



GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2021/2022



**DEPARTMENT OF COOPERATIVE
GOVERNANCE AND TRADITIONAL AFFAIRS
PROVINCE OF GAUTENG**

VOTE NO. 07

ANNUAL REPORT
2021/2022 FINANCIAL YEAR

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PART



General
Information

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABCD	Asset Based Community Development
AGSA	Auditor General of South Africa
AO	Accounting Officer
B2B	Back-2-Basics
B-BBEE	Broad-Based Black Economic Empowerment
CoGTA	Cooperative Governance and Traditional Affairs
CFO	Chief Financial Officer
CWDP	Community Worker Development Programme
DORA	Division of Revenue Act
EPWP	Expanded Public Works Programme
EU	European Union
GBVF	Gender Based Violence and Femicide
GSDF	Gauteng Spatial Development Framework
HOD	Head of Department
IDP	Integrated Development Plan
IGR	Inter-Governmental Regulations
LED	Local Economic Development
MEC	Member of Executive Council
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MPRA	Municipal Property Rates Act
MRA	Macro Risk Assessment
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
OPCA - PCC	Operation Clean Audit – Provincial Coordinating Committee
PDMC	Provincial Disaster Management Centre
PFMA	Public Finance Management Act, Act 1 of 1999
PPFMA	Preferential Procurement Policy Framework Act
RFQ	Request for quotation
SAICE	South African Institute of Civil Engineers
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDGs	Sustainable Development Goals
SDIP	Service Delivery Improvement Plan
SMME	Small Medium and Micro Enterprise
SITA	State Information Technology Agency
TR	Treasury Regulations
USDG	Urban Settlement Development Grant
WBWR	Ward Based War Room

3. FOREWORD BY THE MEC



Our political conviction is that municipalities and communities need to be at the centre of the decision-making process, in order to localise empowerment and development in line with the District Development Model and ensure a decent life and a sustainable future for all. The Gauteng 2030 Agenda cannot be achieved unless all stakeholders adopt the city region approach.

The capacity of the developmental state to execute on its basic responsibilities, especially at a local government level, is critical for both developmental and entrepreneurial outcomes. This is especially true with respect to inclusive growth and redistribution within society.

The developmental state, especially at a local government level, should drive local economic development, ensuring outcomes that are equitable and socially just while bringing about positive change. At the same time, a developmental state efficiently addresses basic service delivery issues that affect the poorest most.

Citizens want implementation, not more talk shops from government. Their primary concerns include consistent refuse collection, reliable and affordable electricity and water as well as communities that are safe and secure.

Those of us in local government shoulder the enormous responsibility of transforming how we deliver services to citizens, ensuring that we reposition local government as part of a developmental state which promotes human development, socio-economic transformation and development, improved living conditions and an enhanced quality of life for citizens.

“

We have developed a water security strategy and energy outlook study for the province which will contribute to the formulation and implementation of climate change mitigation interventions within municipalities.

The 2021 local government elections further entrenched the phenomenon of coalition arrangements within the local government sphere in the province. As primary custodians of local government, in line with our constitutional responsibilities, we are exploring various options in order to ensure that the instability, turmoil, chaos and ultimate collapse of governance and service delivery witnessed during this era is not repeated going forward.

Gauteng CoGTA continued to implement the recommendations of the Committee of Inquiry into the State of Gauteng municipalities, with the recommendations integrated into Section 154 Support Plans developed for implementation, monitoring and support. The Multi-Disciplinary Regional Support Teams led by CoGTA Senior Managers continued to drive monitoring and support for implementation.

Section 154 Regional Support Plans and tracking matrices have been developed and are monitored on a monthly basis through the Multi-Disciplinary Regional Support Teams led by CoGTA Senior Managers. Due to limited resources, the implementation of some of the recommendations will only be realised over the medium-to long term.

The repositioning of Integrated Development Plans (IDPs) has commenced for the new cycle of IDPs (2021-2026). While there is focus on legal compliance and credibility, the provincial IDP assessments over the next five years are aimed at improving service delivery, alignment of government plans and a coordinated approach to meeting community needs via the District Development Model (DDM) approach.

