3rd floor</td></tr></table> Representative for CoGTA in the Old SANLAM building	NAME	UNIT	FLOOR	Ms M. Ramosidi	Finance	7 th floor	Mr. S. Mosese	Supply Chain Management	10 th floor	Mr. V Maxatshwa	IT Unit	11 th floor	Mr. M. Mokhele	Skills Development	12 th floor	Name	Unit	Floor	Ms Z. Magagula	Municipal Intergovernmental Relations	1 st floor	Ms L. Jonker	Municipal Admin	4th floor	Ms C. Prinsloo	LED and IDP	3 rd floor	Ms M. Mabalane	Spatial Planning	4 th floor	Mr M Radiopane	Spatial Planning	5 th floor	Name	Unit	Floor	Ms R. Makaudi	Municipal Planning & Development	5 th floor	Ms M. Liphoko	Municipal Performance Monitoring	3 rd floor
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5. HAS THE DEPARTMENT REVIEWED ITS EMPLOYMENT POLICIES AND PRACTICES TO ENSURE THAT THESE DO NOT UNFAIRLY DISCRIMINATE AGAINST EMPLOYEES ON THE BASIS OF THEIR HIV STATUS? IF SO LIST THE EMPLOYMENT POLICIES/PRACTICES SO REVIEWED	X		HIV/AIDS, STI AND TB Policy is in place as approved by the Head of Department.																																																
6. HAS THE DEPARTMENT INTRODUCED MEASURES TO PROTECT HIV – POSITIVE EMPLOYEES OR THOSE RECEIVED TO BE HIV – POSITIVE FROM DISCRIMINATION? IF SO,	X		Issues of discrimination against people living with HIV are covered by the HIV/AIDS, STI and TB Policy. An annual operation plan signed by the Head of Department is also in place, this is to guide the implementation of the policy.																																																

QUESTION	YES	NO	DETAILS IF YES
LIST THE KEY ELEMENTS OF THESE MEASURES			
7. DOES THE DEPARTMENT ENCOURAGE ITS EMPLOYEES TO UNDERGO VOLUNTARY COUNSELING AND TESTING? IF SO, LIST THE RESULTS THAT YOU HAVE ACHIEVED	X		The Unit embarks on quarterly HIV Counselling and Testing (HCT) campaigns to ensure that employees are tested. No employees tested positive during the period under review.
8. HAS THE DEPARTMENT DEVELOPED MEASURES/INDICATORS TO MONITOR AND EVALUATE THE IMPACT OF ITS HEALTH PROMOTION PROGRAMME? IF SO, LIST THESE MEASURES/INDICATORS	X		The indicators include, supervisor feedback and sick leave records. No particular system has been introduced.

3.12 Labour Relations

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

Subject matter	Date
None for the period in question	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 2020 and 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	3	100%
Total	3	100%

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

Type of misconduct	Number	% of total
FRAUD	0	0
CODE OF CONDUCT / CORRUPTION	0	0
ABUSE OF GOVERNMENT PROPERTY	0	0
ABSENTEEISM , INSUBORDINATION, DERAGATORY LANGUAGE , CARRYING A FIREARM AT WORK , MISREPRESENTATION OF FACTS, ABANDONING A POST	3	100%
TOTAL	3	100%

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

Grievances	Number	% of Total
Number of grievances resolved	1	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	1	100%

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

Disputes	Number	% of Total
Number of disputes upheld	1	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 2020 and 31 March 2021

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

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

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

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 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	25	Executive Development Programme	Municipal Finance		25
	Male	27		Security Management Supply Chain Management Integrated Development Plans Anti-Corruption Microsoft Outlook Advanced Microsoft Excel Mentoring and Coaching Skills Audit and Facilitation Contract Management Mapping and Development of Risk Public Management Project 2010 Prevention, detection and solution on corruption Project Management SCOA		27
Professionals	Female	56	Management Leadership	Taxation		56
	Male	44		Microsoft Word Financial Management Knowledge Management Persal, Salary Administration MCSD Software and Application MICSE Data Management Analytics Advanced Excel for Internal Auditors IT Auditing PIA Leadership Training Intergraded and Financial Auditing for Internal Auditors Tools and Techniques for the Internal Auditor		44

				Skills Audit and Facilitation Compulsory Induction Programme A+ N+ Windows PowerShell CCNA/MCSA Cyber Security IT Governance (ITIL, COBIT) Advanced Excel for Internal Auditors Mentoring and Coaching		
Technicians and associate professionals	Female	15	Management Leadership	LOGIS		15
	Male	2		Office Management Record Management Budget Management Diversity Management Logistics Management		2
Clerks	Female	13		Financial Accounting Skills		13
	Male	9		Basic Computer Skills Minutes Taking Occupational Health and Safety		9
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	25		Basic Computer Training		25
	Male	6		Time Management Batho Pele Office Management/Administration Occupational Hygiene		6
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	134				134
	Male	88				88
Total		222				222

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

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13		Advanced Computer	SA AIDS Conference	13
	Male	10		Professional Internal Auditor (PIA) preparation course Professional Development Assessment Certificate Programme in Municipal Finance	Annual Labour Law The Institute of Internal Auditors SA Region Summit The Institute of Internal Auditors SA Region Forum Association of Certified Fraud Examiner Annual African conference EAPA conference PSTF Conference Enterprise Development Expo Business Continuity Management and Disaster Recovery	10
Professionals	Female	0				0
	Male	1		Service Delivery Improvement		1
Technicians and associate professionals	Female	11		Office Assistant		11
	Male	9		Higher Certificate in Management Higher Certificate in Human Resource PGD Business Management D Financial Accounting D Communication Science BA Communication Science B Public Management		9

				B Law		
Clerks	Female	0				0
	Male	0				0
Plant and machine operators and assemblers	Female	0				0
	Male	0				0
Total		44				44

3.13 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 2020 and 31 March 2021

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	0.88
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	3	0.88

3.14 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Thandile Health Risk Manager	1	365	As per rates
Gijima A Holdings	1	3	n/a
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2021

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
0	0	0	0
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0

3.15 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2020 and 31 March 2021

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

PART E: FINANCIAL INFORMATION

Report of the auditor-general to Free State Provincial Legislature on vote no. 08: Department of Cooperative Governance and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs, set out on pages 175 to 229 which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance and Traditional Affairs as at 31 March 2021, 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).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Irregular expenditure

7. As disclosed in note 23 to the financial statements, the department incurred irregular expenditure of R 22 697 000 (2020: R4 059 000) due to non-compliance with supply chain management (SCM) requirements.

Restatement of corresponding figures

8. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an errors in the financial statements of the department at, and for the year ended, 31 March 2021.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of financial statements in accordance with the MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

11. 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.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance

strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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

Programmes	Pages in the annual performance report
Programme 3 – development and planning	99 – 107

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify material findings on the usefulness and reliability of the reported performance information for the following programme:
- Programme 3 – development and planning

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 87 to 111 for information on the achievement of planned targets for the year and management's explanations provided for the under achievement of targets.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 3 – development and planning. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

Expenditure management

23. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R 22 697 000, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by contravention of the supply chain management requirements..

Procurement and contract management

24. Contracts were awarded to bidders based on evaluation criteria that were not stipulated and that differed from those stipulated in the original invitation for bidding and quotations, as required by treasury regulation 16A6.3(a) and (b).
25. I was unable to obtain sufficient appropriate audit evidence that contracts were awarded to bidders in an economical manner and that prices for the goods or services were reasonable, as required by sections 38(1) (b) and 45(b) of the PFMA.
26. Some of the tenders, which failed to achieve the minimum qualifying score for functionality criteria, were not disqualified as unacceptable in accordance with 2017 preferential procurement regulation 5(6). This non-compliance was identified in the procurement processes for the tender for cleaning, fumigation and disinfection of VIP toilets.
27. Invitations for competitive bidding were not advertised for the stipulated minimum period, as required by treasury regulation 16A6.3(c). This non-compliance was identified in the procurement processes for the tender for cleaning, fumigation and disinfection of VIP toilets.
28. Some of the tenders that achieved the minimum qualifying score for functionality criteria were not evaluated further in accordance with 2017 preferential procurement regulation 5(7). This non-compliance was identified in the procurement processes for the tender for cleaning, fumigation and disinfection of VIP toilets.

Other information

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those

selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

30. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is 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.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion.
34. Leadership does not have in place adequate measures to prevent non-compliance relating to procurement and contract management. Management did not prepare regular, accurate, and complete performance reports that are supported and evidenced by reliable information, which resulted in material adjustments on the reported achievements of the approved indicators in the financial year under audit.

Auditor - General

Bloemfontein

31 July 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. 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.

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

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DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Appropriation per programme									
Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2019/20	
								Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1.Administration	140 593	-	(1 834)	138 759	128 783	9 976	92.8%	163 428	153 984
2.Local Governance	138 134	-	(1 213)	136 921	135 091	1 830	98.7%	159 461	146 128
3.Development and Planning	70 168	-	3 607	73 775	69 609	4 166	94.4%	69 625	64 142
4.Traditional Institutional Management	48 175	-	(560)	47 615	45 802	1 813	96.2%	64 898	59 126
5.House of Traditional Leaders	10 508	-	-	10 508	9 752	756	92.8%	16 873	15 036
TOTAL	407 578	-	-	407 578	389 037	18 541	95.5%	474 285	438 416
Reconciliation with statement of financial performance									
				407 578				474 285	
Actual amounts per statement of financial performance (total revenue)									
					389 037				438 416
Actual amounts per statement of financial performance (total expenditure)									

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	329 151	(3 511)	(2 244)	323 396	305 272	18 124	94.4%	377 854	349 314
Compensation of employees	264 225	-	-	264 225	256 664	7 561	97.1%	270 131	248 191
Salaries and wages	237 915	22	-	237 937	230 970	6 967	97.1%	244 169	223 184
Social contributions	26 310	(22)	-	26 288	25 694	594	97.7%	25 962	25 007
Goods and services	64 915	(3 511)	(2 244)	59 160	48 601	10 559	82.2%	107 509	100 910
Administrative fees	435	(14)	(20)	401	233	168	58.1%	564	329
Advertising	575	248	(50)	773	626	147	81.0%	1 973	1 587
Minor assets	240	39	-	279	203	76	72.8%	256	142
Audit costs: External	3 451	(50)	-	3 401	3 390	11	99.7%	3 536	3 532
Bursaries: Employees	700	(250)	-	450	446	4	99.1%	738	737
Catering: Departmental activities	1 045	(54)	(25)	966	871	95	90.2%	1 287	1 019
Communication	1 587	91	(20)	1 658	1 181	477	71.2%	1 825	1 795
Computer services	6 782	(1 325)	-	5 457	1 756	3 701	32.2%	9 023	8 967
Consultants: Business and advisory services	17 531	(540)	(150)	16 841	13 975	2 866	83.0%	15 710	14 607
Legal services	1 458	(275)	(163)	1 020	735	285	72.1%	549	546
Contractors	1 684	424	(90)	2 018	1 963	55	97.3%	25 053	24 961
Agency and support / outsourced services	23	115	-	138	7	131	5.1%	37	8
Entertainment	7	-	-	7	-	7	-	3	-
Fleet services	5 144	(1 075)	(172)	3 897	3 760	137	96.5%	5 510	5 510
Consumable supplies	3 062	(249)	(31)	2 782	2 501	281	89.9%	1 140	975
Consumable: Stationery, printing and office supplies	2 060	(429)	(207)	1 424	992	432	69.7%	3 157	2 743
Operating leases	10 019	458	(637)	9 840	9 839	1	100%	11 273	11 266
Property payments	51	66	-	117	102	15	87.2%	44	41

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	-	-	-	-	-	-	-	582	579
Travel and subsistence	6 788	23	(353)	6 458	4 989	1 469	77.3%	13 872	10 598
Training and development	696	(586)	-	110	81	29	73.6%	10 005	9 892
Operating payments	1 305	(246)	(225)	834	698	136	83.7%	704	529
Venue and facilities	272	118	(101)	289	253	36	87.5%	668	547
Interest and rent on land	11	-	-	11	7	4	63.6%	214	213
Interest	11	-	-	11	7	4	63.6%	214	213
Transfers and subsidies	66 543	197	-	66 740	66 534	206	99.7%	86 813	81 184
Provinces and municipalities	64 857	-	-	64 857	64 850	7	100%	83 445	77 950
Municipalities	64 857	-	-	64 857	64 850	7	100%	83 445	77 950
Municipal bank accounts	64 857	-	-	64 857	64 850	7	100%	83 445	77 950
Departmental agencies and accounts	10	-	-	10	7	3	70.0%	8	7
Departmental agencies	10	-	-	10	7	3	70.0%	8	7
Non-profit institutions	491	(10)	-	481	408	73	84.8%	408	408
Households	1 185	207	-	1 392	1 269	123	91.2%	2 952	2 819
Social benefits	952	207	-	1 159	1 047	112	90.3%	929	830
Other transfers to households	233	-	-	233	222	11	95.3%	2 023	1 989
Payments for capital assets	11 884	3 314	2 244	17 442	16 927	515	97.0%	9 618	7 875
Buildings and other fixed structures	5 000	136	3 607	8 743	8 659	84	99.0%	4 000	2 860
Buildings	5 000	136	3 607	8 743	8 659	84	99.0%	4 000	2 860
Machinery and equipment	6 884	3 178	(1 363)	8 699	8 268	431	95.0%	5 572	5 015
Transport Equipment	-	1 000	-	1 000	999	1	99.9%	-	-
Other machinery and equipment	6 884	2 178	(1 363)	7 699	7 269	430	94.4%	5 572	5 015
Software and intangible assets	-	-	-	-	-	-	-	46	-
Payments for financial assets	-	-	-	-	304	(304)	-	-	43
TOTAL	407 578	-	-	407 578	389 037	18 541	95.5%	474 285	438 416

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 1: Administration									
	Adjusted Appropriation	Shifting of Funds	Virement	2020/21			2019/20		
	R'000	R'000	R'000	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
				R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	8 527	523	(200)	8 850	7 578	1 272	85.6%	11 193	9 511
2. Corporate Services	132 066	(523)	(1 634)	129 909	121 205	8 704	93.3%	152 235	144 473
Total for sub programmes	140 593	-	(1 834)	138 759	128 783	9 976	92.8%	163 428	153 984
Economic classification									
Current payments	135 664	(1 987)	(1 128)	132 549	122 854	9 695	92.7%	158 724	149 835
Compensation of employees	98 643	-	-	98 643	94 601	4 042	95.9%	101 648	94 190
Salaries and wages	88 753	(385)	-	88 368	84 476	3 892	95.6%	91 472	84 556
Social contributions	9 890	385	-	10 275	10 125	150	98.5%	10 176	9 634
Goods and services	37 010	(1 987)	(1 128)	33 895	28 246	5 649	83.3%	57 073	55 643
Administrative fees	163	(7)	-	156	120	36	76.9%	176	115
Advertising	239	208	-	447	311	136	69.6%	701	697
Minor assets	60	34	-	94	44	50	46.8%	138	134
Audit costs: External	3 451	(50)	-	3 401	3 390	11	99.7%	3 536	3 532
Bursaries: Employees	700	(250)	-	450	446	4	99.1%	738	737
Catering: Departmental activities	524	(1)	(25)	498	487	11	97.8%	587	567
Communication	1 472	89	-	1 561	1 093	468	70.0%	1 761	1 734
Computer services	6 782	(1 325)	-	5 457	1 756	3 701	32.2%	9 023	8 967
Consultants: Business and advisory services	460	(10)	-	450	407	43	90.4%	355	301
Legal services	9	-	-	9	9	-	100%	-	-
Contractors	955	467	(90)	1 332	1 313	19	98.6%	6 846	6 790
Agency and support / outsourced services	23	115	-	138	7	131	5.1%	28	8