During the year under review, having considered the progress made and persistent challenges faced, including the level of non-compliance, transgression and insubordination of the administration, CoGTA recommended that Gauteng provincial EXCO consider the extension of the Emfuleni intervention by six months, which was granted. The intervention faced many challenges, nevertheless, some progress was made in terms of improving the debt collection rate, and a funded budget plan was approved by council, improvements in contract management and supply chain processes and basic provision of services in partnership with other key role players. More work still needs to be done to ensure that the municipality is able to sustain the moment gathered during the current intervention, on its own.

Gauteng Provincial Treasury is the lead department on the West Rand District Municipality Financial Recovery Plan (FRP), working jointly with CoGTA. We concluded the review, non-renewal and downscaling of contracts to reduce costs and stabilise the finances of the municipality.

We have developed a water security strategy and energy outlook study for the province which will contribute to the formulation and implementation of climate change mitigation interventions within municipalities.

CoGTA assisted our municipalities to develop and implement a tariff model which consists of customising, populating and testing scenarios with the aim of implementing the tariff model in order to raise sufficient revenue for our municipalities. The implementation of this tariff and funding model enables municipalities to determine a set of cost-reflective tariffs for the services that they provide.

Despite the improvements and positive steps taken, we have much more to do to improve local government within the province, looking at specific areas such as supporting local economic development initiatives within municipalities; delivery of basic infrastructure within municipalities; managing the political/administrative interface within municipalities, but more specifically within those where there are governing coalition arrangements; alignment of development planning provincially; financial viability of municipalities and enhancing our capacity to better and more proactively respond to disasters.



Lebogang Maile MPL

*MEC: Human Settlements, Urban Planning,
Cooperative Governance and Traditional Affairs*

4. REPORT OF THE ACCOUNTING OFFICER



The year under review posed continued challenges as a result of the COVID-19 pandemic and the July 2021 unrest, which reversed many of our country's socio-economic gains. These crises resulted in pertinent challenges among local government, which faced both an increased demand for services and reduced revenue – compelling our local officials to do more with less. Nevertheless, the Department remained committed to our Annual Performance Plan (APP), advancing our objectives while also tackling emergent issues.

The 2021/22 approved Procurement Plan set out 28 planned projects, valued at more than R500 000 each, with a total value of R85,5 million. A Demand Plan was also approved for interventions with an Request for Quotation under R500 000, with a total budget of R34,5 million. The Department executed 97% of overall expenditure as of 31 March 2022, compared to 92% the previous year. This demonstrates our commitment to deliver within a challenging macro environment.

During the year under review we reported on a total of 60 targets with 46 achieved. We fulfilled our mandate in supporting local government and in service of the Traditional Leadership and communities within our Province. This, in turn, enhanced the capacity of local structures to fulfil their mandate in support of Gauteng communities. There are other areas where the Department fell short, which will be further prioritised in the coming year.

“

We are immensely proud of our efforts as a Department to tackle the crises of Gender-Based Violence in our communities. This included the hosting of two anti-GBVF campaigns with the Amandebele ka Sokhulumi and ba Lebelo communities to educate men on issues of GBV, patriarchy and substance abuse.

These include challenges in the Administration Programme, which failed to meet targets. Areas where we will do better include the employment of women at the Senior Management Service (SMS) level and people with disabilities at all levels of the organisation, with plans in place for targeted hiring. We are also looking at innovative ways to increase procurement from women-owned businesses, now that the suspension of Regulations 4 and 9 of the PPPFA makes it impossible to advertise tenders specifically for such businesses.

The Department was also committed to paying 100% of invoices within 15 days but fell short of this target at 98% for the financial year. This was mainly due to payment system downtime, which led to delays. Prolonged runs due to SITA technical problems also contributed to the backlog. Notably, all invoices not paid within the prescribed timeframe were paid within 30 days.