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 1: Administration									
2020/21						2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	5 144	(1 075)	(172)	3 897	3 760	137	96.5%	5 510	5 510
Consumable supplies	2 513	(178)	(31)	2 304	2 123	181	92.1%	1 030	956
Consumable stationery, printing and office supplies	865	(45)	-	820	661	159	80.6%	1 500	1 428
Operating leases	10 019	458	(637)	9 840	9 839	1	100%	11 273	11 266
Property payments	51	66	-	117	102	15	87.2%	44	41
Transport provided Departmental activity	-	-	-	-	-	-	-	129	129
Travel and subsistence	2 096	53	(72)	2 077	1 617	460	77.9%	3 149	2 341
Training and development	696	(586)	-	110	81	29	73.6%	10 005	9 892
Operating payments	577	(68)	-	509	470	39	92.3%	289	252
Venues and facilities	211	118	(101)	228	210	18	92.1%	255	246
Interest and rent on land	11	-	-	11	7	4	63.6%	3	2
Interest	11	-	-	11	7	4	63.6%	3	2
Transfer and subsidies	256	-	-	256	154	102	60.2%	896	856
Departmental agencies and accounts	10	-	-	10	7	3	70.0%	8	7
Departmental agencies	10	-	-	10	7	3	70.0%	8	7
Households	246	-	-	246	147	99	59.8%	888	849
Social Benefits	219	-	-	219	121	98	55.3%	609	598
Other transfers to households	27	-	-	27	26	1	96.3%	279	251
Payments for capital assets	4 673	1 987	(706)	5 954	5 738	216	96.4%	3 808	3 285
Machinery and equipment	4 673	1 987	(706)	5 954	5 738	216	96.4%	3 762	3 285
Other Machinery and equipment	4 673	1 987	(706)	5 954	5 738	216	96.4%	3 762	3 285
Software and other Intangible assets	-	-	-	-	-	-	-	46	-
Payments for financial assets	-	-	-	-	37	(37)	-	-	8
TOTAL	140 593	-	(1 834)	138 759	128 783	9 976	92.8%	163 428	153 984

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 2: Local Governance									
	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Municipal Administration	19 734	(1 094)	(497)	18 143	17 634	509	97.2%	22 156	19 921
2. Municipal Finance	71 147	(8)	(267)	70 872	70 744	128	99.8%	92 282	85 962
3. Public Participation	10 390	(243)	(236)	9 911	9 728	183	98.2%	12 251	11 380
4. Capacity Development	29 755	1 675	-	31 430	30 556	874	97.2%	23 514	20 539
5. Municipal Performance, monitoring, reporting and evaluation	7 108	(330)	(213)	6 565	6 429	136	97.9%	9 258	8 326
Total for sub programmes	138 134	-	(1 213)	136 921	135 091	1 830	98.7%	159 461	146 128
Economic Classification									
Current payments	72 145	(196)	(739)	71 210	69 324	1 886	97.4%	74 086	65 924
Compensation of employees	67 596	-	-	67 596	66 617	979	98.6%	64 610	59 011
Salaries and wages	61 435	426	-	61 861	60 916	945	98.5%	58 733	53 294
Social contributions	6 161	(426)	-	5 735	5 701	34	99.4%	5 877	5 717
Goods and services	4 549	(196)	(739)	3 614	2 707	907	74.9%	9 265	6 702
Administrative fees	100	(3)	-	97	51	46	52.6%	149	49
Advertising	7	-	-	7	-	7	-	35	-
Minor assets	10	-	-	10	-	10	-	88	4
Catering: Departmental activities	15	1	-	16	7	9	43.8%	232	144
Communication	91	(6)	-	85	80	5	94.1%	59	56
Consultants: Business and advisory services	168	(8)	(150)	10	-	10	-	2 236	1 742
Legal services	1 358	(184)	(163)	1 011	726	285	71.8%	549	546

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 2: Local Governance									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2019/20	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual expenditure
								R'000	R'000
Contractors	28	(10)	-	18	-	18	-	233	227
Entertainment	7	-	-	7	-	7	-	-	-
Consumable supplies	65	(16)	-	49	5	44	10.2%	72	13
Consumable; Stationery, printing and office supplies	341	(24)	(132)	185	158	27	85.4%	572	407
Transport provided: Departmental activity	-	-	-	-	-	-	-	46	46
Travel and subsistence	1 930	146	(200)	1 876	1 508	368	80.4%	4 676	3 331
Operating payments	413	(92)	(94)	227	172	55	75.8%	219	125
Venues and facilities	16	-	-	16	-	16	-	99	12
Interest and rent on land	-	-	-	-	-	-	-	211	211
Interest	-	-	-	-	-	-	-	211	211
Transfer and subsidies	65 198	196	-	65 394	65 385	9	100%	84 618	79 468
Provinces and municipalities	64 857	-	-	64 857	64 850	7	100%	83 085	77 950
Municipalities	64 857	-	-	64 857	64 850	7	100%	83 085	77 950
Municipal bank accounts	64 857	-	-	64 857	64 850	7	100%	83 085	77 950
Households	341	196	-	537	535	2	99.6%	1 533	1 518
Social benefits	341	196	-	537	535	2	99.6%	78	66
Other transfers to households	-	-	-	-	-	-	-	1 455	1 452
Payments to capital assets	791	-	(474)	317	191	126	60.3%	757	735
Machinery and equipment	791	-	(474)	317	191	126	60.3%	757	735
Other machinery and equipment	791	-	(474)	317	191	126	60.3%	757	735
Payments of financial assets	-	-	-	-	191	(191)	-	-	1
Total	138 134	-	(1 213)	136 921	135 091	1 830	98.7%	159 461	146 128

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: Development and Planning									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2019/20	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual expenditure
Sub programme									
1. Spatial Planning	19 393	(373)	-	19 020	18 830	190	99.0%	21 367	20 233
2. Local Economic Development (LED)	4 438	(100)	-	4 338	4 310	28	99.4%	5 442	4 571
3. Municipal Infrastructure	36 071	578	3 607	40 256	36 643	3 613	91.0%	31 742	29 393
4. Disaster Management	10 266	(105)	-	10 161	9 826	335	96.7%	11 074	9 945
Total for sub programmes	70 168	-	3 607	73 775	69 609	4 166	94.4%	69 625	64 142
Economic classification									
Current payments	64 410	(1 328)	-	63 082	59 047	4 035	93.6%	64 725	60 799
Compensation of employees	44 458	-	-	44 458	43 657	801	98.2%	46 187	44 348
Salaries and wages	39 314	(19)	-	39 295	38 568	727	98.1%	40 923	39 283
Social contributions	5 144	19	-	5 163	5 089	74	98.6%	5 264	5 065
Goods and services	19 952	(1 328)	-	18 624	15 390	3 234	82.6%	18 538	16 451
Administrative fees	45	(19)	-	26	7	19	26.9%	78	33
Advertising	279	-	-	279	278	1.	99.6%	1 110	765
Minor assets	96	20	-	116	116	-	100%	30	4
Catering: Departmental activities	277	(54)	-	223	221	2	99.1%	173	73
Communication (G&S)	-	8	-	8	8	-	100%	-	-
Consultants: Business and advisory services	16 903	(522)	-	16 381	13 568	2 813	82.8%	13 119	12 564
Legal fees	91	(91)	-	-	-	-	-	-	-
Contractors	43	(34)	-	9	-	9	-	34	5
Agency and support/ outsourced services	-	-	-	-	-	-	-	9	-
Entertainment	-	-	-	-	-	-	-	3	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: Development and Planning								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumables supplies	430	(54)	-	376	366	10	97.3%	34	3
Consumable: Stationery, printing and office supplies	567	(358)	-	209	78	131	37.3%	536	362
Transport provide: Departmental activity	-	-	-	-	-	-	-	13	11
Travel and subsistence	1 067	(135)	-	932	694	238	74.5%	2 998	2 299
Operating Payments	154	(89)	-	65	54	11	83.1%	87	43
Venues and facilities	-	-	-	-	-	-	-	314	289
Transfer and subsidies	153	1	-	154	153	1	99.4%	482	121
Provinces and municipalities	-	-	-	-	-	-	-	360	-
Municipalities	-	-	-	-	-	-	-	360	-
Municipal bank accounts	-	-	-	-	-	-	-	360	-
Households	153	1	-	154	153	1	99.4%	122	121
Social benefits	153	1	-	154	153	1	99.4%	122	121
Payments for capital assets	5 605	1 327	3 607	10 539	10 409	130	98.8%	4 418	3 222
Buildings and other fixed structures	5 000	136	3 607	8 743	8 659	84	99.0%	4 000	2 860
Buildings	5 000	136	3 607	8 743	8 659	84	99.0%	4 000	2 860
Machinery and equipment	605	1 191	-	1 796	1 750	46	97.4%	418	362
Transport Equipment	-	1 000	-	1 000	999	1	99.9%	-	-
Other machinery and equipment	605	191	-	796	751	45	94.3%	418	362
Total	70 168	-	3 607	73 775	69 609	4 166	94.4%	69 625	64 142