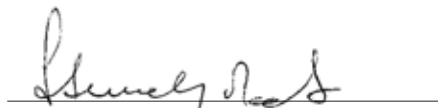
Finally, the APP set out a target to ensure that four IGR structures are functional in accordance with the IGR framework. This target was unmet, as structures could not sit from the second quarter due to preparations from respective municipalities for the local government elections. Minmec was rescheduled, and IGR meetings have been held in the form of bilateral engagement by the MEC with the respective Mayors.

At this point, it is important to note that the Department was tasked by the Presidency to produce gender-based violence plans during the 2020/21 financial year. This function was not planned or budgeted for and many projects overlapped into 2021/22, impacting the current budget and our achievements against certain targets. This includes capacity building for councilors, as well as capacitation of CDWs and officials on GBVF, bursaries for persons with disabilities and technical skills training for municipalities.

We are immensely proud of our efforts as a Department to tackle the crises of Gender-Based Violence in our communities. This included the hosting of two anti-GBVF campaigns with the Amandebele ka Sokhulumi and ba Lebelo communities to educate men on issues of GBV, patriarchy and substance abuse.

The role of government, particularly at the local level, has never been more important. Through our integrated efforts we remain committed to supporting local structures, building their capacity and delivering the funds, plans and guidance. This is essential to see these groups fulfil their mandate in support of service delivery and socio-economic development across the province.

In conclusion, I wish to quote an adage: "ACCOUNTABILITY BREEDS RESPONSIBILITY".



Itumeleng Mokate
Acting Head of Department

Overview of the Financial Results of the Department

Table 1.4.1: Departmental Receipts

Departmental Receipts	2020/2021			2021/2022		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts		-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	184	215	(31)	170	202	(32)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	64	78	(14)	66	54	12
Sale of capital assets						
Financial transactions in assets and liabilities	79	118	(40)	4 172	4 124	48
Total	327	412	(85)	4 408	4 380	28

The Department is not a major revenue-generating institution due to the nature of its services. The Department collected less revenue during the reporting period compared to the prior year. The revenue loss was in debt collection due to the payment of debtors amounting to R48 000 and interest owing to payments collected from debtors amounted to R12 000. The Department collected more from the sale of goods due to an increase in third party transactions.

Table 1.4.2: Programme Expenditure

Programme Name	2020/2021			2021/2022		
	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	176 982	149 364	27 618	156 792	153 552	3 240
Local Governance	266 192	256 499	9 693	292 494	281 994	10 500
Development and Planning	152 017	141 275	10 742	127 856	127 702	154
Traditional Institutional Management	16 781	13 285	3 496	14 930	13 004	1 926
Total	611 972	560 423	51 549	592 072	576 252	15 820

The Department was allocated R 592 072 000 as an equitable share, of this amount R576 252 000 was spent resulting in 97% expenditure on the allocated budget. An amount of R15 820 000 will be surrendered to the provincial revenue fund.

The Department received rolled-over funds from the previous financial year amounting to R10 376 000 for the development of the Gauteng Spatial Development Framework review, probity auditors for open tender processes, Gauteng City Region planning house, Emfuleni Self-Support to Municipalities IDPs, and payment of administrators at Emfuleni Local Municipality.

The Department requested a virement during the period under review for the establishment of the Integrated Gauteng Provincial Disaster Management Centre (IPDMC), provision of additional voice and data due to services required for remote working, and payment of administrators at Emfuleni Local Municipality.

The following is an overview of Departmental expenditure per programme:

- The **Administration Programme** was allocated a total budget of R156 792 000 of which R153 552 000 was spent, amounting to 98% of the total budget. The underspending is due to staff attrition.
- The **Local Governance Programme** was allocated a budget of R292 494 000 of which R281 984 000 was spent, amounting to 96% of the budget. The remaining 4% could not be spend due to staff attrition.
- The **Development and Planning Programme** was allocated a total budget of R127 856 000 during the reporting period, of which R127 702 000 was spent, amounting to 99,8% of the total budget.
- The **Traditional Institutional Management Programme** was allocated the least budget during the reporting period. The allocation for the programme amounted to R14 930 000 of which R13 004 000 was spent, amounting to 87% of the total budget allocated. The under spending is due to staff attrition.

Across all Programmes, under-spending by the Department was a result of staff attrition.

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

Virements

- The Department did not implement any virements during the period under review.

Rollovers

- The Department did not request any rollovers during the period under review.

Unauthorised, Fruitless and Wasteful Expenditure

- The Department did not incur any unauthorised, fruitless and wasteful expenditure during the period under review.

Public-Private Partnerships

- The Department did not enter any public-private partnerships during the reporting period and neither does it plan/intend any soon.

Discontinued Activities / Activities to be Discontinued

- There were no activities to be discontinued during the period under review and the Department does not have any plans to discontinue any of its activities soon.

Unsolicited Bid Proposals

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

4.1 Strategic Focus over the Short to Medium Term Period

Implementation of Data Cleansing Support Initiatives in Targeted Municipalities

The Department assisted municipalities to have complete and accurate billing data to update their municipal systems. This included integrated customer and property data that would assist with desktop debtor data purification and assisting municipalities with the difficult and time-consuming process of using the accurate data to resolve business and residential debt. The initiative achieved integrity of billing systems including electronic data cleaning, revenue collection improvement, and reduction of consumer debt.

Tariff Modelling and Structuring Support

The Department provided additional capacity to develop and implement a tariff model in targeted municipalities which included customising, populating, testing of scenarios and implementing the tariff model to raise sufficient revenue. Where implemented, the tariff and funding models have allowed municipalities to determine a set of completely cost-reflective tariffs for trading the services that they provide.

Institutionalise the Performance Management System (PMS) and Cascade to Levels below Senior Managers

This project involved a repositioning of the Human Resource (HR) function by conducting HR Audits to standardise HR processes and align them with the internationally recognised 13 HR Standards. Alignment of the HRM Strategy, Talent Management, HR Risk Management, Workforce Planning, Learning and Development, Performance Management, Reward and Recognition, Employee Wellness and Organisational Development is in progress, whilst HR Service Delivery, HR Technology and HR Measurement are at an infant stage.

Capacity Building conducted during the year under review included an Audit of Predetermined Objectives (AOP), Municipal Finance Management Programme (MFMP), contract management, finance, project management and governance, Lean Six Sigma, Councillor MPAC NQF L3, 4 & 5, and the 'Road to Registrations', designed to assist 40 Gauteng municipality engineering officials to register with South African Council of Engineers (ECSA).

Monitoring was done on the implementation of the Scarce and Critical Skills Strategy, which was developed to increase the pool of skills within the local government sector and allow upward mobility of municipal officials within the specific skills areas, based on both competence as well as the required qualifications.

The Organisational Development and Design (OD&D) Framework was developed for the main purpose of strengthening the Organisational Development and Design discipline in Municipalities, to set out core OD&D functions and standards that will guide Gauteng municipalities.

As part of the Department's support for the Emfuleni Local Municipality an Electronic Change Readiness Assessment was developed and completed with 199 responses.

Community Development

During the year under review, nine municipalities were supported with initiatives to maintain functional Ward Based War Rooms (WBWRs), driven by Community Development Workers (CDWs). This support included:

- Facilitating activation of the hub structure of the WBWRs and participating in the development of District Plans for implementation at the ward level.
- Ensuring that reports are generated and registered through the case management system and escalated through the process flow from the ward to the hub and then the district workstreams.
- Attending Local JOCOM and District Command Centres to present regular updates on implementation of ward-based activities, reporting progress on case resolution and community response to COVID-19 prevention measures in the wards.
- Escalation of service delivery concerns picked up from site visits, door to door visits, and the WBWRs.
- Development of civic awareness programmes and implementation thereof.

Ten WBWR Civic Awareness campaigns on the fight against COVID-19 were supported during the year under review. Regular engagements provide citizens with an opportunity to express their views and influence the direction of Government Policy. Despite the risks posed by COVID-19, it remains central for government to engage citizens to be informed and aware of their rights and obligations, and to be provided a platform to engage with Government in the smartest and safest possible way. The Civic Awareness Campaigns are developed to provide an enabling environment to respond to the current socio-political conditions in the province.