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 4: Traditional Institutional Management									
	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.Traditional Institutional Administration	48 175	-	(560)	47 615	45 802	1 813	96.2%	64 898	59 126
Total for sub programmes	48 175	-	(560)	47 615	45 802	1 813	96.2%	64 898	59 126
Economic classification									
Current payments	46 966	-	(377)	46 589	44 802	1 787	96.2%	63 539	57 813
Compensation of employees	45 175	-	-	45 175	43 710	1 465	96.8%	48 395	42 757
Salaries and wages	40 812	-	-	40 812	39 648	1 164	97.1%	44 472	38 861
Social contributions	4 363	-	-	4 363	4 062	301	93.1%	3 923	3 896
Goods and services	1 791	-	(377)	1 414	1 092	322	77.2%	15 144	15 056
Administrative fees	36	-	(20)	16	10	6	62.5%	61	56
Advertising	50	-	(50)	-	-	-	-	34	33
Catering: Departmental activities	29	35	-	64	51	13	79.7%	82	76
Communication	24	-	(20)	4	-	4	-	5	5
Contractors	652	1	-	653	649	4	99.4%	13 019	13 018
Consumable supplies	30	(1)	-	29	7	22	24.1%	2	1
Consumable: Stationery, printing and office supplies	191	(2)	(75)	114	47	67	41.2%	492	491
Transport provided: Departmental activity	-	-	-	-	-	-	-	160	160

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 4: Traditional Institutional Management									
	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	648	(36)	(81)	531	326	205	61.4%	1 201	1 128
Operating payments	131	3	(131)	3	2	1	66.7%	88	88
Transfer and subsidies	936	-	-	936	842	94	90.0%	727	649
Non profit institutions	491	(10)	-	481	408	73	84.8%	408	408
Households	445	10	-	455	434	21	95.4%	319	241
Social benefits	239	10	-	249	238	11	95.6%	120	45
Other transfers to households	206	-	-	206	196	10	95.1%	199	196
Payments to capital assets	273	-	(183)	90	82	8	91.1%	632	630
Machinery and equipment	273	-	(183)	90	82	8	91.1%	632	630
Other machinery and equipment	273	-	(183)	90	82	8	91.1%	632	630
Payments for financial assets	-	-	-	-	76	(76)	-	-	34
Total	48 175	-	(560)	47 615	45 802	1 813	96.2%	64 898	59 126

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 5: House of Traditional Leaders									
	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. House of Traditional Leaders	10 508	-	-	10 508	9 752	756	92.8%	16 873	15 036
Total for sub programmes	10 508	-	-	10 508	9 752	756	92.8%	16 873	15 036
Economic classification									
Current payments	9 966	-	-	9 966	9 245	721	92.8%	16 780	14 943
Compensation of employees	8 353	-	-	8 353	8 079	274	96.7%	9 291	7 885
Salaries and wages	7 601	-	-	7 601	7 362	239	96.9%	8 569	7 190
Social contributions	752	-	-	752	717	35	95.3%	722	695
Goods and services	1 613	-	-	1 613	1 166	447	72.3%	7 489	7 058
Administrative fees	91	15	-	106	45	61	42.5%	100	76
Advertising	-	40	-	40	37	3	92.5%	93	92
Minor assets	74	(15)	-	59	43	16	72.9%	-	-
Catering: Departmental activities	200	(35)	-	165	105	60	63.6%	213	159
Contractors	6	-	-	6	1	5	16.7%	4 921	4 921
Consumable supplies	24	-	-	24	-	24	-	2	2
Consumable: Stationery, printing and office supplies	96	-	-	96	48	48	50.0%	57	55
Transport provided: Departmental activity	-	-	-	-	-	-	-	234	233
Travel and subsistence	1 047	(5)	-	1 042	844	198	81.0%	1 848	1 499
Operating payments	30	-	-	30	-	30	-	21	21
Venues and facilities	45	-	-	45	43	2	95.6%	-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

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APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 5: House of Traditional Leaders									
2020/21							2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfer and subsidies	-	-	-	-	-	-	-	90	90
Households	-	-	-	-	-	-	-	90	90
Other transfers to households	-	-	-	-	-	-	-	90	90
Payments to capital assets	542	-	-	542	507	35	93.5%	3	3
Machinery and equipment	542	-	-	542	507	35	93.5%	3	3
Other machinery and equipment	542	-	-	542	507	35	93.5%	3	3
Total	10 508	-	-	10 508	9 752	756	92.8%	16 873	15 036

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Administration	138 759	128 783	9 978	7.2%
The underspending is mainly linked to critical vacant posts not being filled, underspending on goods and services due to the National Covid- 19 lockdown as well as the Microsoft licenses not paid at year end.				
Local Governance	136 921	135 091	1 830	1.3%
No material variances.				
Development and Planning	73 775	69 609	4 166	5.6%
The underspending mainly relates to the Department not being able to process the last two payments in terms of the cleaning of VIP toilets in the Mangaung metro.				
Traditional institutional Management	47 615	45 802	1 813	3.8%
The underspending mainly relates to critical vacant posts not being filled.				
House of Traditional Leaders	10 508	9 752	756	7.2%
The underspending mainly relates to critical vacant posts not being filled and slow spending on goods and services due to National Covid- 19 lockdown.				

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	264 225	256 664	7 561	2.9%
Goods and services	59 160	48 601	10 559	17.8%
Interest and rent on land	11	7	4	36.4%
Transfers and subsidies				
Provinces and municipalities	64 857	64 850	7	0.0%
Departmental agencies and accounts	10	7	3	30.0%
Non-profit institutions	481	408	73	15.2%
Households	1 392	1 269	123	8.8%
Payments for capital assets				
Buildings and other fixed structures	8 743	8 659	84	1.0%
Machinery and equipment	8 699	8 268	431	5.0%
Payments for financial assets	-	304	(304)	0.0%

The underspending mainly relates to:

Compensation of employees: The non-filling of critical vacant posts

Goods and services: The underspending mainly relates to the slow spending due to the National Covid-19 lockdown, Microsoft licenses not paid at year end as well as the Department not being able to process the last two payments in terms of the cleaning of VIP toilets in the Mangaung Metro

Transfers payments: Transfers to Traditional Councils were lower than budgeted for.

Payments for Capital Assets: The underspending mainly relates to equipment not procured due to the non-filling of vacant posts.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2021

	<i>Note</i>	2020/21 R'000	2019/2020 R'000
REVENUE			
Annual appropriation	1	407 578	474 285
TOTAL REVENUE		407 578	474 285
EXPENDITURE			
Current expenditure			
Compensation of employees	4	256 664	248 191
Goods and services	5	48 601	100 910
Interest and rent on land	6	7	213
Total current expenditure		305 272	349 314
Transfers and subsidies			
Transfers and subsidies	8	66 534	81 184
Total transfers and subsidies		66 534	81 184
Expenditure for capital assets			
Tangible assets	9	16 927	7 875
Total expenditure for capital assets		16 927	7 875
Payments for financial assets	7	304	43
TOTAL EXPENDITURE		389 037	438 416
SURPLUS FOR THE YEAR		18 541	35 869
Reconciliation of Net Surplus for the year			
Voted funds		18 541	35 869
Annual appropriation		18 541	35 869
SURPLUS FOR THE YEAR		18 541	35 869

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		18 816	36 174
Cash and cash equivalents	10	17 146	34 310
Prepayments and advances	11	394	394
Receivables	12	1 276	1 470
Non-current assets		50	53
Receivables	12	50	53
TOTAL ASSETS		18 866	36 227
LIABILITIES			
Current liabilities		18 571	35 940
Voted funds to be surrendered to the Revenue Fund	13	18 541	35 869
Departmental revenue to be surrendered to the Revenue Fund	14	13	20
Payables	15	17	51
TOTAL LIABILITIES		18 571	35 940
NET ASSETS		295	287
Represented by:			
Recoverable revenue		295	287
TOTAL		295	287

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2021

NET ASSETS	Note	2020/21 R'000	2019/20 R'000
Recoverable revenue			
Opening balance		287	144
Transfers:		8	143
Irrecoverable amounts written off	7.1	(36)	-
Debts recovered (included in departmental receipts)		(61)	(1 180)
Debts raised		105	1 323
Closing balance		<u>295</u>	<u>287</u>
TOTAL		<u>295</u>	<u>287</u>

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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CASH FLOW STATEMENT
for the year ended 31 March 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		407 861	475 654
Annual appropriated funds received	1.1	407 578	474 285
Departmental revenue received	2	274	1 358
Interest received	2.2	9	11
Net (increase)/decrease in working capital		160	(991)
Surrendered to Revenue Fund		(36 159)	(22 926)
Current payments		(305 265)	(349 101)
Interest paid	6	(7)	(213)
Payments for financial assets		(304)	(43)
Transfers and subsidies paid		(66 534)	(81 184)
Net cash flow available from operating activities	16	(248)	21 196
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(16 927)	(7 875)
Proceeds from sale of capital assets	2.3	-	2
(Increase)/decrease in non-current receivables	12	3	(31)
Net cash flows from investing activities		(16 924)	(7 904)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		8	143
Net cash flows from financing activities		8	143
Net increase/(decrease) in cash and cash equivalents		(17 164)	13 435
Cash and cash equivalents at beginning of period		34 310	20 875
Cash and cash equivalents at end of period	17	17 146	34 310

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

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

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

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

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments relate to standing subsistence and travelling advances paid to officials. The Department paid advances to the Department of International Relations and Cooperation in terms of foreign visits for travelling and accommodation. The amount is expensed once claims are received and verified.
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.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

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. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and Contingents
17.1	Provisions

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	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 recognised in the statement of financial position 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 is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed after

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	Changes in accounting estimates and errors 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	Departures from the MCS requirements <i>The Department did not depart from the MCS requirements.</i>
24	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.
25	Related party transactions Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements. Key management personnel are those persons who have this authority and responsibility for planning, directing and controlling the activities of the Department.
26	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

	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.
27	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
28	Transfers of functions Transfers 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. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

PART B: EXPLANATORY NOTES

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) and Provincial Departments:

	2020/21			2019/20		
	Final Appropriation	Actual Funds Received	Funds not requested /not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	138 759	138 759	-	163 428	163 428	-
Local Governance	136 921	136 921	-	159 461	159 461	-
Development and Planning	73 775	73 775	-	69 625	69 625	-
Traditional Institutional Management	47 615	47 615	-	64 898	64 898	-
House of Traditional Leaders	10 508	10 508	-	16 873	16 873	-
Total	407 578	407 578	-	474 285	474 285	-

2. Departmental revenue

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Sales of goods and services other than capital assets	2.1	189	181
Interest, dividends and rent on land	2.2	9	11
Sales of capital assets	2.3	-	2
Transactions in financial assets and liabilities	2.4	85	1 177
Total revenue collected		283	1 371
Less: Own revenue included in appropriation	14	(283)	(1 371)
Departmental revenue collected		-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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2.1 Sales of goods and services other than capital assets

	Note 2	2020/21 R'000	2019/20 R'000
Sales of goods and services produced by the department		189	181
Other sales		189	181
Total		189	181

2.2 Interest, dividends and rent on land

	Note 2	2020/21 R'000	2019/20 R'000
Interest		9	11
Total		9	11

2.3 Sale of capital assets

	Note 2	2020/21 R'000	2019/20 R'000
Tangible assets		-	2
Machinery and equipment		-	2
Total		-	2

2.4 Transactions in financial assets and liabilities

	Note 2	2020/21 R'000	2019/20 R'000
Receivables		85	1 168
Other Receipts including Recoverable Revenue		-	9
Total		85	1 177

3. Aid assistance

3.1 Donations received in kind (not included in the main note)

	Note	2020/21 R'000	2019/20 R'000
<i>PPE in terms of Covid-19 received from Free State Provincial Treasury</i>		252	-
Total		252	-

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4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Basic salary		181 785	177 112
Performance award		1 998	3 016
Service Based		171	243
Compensative/circumstantial		6 583	3 474
Periodic payments		1 131	1 411
Other non-pensionable allowances		39 302	37 928
Total		230 970	223 184

4.2 Social contributions

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Employer contributions			
Pension		17 706	17 818
Medical		7 919	7 134
Bargaining council		52	48
Insurance		17	7
Total		25 694	25 007

Total compensation of employees	256 664	248 191
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Average number of employees	630	619
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<i>Excluded in the above average number of employees is an average of 101 board members (Valuation Appeal Board, Audit Committee and Traditional Councils).</i>
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5. Goods and services

	Note	2020/21 R'000	2019/20 R'000
Administrative fees		233	329
Advertising		626	1 587
Minor assets	5.1	203	142
Bursaries (employees)		446	737
Catering		871	1 019
Communication		1 181	1 795
Computer services	5.2	1 756	8 967
Consultants: Business and advisory services		13 975	14 607
Legal services		735	546
Contractors		1 963	24 961
Agency and support / outsourced services		7	8
Audit cost – external	5.3	3 390	3 532
Fleet services		3 760	5 510
Consumables	5.4	3 493	3 718
Operating leases		9 839	11 266
Property payments	5.5	102	41
Transport provided as part of the departmental activities		-	579
Travel and subsistence	5.6	4 989	10 598
Venues and facilities		253	547
Training and development		81	9 892
Other operating expenditure	5.7	698	529
Total		48 601	100 910

Consultants: Business and advisory services of prior year was decreased from R'17 467 to R'14 607 due to misclassification of R'2 860 as Expenditure of capital assets in note 9

5.1 Minor assets

	Note	2020/21 R'000	2019/20 R'000
Tangible assets	5	203	142
Machinery and equipment		203	142
Total		203	142

5.2 Computer services

	Note	2020/21 R'000	2019/20 R'000
SITA computer services	5	1 510	8 962
External computer service providers		246	5
Total		1 756	8 967

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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5.3 Audit cost – External

	<i>Note</i> 5	2020/21 R'000	2019/20 R'000
Regularity audits		3 390	3 532
Total		3 390	3 532

5.4 Consumables

	<i>Note</i> 5	2020/21 R'000	2019/20 R'000
Consumable supplies		2 501	975
Uniform and clothing		849	14
Household supplies		404	903
Building material and supplies		287	19
IT consumables		14	23
Other consumables		947	16
Stationery, printing and office supplies		992	2 743
Total		3 493	3 718

5.5 Property payments

	<i>Note</i> 5	2020/21 R'000	2019/20 R'000
Other:		102	41
Electricity		35	41
Pest Control/Fumigation		67	-
Total		102	41

5.6 Travel and subsistence

	<i>Note</i> 5	2020/21 R'000	2019/20 R'000
Local		4 987	10 598
Foreign		2	-
Total		4 989	10 598

5.7 Other operating expenditure

	<i>Note</i> 5	2020/21 R'000	2019/20 R'000
Professional bodies, membership and subscription fees		59	28
Resettlement costs		134	-
Other		505	501
Total		698	529

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6. Interest and rent on land

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Interest paid		7	213
Total		7	213

7. Payments for financial assets

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Debts written off	7.1	304	43
Total		304	43

7.1 Debts written off

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Recoverable revenue written off			
Employee debt (bursary)		36	-
Total		36	-
Other debt written off			
Ex-Employees debt (Salaries, Tax, Telephone)		81	37
Communication		-	5
Loss control case		-	1
National Department of Cogta (Interdepartmental Claim)		187	-
Total		268	43
Total debt written off		304	43

8. Transfers and subsidies

		2020/21 R'000	2019/20 R'000
	<i>Note</i>		
	30 and		
Provinces and municipalities	<i>Annexure 1A</i>	64 850	77 950
Departmental agencies and accounts	<i>Annexure 1B</i>	7	7
Non-profit institutions	<i>Annexure 1C</i>	408	408
Households	<i>Annexure 1D</i>	1 269	2 819
Total		66 534	81 184

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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9. Expenditure for capital assets

	Note	2020/21 R'000	2019/20 R'000
Tangible assets		16 927	7 875
Buildings and other fixed structures	28	8 659	2 860
Machinery and equipment	26	8 268	5 015
Total		16 927	7 875

Expenditure of capital assets (Buildings and other fixed structures) of prior year was increased from R0 to R'2 860 due to misclassification in goods and services in note 5 (Consultants: Business and advisory services)

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

	Voted funds R'000	Total R'000
Tangible assets	16 927	16 927
Buildings and other fixed structures	8 659	8 659
Machinery and equipment	8 268	8 268
Total	16 927	16 927

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

	Voted funds R'000	Total R'000
Tangible assets	7 875	7 875
Buildings and other fixed structures	2 860	2 860
Machinery and equipment	5 015	5 015
Total	7 875	7 875

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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9.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2020/21 R'000	2019/20 R'000
Tangible assets			
Machinery and equipment		3 823	2 433
Total		3 823	2 433

10. Cash and cash equivalents

	Note	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General Account		17 126	34 290
Cash on hand		20	20
Total		17 146	34 310

11. Prepayments and advances

	Note	2020/21 R'000	2019/20 R'000
Travel and subsistence		42	42
Advances paid (Not expensed)	11.1, Annex 6A	352	352
Total		394	394

Advances were paid in 2017/2018 to the Department of International Relations and Co-operation (DIRCO) for official and Traditional Leaders in terms of 2 foreign visits to the total value 'R400. Vouchers to the value of 'R352 for the second visit are still awaited before amount can be expensed.