Civic Awareness Campaigns on the Fight Against COVID-19

During the year under review, ten WBWR Civic Awareness Campaigns on the fight against COVID-19 were supported by the Department across two municipalities:

- Ekurhuleni Municipality - Four Community Awareness Campaigns supported jointly with Compliance and Monitoring of business:
 - COE North (2 campaigns): Tembisa and Etwata
 - COE East (1 campaign): Tsakane, Brakpan and Leachville
 - COE South (1 campaign): Tokoza and Zonkizizwe
- Sedibeng Local Municipality - Six Community Awareness Campaigns supported jointly with Compliance and Monitoring of business:
 - President Hyper, Evaton Mall and Ratanda Shopping Centre
 - December Business Compliance and Monitoring
 - Evaton Plaza, Mandela Square, President Hyper and Vereeniging CBD

During the year under review, eight voter mobilisation campaigns were supported in three municipalities:

- West Rand District Municipality: Kagiso Ward 11 and Wedela Ward 23
- City of Johannesburg: Emdeni Ward 130 and Meadowlands Mall Ward 41
- Sedibeng District Municipality: Rustervaal Ward 16, Debonairpark Ward 21, Evaton Ward 43 and Lakeside Ward 6

Disaster Response

The Department undertook several activities to support disaster response in the province during the year under review:

- Development of COVID-19 response plans;
- Progress made on COVID-19 grant applications and implementation;
- The PDMC drafted a Disaster Macro Risk Assessments (MRA) for sector departments; and
- The PDMC was finalised with bilaterals, employing sector departments to guide the process of drafting sector specific Level 1 Disaster Management Plans.

Service Delivery

The Department is committed to supporting service delivery by municipalities with several interventions undertaken to support improved access to electricity. This includes the monitoring of electricity provision by municipalities, particularly in informal settlements, as part of an effort to assess municipal performance. The provision of electricity to 2 985 indigent households. As well as the extension of electricity services to the Pangoville (Mogale City LM) and Zenzele (Rand West LM) informal settlements.

Support for municipal infrastructure and services was also delivered through various grants, including:

- Funding from the Municipal Infrastructure Grant (MIG) for five local municipalities – Merafong LM, Midvaal LM, Lesedi LM, Emfuleni LM and Rand West LM – in the amount of R381,8 million with R106,7 (27,9%) spent to date.
- Funding from the Integrated Urban Development Grant (IUDG) to the Mogale City LM in the amount of R119,8 million with R48,6 (40,6%) spent to date.
- Funding from the Urban Settlement Development Grant (USDG) for the three metropolitan municipalities – City of Johannesburg, City of Tshwane and City of Ekurhuleni – in the amount of R4,9 billion with R2,5 billion (50,4%) spent to date.

Finally, the Department is committed to capacity building for improved service delivery. In the 2021/22 financial year technical skills training was provided for the Sedibeng and West Rand District Municipalities in form designs, registration of MIG projects and technical reporting through the Municipal Infrastructure Support Agent (MISA) and CoGTA. The Department also appointed the South African Institute of Civil Engineers (SAICE) to augment the current capacity in municipalities, with municipal engagements at an advanced stage.

Fire and Rescue Services

Number of programmes and initiatives implemented to improve Fire and Rescue Services response capabilities in line with the Fire Brigade Services Act 99 of 1987 and the South African National Standard on Community protection against fire code SANS: 10090.

1. Procurement of Vehicles and Equipment

CoGTA has supported municipalities with the procurement of fully equipped fire fighting vehicles to strengthen the functionality of municipalities and improve fire and rescue services response capabilities in line with Fire Brigade Services Act 99 of 1987.