11.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
National departments		352	-	-	-	352
Total		352	-	-	-	352

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
	11	R'000	R'000	R'000	R'000	R'000
National departments		352	-	-	-	352
Total		352	-	-	-	352

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12. Receivables

		Current	2020/21 Non- current	Total	Current	2019/20 Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	<i>Note</i>						
Claims recoverable	12.1	694	-	694	917	-	917
Staff debt	12.2	554	50	604	526	53	579
Fruitless and wasteful expenditure	12.3	28	-	28	27		27
Total		1 276	50	1 326	1 470	53	1 523

12.1 Claims recoverable

	<i>Note</i> 12 and Annex 3	2020/21 R'000	2019/20 R'000
National departments		-	485
Provincial departments		694	425
Public entities		-	7
Total		694	917

12.2 Staff debt

	<i>Note</i> 12	2020/21 R'000	2019/20 R'000
Communication		31	37
Breach of contract (study)		115	134
Losses and damages		50	48
Ex-employees		350	341
Subsistence and Travel		2	2
Salary Overpayments		54	16
Tax debt		2	1
Total		604	579

12.3 Fruitless and wasteful expenditure

	<i>Note</i> 12	2020/21 R'000	2019/20 R'000
Opening balance		27	25
Less amounts recovered		(5)	(1 113)
Transfers from Fruitless and Wasteful Expenditure Interest	24	5	1 113
Total		28	27

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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12.4 Impairment of receivables

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Estimate of impairment of receivables		367	27
Total		367	27

13. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Opening balance		35 869	21 575
Transfer from statement of financial performance		18 541	35 869
Paid during the year		(35 869)	(21 575)
Closing balance		18 541	35 869

14. Departmental revenue to be surrendered to the Revenue Fund

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Opening balance		20	-
Own revenue included in appropriation	2	283	1 371
Paid during the year		(290)	(1 351)
Closing balance		13	20

15. Payables – current

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Clearing accounts		17	51
Total		17	51

15.1 Clearing accounts

	<i>Note</i>	2020/21 R'000	2019/20 R'000
SAL : GEHS refund control account		-	51
SAL : ACB Recall account	15	17	-
Total		17	51

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16. Net cash flow available from operating activities

	Note	2020/21 R'000	2019/20 R'000
Net surplus as per Statement of Financial Performance		18 541	35 869
Add back non cash/cash movements not deemed operating activities		(18 789)	(14 673)
(Increase)/decrease in receivables		194	(1 013)
(Increase)/decrease in prepayments and advances		-	4
Increase/(decrease) in payables – current		(34)	18
Proceeds from sale of capital assets		-	(2)
Expenditure on capital assets		16 927	7 875
Surrenders to Revenue Fund		(36 159)	(22 926)
Own revenue included in appropriation		283	1 371
Net cash flow generated by operating activities		(248)	21 196

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

	Note	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General account		17 126	34 290
Cash on hand		20	20
Total		17 146	34 310

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

	Note	2020/21 R'000	2019/20 R'000
Liable to			
Nature			
Claims against the department	Annex 2A	1 762	1 762
Intergovernmental payables (unconfirmed balances)	Annex 4	187	-
Total		1 949	1 762

Claims against the Department: In terms of legal advice obtained, the Department will first investigate the event to determine if all cost was actually incurred by the service provider through third party confirmations, before final payment, if any is determined.

The Labour Appeal Court (LAC) declared the salary increase for the 2020/2021 year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the Department will be obligated to pay the salary increases in dispute.

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19. Capital commitments

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Furniture and Office Equipment		-	28
Non residential building		-	12 627
Total		-	12 655

Contract for water laboratory was reclassified from goods and services to capital expenditure and therefore the capital commitment was also restated in terms of the prior year to the value of R'12 627.

20. Accruals and payables not recognised

20.1 Accruals

			2020/21 R'000	2019/20 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	4 899	105	5 004	3 041
Transfers and subsidies	-	-	-	151
Other	693	383	1 076	517
Total	5 592	488	6 080	3 709

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Listed by programme level			
Administration		4 746	2 404
Local Governance		735	338
Development and Planning		156	797
Traditional Institutional Management		406	103
House of Traditional Leaders		37	67
Total		6 080	3 709

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20.2 Payables not recognised

			2020/21 R'000	2019/20 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	109	45	154	201
Other	196	1	197	-
Total	305	46	351	201
		<i>Note</i>	2020/21 R'000	2019/20 R'000
Listed by programme level				
Administration			73	90
Local Governance			260	111
Development and Planning			13	-
Traditional Institutional Management			3	-
House of Traditional Leaders			2	-
Total			351	201
		<i>Note</i>	2020/21 R'000	2019/20 R'000
Included in the above totals are the following:				
Confirmed balances with other departments	<i>Annex 4</i>		762	105
Confirmed balances with other government entities	<i>Annex 4</i>		2 500	1 252
Total			3 262	1 357

Re classification of interdepartmental claim of Fleet Management for the 2019/20 financial year from "payables not recognised" to "accruals" to the value of R'1 252. The programme effected by the change is "Administration". The grand total of "accruals and payables not recognised" remains the same.

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21. Employee benefits

	Note	2020/21 R'000	2019/20 R'000
Leave entitlement		17 017	11 255
Service bonus		5 333	5 500
Performance awards		1 445	2 143
Capped leave		3 041	3 438
Other		153	149
Total		26 989	22 485

At this stage the department is not able to reliably measure the long term portion of the long service awards.

22. Lease commitments

22.1 Operating leases

	Machinery and equipment R'000	Total R'000
2020/21		
Not later than 1 year	4 795	4 795
Later than 1 year and not later than 5 years	1 878	1 878
Total lease commitments	6 673	6 673
2019/20		
Not later than 1 year	6 766	6 766
Later than 1 year and not later than 5 years	5 914	5 914
Total lease commitments	12 680	12 680

The Department has entered into a service level agreement with fleet management (FS Government Transport) for the provision of the vehicles to the Department. A total number of 47 vehicles were leased by the Department as at 31 March 2021. The Department has 168 cell phones agreements which are leased on a month to month basis which are registered as operating leases due to the fact that the finance lease period has expired. No escalation is applicable on the agreements. No assets are sub-leased by the Department. There are no sale and lease back agreements entered into by the Department.

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22.2 Finance leases

	Machinery and equipment R'000	Total R'000
2020/21		
Not later than 1 year	3 632	3 632
Later than 1 year and not later than 5 years	1 711	1 711
Total lease commitments	5 343	5 343
	Machinery and equipment R'000	Total R'000
2019/20		
Not later than 1 year	2 182	2 182
Later than 1 year and not later than 5 years	2 226	2 226
Total lease commitments	4 408	4 408

The Department has lease agreements for 26 copier machines for 36 months and 155 cellphones as well as 32 3G cards over 24 months.

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Opening balance		48 391	44 350
Add: Irregular expenditure – relating to previous year	23.2	3 554	-
Add: Irregular expenditure – relating to current year	23.2	19 143	4 059
Less: Prior year amounts not condoned and removed	23.3	(447)	-
Less: Amounts recoverable (current and prior year)		-	(18)
Closing balance		70 641	48 391
			-
Analysis of closing balance			-
Current year		19 143	4 041
Prior years		51 498	44 350
Total		70 641	48 391

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23.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Official appointed on higher level	Under Investigation	463
Non-compliance with VAT	Under Investigation	173
Developer not registered with CDB	Under Investigation	13 680
Procurement deviation not accepted	Under investigation	128
Preferential point system discrepancies	Under investigation	8 253
Total		22 697

23.3 Details of irregular expenditure removed - (not condoned)

Incident	Not condoned by (relevant authority)	2020/21 R'000
Donation of blankets	Incorrectly classified as irregular expenditure	(157)
Catering	Incorrectly classified as irregular expenditure as procurement was for toner cartridges, not catering	(290)
Total		(447)

23.4 Details of irregular expenditures under assessment (not included in the main note)

Incident	2020/21 R'000
Extension of contract on Fax Machine	3
Transversal contract finding by Provincial Treasury on event management	327
Tender advertised for less than 21 days	3 934
Total	4 264

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24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Opening balance		223	5
Fruitless and wasteful expenditure – relating to current year	24.2	13	1 331
Less: Amounts recoverable	12.3	(5)	(1 113)
Less: Amounts written off	24.3	(225)	-
Closing balance		6	223