The following municipalities were supported:

- Westrand District Municipality: Medium pumper fire engine with equipment
- Midvaal Local Municipality: Rescue vehicle with equipment
- Emfuleni Local Municipality: Medium pumper fire engine with equipment



Medium Pumper Engine Procured for WRDM



Rescue Vehicle procured for Midvaal

2. Partnership for Risk and Resilience (P4R)

Santam Limited partners with government to deliver on various socio-economic development outcomes. Their Partnerships for Risk and Resilience (P4RR) aims to build resilience in vulnerable communities. As part of the P4RR program Santam supported municipalities and communities through the Gauteng Fire Services with the following:

1. Awareness material
2. Firefighting gear (PPE) (Emfuleni , WRDM and Lesedi)
3. Smoke detectors

The department is currently in the process of signing a cooperation agreement with Santam to facilitate additional support and ensure that there is a point of coordination in the province.



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

Gifts and Donations Received

There were no staff members who declared any donation, gifts, or designated amounts from non-related parties, more the Department did not receive any donation from a non-related party during the reporting period.

Exemptions and Deviations Received from the National Treasury

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

Events After the Reporting Date

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

Itumeleng Mokate

Acting Accounting Officer

Department of Urban Planning and Cooperative Governance and Traditional Affairs

Date: 31 July 2022

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.

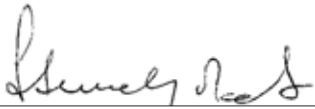
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2022.

Yours faithfully,



Itumeleng Mokate

Acting Accounting Officer

Date 31 July 2022

6. STRATEGIC OVERVIEW

6.1. Vision

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

6.2. Mission

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

6.3. Values

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

7. LEGISLATIVE AND OTHER MANDATES

7.1. The Constitutional Mandate

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

Section 139 (1)

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

Section 152 (1)

- Provide democratic and accountable government for local communities;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of local government.

Section 152 (2)

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

Section 154 (1)

- Support and strengthen the capacity of municipalities to:
 - Manage their own affairs;
 - Exercise their powers; and
 - Perform their functions.

Section 154 (2)

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

Section 155 (6)

Provincial Legislature must:

- Determine the different types of municipalities to be established in the province.
- Monitor, support and promote the development of local government and see to the effective performance by municipalities of their functions as per Schedules 4 and 5.
- Regulate the exercising by municipalities of their executive authority (Section 156 (1)).

Section 164

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

Chapter 12

Recognition of the institution of traditional leadership.

7.2. Legislative and Policy Mandates

In turn, the above constitutional provisions inform the following pieces of legislation:

Municipal Structures Act (No. 117 of 1998)

Provides for the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities and provides guidelines for the establishment and functions of ward committees.

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

Provides for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that are affordable to all.

Municipal Finance Management Act (No. 56 of 2003)

Provides for the secure, sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities.

Municipal Property Rates Act (No. 6 of 2004)

Regulates the power of a municipality to impose rates on property and to exclude certain properties from rates in the national interest and makes provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies.

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

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

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

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

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

Defines the privileges and immunities of councillors in Gauteng municipalities.

Disaster Management Act (No. 57 of 2002)

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

Gauteng Land Administration Act (No. 11 of 1996)

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

Development Facilitation Act (No. 67 of 1995)

Facilitates and speeds up the implementation of the Reconstruction and Development Programme and associated projects.

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

Enables public sector managers to manage and improve accountability in terms of eliminating waste and corruption in the use of public funds.

Division of Revenue Act as amended

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

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

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

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

Gives effect to the constitutional right of access to any information held by the State and any information held by a private person that is required for the exercise or protection of any other right.

Protection of Personal Information Act (POPIA) (took effect 1 July 2020)

The Act aims to protect personal information, falling into the broader Constitutional right to privacy. POPIA seeks to regulate every step of the processing of personal information from how personal information must be handled when it is collected until the time it is destroyed.

Intergovernmental Relations Framework Act (No. 13 of 2005)

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

Municipal Demarcation Act (No. 27 of 1998)

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

Municipal Electoral Act (No. 27 of 2002)

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

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

Provides procedures for the formation and independent management of city improvement districts to fund the provision of services in addition to those which a municipality ordinarily provides to facilitate investment in the city improvement district.

Fire Brigade Services Act (No. 99 of 1987)

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

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

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

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

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

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

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

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

Amends certain laws of the Gauteng Province pertaining to local government to eliminate references to defunct institutions and inconsistencies with other legislation and to repeal certain laws that are contrary to the Constitution of the Republic of South Africa or that no longer serve any useful purpose.

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

Reviews the term of office of ward committees to be equivalent to the term of council. It also provides the legislative base for the funding model for ward committees.

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

Provides procedures for exhumations and re-interment.

Skills Development Act (No. 97 of 1998)

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

Employment Equity Act

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

Organised Local Government Act (No. 52 of 1997)

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

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

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

7.3 Updates to Institutional Policies and Strategies

Several policy mandates comprehensively capture our vision and thus describe what we do and the motivations for our actions. In short, these are programs and plans that seek to address the broader public interest. The policy mandates also provide for relevant international frameworks that have a bearing on Gauteng and South Africa's policies.

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

The main planning framework of government is the Medium-Term Strategic Framework. It is aligned to the electoral cycle and geared towards the achievement of the priorities of the NDP 2030. It embodies government commitments and sets out targeted actions for government. In particular, the MTSF brings coherence and continuity to the planning system of government. The current MTSF informs the outcome statements, strategies and plans of Gauteng COGTA.

Sustainable Development Goals (SDGs)

The SDGs represent a global agenda with a vision of ending poverty, protecting the planet and ensuring that humanity enjoys peace and prosperity. It appreciates that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.

Goal 11 of the SDGs on “making cities and human settlements safe, resilient and sustainable”, aligns with COGTA's mandate.

National Development Plan, Vision 2030

The National Development Plan (NDP) sets out a vision for South Africa by the year 2030. The plan comprises a programme through which the country can realise its socio-economic agenda and ambitions. Central to the achievement of NDP objectives is coherence and collaboration across sectors, national, provincial, and local governments. Although comprehensive, three main priorities constitute the basis of the National Development Plan:

Chapter 3, **‘Economy and Employment’**, sets out the achievement for full employment, decent work and sustainable livelihoods.

Chapter 13, **‘Building a Capable State’**, sets out a vision of the transformative and developmental role of the state.

Chapter 14, **‘Promoting Accountability and Fighting Corruption’**, sets out a vision which has zero tolerance for corruption.

NDP Implementation Plan

The NDP Implementation Plan translates the development strategy into a living document, with national, provincial, and departmental action plans. The main principles underpinning the Implementation Plan are as follows:

- Alignment to the vision and priorities of the NDP.
- Alignment to international and regional development priorities.
- Alignment to the National Spatial Development Framework.
- Alignment to the Ruling Party's election manifesto.
- Inclusive participation of government and non-government stakeholders.
- Evidence based and utilisation of key planning tools which assist in planning for development results.
- Integration of cross cutting sector policies and plans.
- Standardisation of planning concepts.

The Implementation Plan is institutionalised through Strategic and Annual Performance Plans, Integrated Development Plans and Budget Implementation Plans. The main objective of the five-year implementation plan is to advance and guide short and long-term planning in line with NDP priorities. In response, Gauteng COGTA's strategic approach is in line with the NDP and articulates and supports priorities set out in the NDP Implementation Plan

Inter-Governmental Relations (IGR) Strategy

The Constitution enjoins spheres of government to undertake the following in fostering co-operative governance:

- Fostering friendly relations;
- Assisting and supporting one another;
- Informing and consulting one another on matters of common interest;
- Co-ordinating their actions and legislation with one another;
- Adhering to agreed procedures; and
- Avoiding legal proceeding against one another.

The basis of the IGR Strategy is to bring coherence to the delivery of services through the three spheres of government. In line with these imperatives, the Gauteng IGR Strategy provides mechanisms, processes, and procedures for facilitating intergovernmental relations and co-operative governance.

Back-to-Basics Approach (B2B) Phase 2

The B2B programme has been updated and tightened to reflect eight pillars, namely: putting people first, delivering basic services and infrastructure, good governance and accountability, sound financial management, building institutional and administrative capabilities, spatial planning and Integrated Development Plans (IDPs), local economic development and building resilience for climate change.

B2B includes high level action areas for implementation by provincial departments and municipalities.