24.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Interest charged	Under Investigation	8
Training not attended	Recover from official	1
Accommodation	Recover from official	4
Total		13

24.3 Details of fruitless and wasteful expenditure written off
Incident

	2020/21 R'000
SABC interest	5
Bursary interest	1
Telkom interest	1
Fezi Auditors interest	211
SARS interest	7
Total	225

25. Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers (provide detail below)	1	1 978	2 410
Officials:			
Level 15 and 16	5	9 095	9 239
Level 14	4	5 631	5 582
Other	2	2 408	2 367
Family members of key management personnel	2	1 576	1 666
Total		20 688	21 264

Political Office Bearer: 1 Member of Executive Council

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26. Movable Tangible Capital Assets

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	34 709	4 445	-	39 154
Transport equipment	-	999	-	999
Computer equipment	23 964	2 214	-	26 178
Furniture and office equipment	9 461	627	-	10 088
Other machinery and equipment	1 284	605	-	1 889
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	34 709	4 445	-	39 154

26.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Total R'000
MACHINERY AND EQUIPMENT	8 268	(3 823)	4 445
Transport assets	999	-	999
Computer equipment	2 214	-	2 214
Furniture and office equipment	627	-	627
Other machinery and equipment	4 428	(3 823)	605
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	8 268	(3 823)	4 445

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26.2 Movement for 2019/20

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	31 806	372	2 582	(51)	34 709
Computer equipment	22 460	-	1 544	(40)	23 964
Furniture and office equipment	8 299	372	790	-	9 461
Other machinery and equipment	1 047	-	248	(11)	1 284
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	31 806	372	2 582	(51)	34 709

26.2.1 Prior period error

Note

**2019/20
R'000**

Nature of prior period error

Relating to 2019/20 *[affecting the opening balance]*

Assets bought and claimed from department of public works (Claim currently disputed and under investigation)

Total prior period errors

372
372
372

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26.3 Minor assets

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

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	19	8 140	8 159
Additions	-	203	203
Disposals	-	-	-
TOTAL MINOR ASSETS	19	8 343	8 362

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	460	460
Number of minor assets at cost	6	5 194	5 200
TOTAL NUMBER OF MINOR ASSETS	6	5 654	5 660

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

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	19	7 998	8 017
Additions	-	142	142
TOTAL MINOR ASSETS	19	8 140	8 159

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	460	460
Number of minor assets at cost	6	5 100	5 106
TOTAL NUMBER OF MINOR ASSETS	6	5 560	5 566

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26.4 S42 Movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Machinery and equipment	Total
No. of Assets	67	67
Value of the assets (R'000)	1 852	1 852

MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Machinery and equipment	Total
No. of Assets	227	227
Value of the assets (R'000)	317	317

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Machinery and equipment R'000	Total R'000
No. of Assets	31	31
Value of the assets (R'000)	277	277

MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Machinery and equipment R'000	Total R'000
No. of Assets	196	196
Value of the assets (R'000)	252	252

Prior period was restated in terms of 31 major assets to the value of R'277 and 196 minor assets to the value of R252 to be transferred to the Department of Human settlements

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27 Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	496	-	-	-	496
TOTAL INTANGIBLE CAPITAL ASSETS	496	-	-	-	496

27.1 Movement for 2019/20

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	496	-	-	-	496
TOTAL INTANGIBLE CAPITAL ASSETS	496	-	-	-	496

28 Immovable Tangible Capital Assets

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

	Opening balance R'000	Additions R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	12 040	12 040
Non-residential buildings	-	12 040	12 040
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	12 040	12 040

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28.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Total
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	8 659	12 040	(8 659)	12 040
Non-residential buildings	8 659	12 040	(8 659)	12 040
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	8 659	12 040	(8 659)	12 040

28.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

		Opening balance 1 April 2020	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
	Note	R'000	R'000	R'000	R'000
Buildings and other fixed structures	Annexure 5	3 381	8 659	(12 040)	-
TOTAL		3 381	8 659	(12 040)	-

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

		Opening balance 1 April 2019	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
	Note	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	Annexure 5	-	521	2 860	-	3 381
TOTAL		-	521	2 860	-	3 381

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Prior period error: The amount of R521 was added to prior period error and the 2019/20 financial year was restated from R0 to R'2 860 due to reclassification of the non residential building from "goods and services" to "capital expenditure". The project was still in process and therefore the note on "Capital work in progress" also had to be restated.

Age analysis on ongoing projects	Number of projects		2019/20
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year			-
1 to 3 Years		1	3 381
3 to 5 Years			-
Longer than 5 Years			-
Total		1	3 381

28.3 S42 Immovable assets

Assets to be transferred in terms of S42 of the PFMA – 2020/21

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1	12 040
Non-residential buildings	1	12 040
TOTAL	1	12 040

29. Prior period errors

Correction of prior period errors

	Note	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Expenditure:				
Goods and services-consultants decreased	5	17 467	(2 860)	14 607
Expenditure for capital assets- buildings-increased	9	-	2 860	2 860
Net effect		17 467	-	17 467

"Goods and services" (consultants: business and advisory services) of prior year in note 5 was decreased from R'17 467 to R'14 607 due to misclassification of R'2 860 as "expenditure of capital assets". "Expenditure of capital assets" (buildings and other fixed structures) of prior year in note 9 was subsequently increased from R0 to R'2 860.

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	<i>Note</i>	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Assets:				
Movement 2019/20 movable tangible assets prior period error: Furniture and office equipment	26.2 and 26.2.1	8 299	372	8 671
S42 movable capital assets:				
Major assets to be transferred (machinery and equipment)	26.4	-	277	277
Minor assets to be transferred (machinery and equipment)	26.4	-	252	252
Capital work in progress: prior period error	28.2, ann 5	-	521	521
Capital work in progress: additions	28.2, ann 5	-	2 860	2 860
Net effect		8 299	4 282	12 581

Copier/printer bought to the value of R'372.

"S42 Moveable capital assets" in note 26.4 was restated in terms of 31 major assets to the value of R'277 and 196 minor assets to the value of R'252 to be transferred to the Free State Department of Human Settlements.

"Capital work in progress" in note 28.2 was restated as the project was still in process: The amount of R'521 was added to the prior period error column and the 2019/20 financial year was restated from R0 to R'2 860 due to the reclassification of the non-residential building from "goods and services" to "capital expenditure". (The total of the above mentioned R'521 and R'2 860 is R'3 381)

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	<i>Note</i>	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Liabilities:				
Capital commitments:				
Non residential building	28	-	12 627	12 627
Accruals and payables not recognised:	20			
Accruals (goods and services)	20.1	1 789	1 252	3 041
Accruals per program level (Admin)		1 152	1 252	2 404
Payables not recognised (goods and services)	20.2	1 453	(1 252)	201
Payables not recognised per program level (Admin)		1 342	(1 252)	90
Net effect		5 736	12 627	18 363

Non residential building was restated from "goods and services" to "capital" and therefore the capital commitment of the project was also restated to the value of R'12 627
Reclassification of interdepartmental claim of Fleet Management to the value of R1 252 from "payables not recognised" to "accruals"

Other:				
Net cash flow available from operating activities-capital	16	5 015	2 860	7 875
Net effect		5 015	2 860	7 875

This is relating to changes made as a result of the changes made in terms of expenditure on capital (R2 860 as explained above)

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

	2020/21						2019/20		
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			Division of Revenue Act	Actual transfer	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld			Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000
1.Municipal Fin Performance Monitoring									
Xhariep	16 000	-	-	16 000	16 000	-	-	20 000	20 000
Letsemeng	2 400	-	-	2 400	2 400	-	-	5 000	-
Kopanong	5 600	-	-	5 600	5 600	-	-	11 750	11 750
Mohokare	1 600	-	-	1 600	1 600	-	-	6 300	6 300
Tokologo	3 500	-	-	3 500	3 500	-	-	-	-
Matjhabeng	1 500	-	-	1 500	1 500	-	-	-	-
Nala	1 500	-	-	1 500	1 500	-	-	-	-
Setsofo	600	-	-	600	600	-	-	-	-
Dihlabeng	3 500	-	-	3 500	3 500	-	-	-	-
Nketoana	600	-	-	600	600	-	-	-	-
Maluti a Phofung	2 100	-	-	2 100	2 100	-	-	19 000	19 000
Phumelela	2 100	-	-	2 100	2 100	-	-	-	-
Mantsopa	4 100	-	-	4 100	4 100	-	-	2 500	2 500
Moghaka	600	-	-	600	600	-	-	-	-
Ngwathe	600	-	-	600	600	-	-	5 000	5 000
Mafube	11 200	-	-	11 200	11 200	-	-	13 400	13 400
Fezile Dabi	7 350	-	-	7 350	7 350	-	-	-	-
Unallocated	7	-	-	7	-	-	-	135	-
2.Provincial Municipal Infrastructure									
Unallocated	-	-	-	-	-	-	-	360	-
TOTAL	64 857	-	-	64 857	64 850	-	-	83 445	77 950

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31. COVID 19 Response Expenditure

	<i>Note</i> <i>Annexure 7</i>	2020/21 R'000	2019/20 R'000
Compensation of employees		317	-
Goods and services		14 942	582
Expenditure for capital assets		42	-
Total		15 301	582

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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES													
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000-	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
1. Municipal Financial Performance Monitoring													
Xhariep	16 000	-	-	16 000	16 000	-	-	16 000	16 000	-	100%	20 000	20 000
Letsemeng	2 400	-	-	2 400	2 400	-	-	2 400	2 400	-	100%	5 000	-
Kopanong	5 600	-	-	5 600	5 600	-	-	5 600	5 600	-	100%	11 750	11 750
Mohokare	1 600	-	-	1 600	1 600	-	-	1 600	600	1 000	38%	6 300	6 300
Tokologo	3 500	-	-	3 500	3 500	-	-	3 500	2 000	1 500	57%	-	-
Matjhabeng	1 500	-	-	1 500	1 500	-	-	1 500	-	1 500	-	-	-
Nala	1500	-	-	1500	1500	-	-	1500	-	1 500	-	-	-
Setso	600	-	-	600	600	-	-	600	600	-	100%	-	-
Dihlabeng	3 500	-	-	3 500	3 500	-	-	3 500	3500	-	100%	-	-
Nketoana	600	-	-	600	600	-	-	600	600	-	100%	-	-
Maluti a Phofung	2 100	-	-	2 100	2 100	-	-	2 100	2 100	-	100%	19 000	19 000
Phumelala	2 100	-	-	2 100	2 100	-	-	2 100	600	1 500	29%	-	-
Mantsope	4 100	-	-	4 100	4 100	-	-	4 100	2 600	1 500	63%	2 500	2 500
Moghaka	600	-	-	600	600	-	-	600	600	-	100%	-	-
Ngwathe	600	-	-	600	600	-	-	600	600	-	100%	5 000	5 000
Mafube	11 200	-	-	11 200	11 200	-	-	11 200	11 200	-	100%	13 400	13 400

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(Annexure 1A continued)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll-overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000-	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Fezile Dabi Unallocated	7 350	-	-	7 350	7 350	-	-	7 350	-	7 350	-	-	-
2. Prov Mun Infrastructure Unallocated	-	-	-	-	-	-	-	-	-	-	-	135	-
TOTAL	64 857	-	-	64 857	64 850	-	-	64 850	49 000	15 850	-	83 445	77 950

All funds were transferred into the primary bank accounts of the respective municipalities. Unspent funds by Municipalities should not be refunded to the Department.

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**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
SABC TV License	10	-	-	10	7	70%	8
TOTAL	10	-	-	10	7		8

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION			EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000
NON-PROFIT INSTITUTIONS						
Transfers						
Traditional Institutional Management	491	-	(10)	481	408	408
TOTAL	491		(10)	481	408	408

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ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION			EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%
Transfers						
H/H Empl S/Ben: Leave Gratuity	899	-	206	1 105	1 039	94%
H/H Empl S/Ben: Injury on duty	53	-	1	54	8	15%
H/H Empl S/Ben: Post Retirement Benefits	-	-	-	-	-	-
H/H Claims Against State (Cash)	-	-	-	-	-	-
H/H Donations & Gifts (Cash)	233	-	-	233	222	95%
TOTAL	1 185	-	207	1 392	1 269	2 952

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ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21	2019/20
		R'000	R'000
Received in kind Free State Provincial Treasury	PPE in terms of Covid-19	252	-
TOTAL		252	-

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ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2020/21	2019/20
	R'000	R'000
Made in kind		
Donation of perishable goods to different institutions due to the cancellation of the Inauguration of the Senior Traditional Leaders of Barolong Boo Seleka in Thaba Nchu	-	44
Donation of Blankets for Mandela Day	-	157
Donation of Party packs for orphaned children for Christmas	-	94
Donation of school shoes in Tweespruit Community	26	-
TOTAL	26	295

Restatement in terms of 2019/2020 from R'44 to R'295 due to misinterpretation of this Annexure.

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ANNEXURE 2A
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of Liability	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid/cancelled during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Letlaka Media	1 762	-		-	1 762
TOTAL	1 762	-		-	1 762

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**ANNEXURE 3
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21	
	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	Receipt date up to six (6) working days after year end	Amount R'000
Department								
Free State Department of Public Works	-	-	372	372	372	372	-	-
Free State Department of Police, Roads and Transport	143	31	-	-	143	31	-	-
National Department of Cogta	-	-	-	485	-	485	-	-
Free State Department of Health	118	-	-	-	118	-	-	-
Subtotal	261	31	372	857	633	888	-	-
Other Government Entities								
South African Revenue Services	-	7	-	-	-	7	-	-
Fleet Management	61	22	-	-	61	22	-	-
Subtotal	61	29	-	-	61	29	-	-
TOTAL	322	60	372	857	694	917	-	-

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ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21*	
	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENTS								
Current								
Free State Department of the Premier	-	59	-	-	-	59	-	-
Department of Justice and Constitutional Development	577	46	134	-	711	46	-	-
Free State Department of Public Works and Infrastructure	-	-	53	-	53	-	-	-
Free State Department of Social Development	185	-	-	-	185	-	-	-
Subtotal	762	105	187	-	949	105		
OTHER GOVERNMENT ENTITY								
Current								
Fleet Management	2 500	1 252	-	-	2 500	1 252	-	-
Subtotal	2 500	1 252	-	-	2 500	1 252	-	-
TOTAL INTERGOVERNMENT PAYABLES	3 262	1 357	187	-	3 449	1 357	-	-

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ANNEXURE 5
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3 381	8 659	(12 040)	-
Non-residential buildings	3 381	8 659	(12 040)	-
TOTAL	3 381	8 659	(12 040)	-

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	521	2 860	-	3 381
Non-residential buildings	-	521	2 860	-	3 381
TOTAL	-	521	2 860	-	3 381

AGSA communication regarding wrong allocation between goods and services vs capital assets to the value of R'2 860 and prior period error of R'521. The total of R'3 381 should be carried in capital-work-in progress until the project is done.

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ANNEXURE 6A
INTER-ENTITY ADVANCES PAID (note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relation and Cooperation (DIRCO)	352	-	-	352	352	352
TOTAL	352	-	-	352	352	352

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ANNEXURE 7
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2020/21					2019/20	
	Q1	Q2	Q3	Q4	Total	Total	
	R'000	R'000	R'000	R'000	R'000	R'000	
Compensation of employees	-	26	217	74	317	-	-
S&W overtime	-	26	217	74	317	-	-
Goods and services	133	651	1 542	12 616	14 942	582	582
<i>Advert: Marketing</i>	-	-	-	98	98	-	-
<i>Catering</i>	63	60	-	97	220	-	-
<i>Cons: bus&adv ser: project management</i>	-	-	-	12 187	12 187	-	-
<i>Cons Hous Sup: Toiletries</i>	70	-	132	-	202	149	149
<i>Cons: gas supplies</i>	-	6	-	-	6	-	-
<i>Cons mat&sup: Hardware</i>	-	-	265	-	265	-	-
<i>Cons Supp: Medical Supplies</i>	-	234	688	-	922	6	6
<i>Cons supp: uniform and protective clothing</i>	-	-	22	-	22	-	-
<i>Cons Hous Sup: Disposable paper/plastic</i>	-	3	62	-	65	427	427
<i>P/P Pest control fumigation</i>	-	2	1	64	67	-	-
<i>Travel Agency fees</i>	-	24	24	11	59	-	-
<i>T&S Dom: Accommodation</i>	-	260	249	109	618	-	-
<i>Venues and facilities</i>	-	62	99	50	211	-	-
Expenditure for capital assets	-	-	-	42	42	-	-
<i>Domestic Equipment</i>	-	-	-	42	42	-	-
TOTAL COVID 19 RESPONSE EXPENDITURE	133	617	1 759	7 490	15 301	582	582