Its approach and methodology are underpinned by the following:

- Mobilising multi-departmental teams across all spheres of government (including sectors of society) to tackle municipalities at risk of dysfunction;
- Improving performance and building effective systems and resilient institutions of Local Government;
- Strengthening community engagement and feedback through the Ntshisano Service Delivery Outreach Programme; and
- A more integrated, comprehensive, and differentiated hands-on approach to support municipalities.

The B2B programme resonates with the NDP which states that “meeting our transformation agenda requires functional municipalities and capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work and socialise”. Furthermore, the Integrated Urban Development Framework provides building blocks for Priority 3 of the B2B on the transformation of the local space economy and “densifying and integrating communities to improve sustainability”. Put differently, the B2B programme is founded on the understanding that local government is the locus of citizen interaction with government. Against this background, B2B programmes should be implemented effectively and adequately resourced. Notably, some indicators are used in assessing their performance.

Integrated Urban Development Framework (IUDF)

IUDF is a central urban policy that seeks to address urban spatial patterns through the creation of compact, co-ordinated cities. In the main, it is geared towards transforming urban spaces, focusing on infrastructure development, and unleashing the potential of cities.

Gauteng Spatial Development Framework (GSDF) - 2030

The GSDF shares the same objectives and is aligned to the IUDF and other related policy frameworks as guided by the Spatial Planning and Land Use Management Act (Act 16 of 2013). It also draws from the specific principles of the National Development Plan which provide for the following:

- Spatial justice
- Spatial sustainability
- Spatial resilience
- Spatial quality
- Spatial efficiency

Against this background, the GSDF's main objective is to align, co-ordinate and harmonise public infrastructure investment in line with the imperatives of spatial development logic. The rationale for spatial development is based on creating inclusive provincial economic growth, township redevelopment and spatial transformation.

Integrated Development Planning

The Integrated Development Plan (IDP) is a key lever in developmental local government. It is intimately aligned with Local Economic Development with the main objective of promoting economic development as well as addressing spatial and transport planning, infrastructure development and regulation. Perforce, municipalities are required to prepare annual and five-year IDPs that outline development targets, projects, programmes and their related outcomes.

Local Economic Development (LED)

Local Economic Development (LED) seeks to create competitive, sustainable, and inclusive local economies. According to Sections 152 and 153(a) of the South African Constitution, local government must “promote social and economic empowerment” and should “structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of community”. In this regard, the LED Framework enjoins local government to undertake the following:

- Improve good governance;
- Improve service delivery;
- Improve public and market confidence in municipalities;
- Improve spatial development; and
- Enhance comparative advantage and competitiveness of Districts and Metros.

Municipalities are therefore required to create an environment that is conducive to local economic development through the provision of infrastructure and quality services.

Asset Based Community Development (ABCD) Model

The Asset Based Community Development Model (ABCD) builds on a Constitutional imperative for participatory democracy. It empowers communities and enables them to explore their potential and use it as a basis for how they engage with government and stakeholders. The underlying logic is that communities can both own and drive their development through the identification and mobilisation of hidden, ignored and often taken for granted assets like people, community groups, associations, clubs (social assets) and the use of public assets to unleash economic opportunities. In sum, the ABCD model is consistent with participatory approaches to development and provides content to participation. Gauteng COGTA supports municipalities in implementing the ABCD model.

National Energy Efficiency Strategy

Serves as a guiding document developed by Government to support the implementation of energy-efficient measures in South Africa.

Addis Ababa Agreement

The Addis Ababa Agreement provides and informs the implementation of the New Urban Agenda. Its focus is on infrastructure, technology, micro, small and medium enterprises.

Paris Agreement

The Paris Agreement guides international efforts towards reducing and limiting greenhouse gas emissions and the associated approach towards low carbon development. Article 4.19 of the Agreement encourages its signatories to formulate and communicate long term – low GHG emission development to the UNFCCC by 2020.

African Union 2063 Agenda

The African Union 2063 Agenda envisages an integrated, prosperous and peaceful Africa through inclusive growth and sustainable development.

Sendai Framework for Disaster Risk Reduction 2015-2030

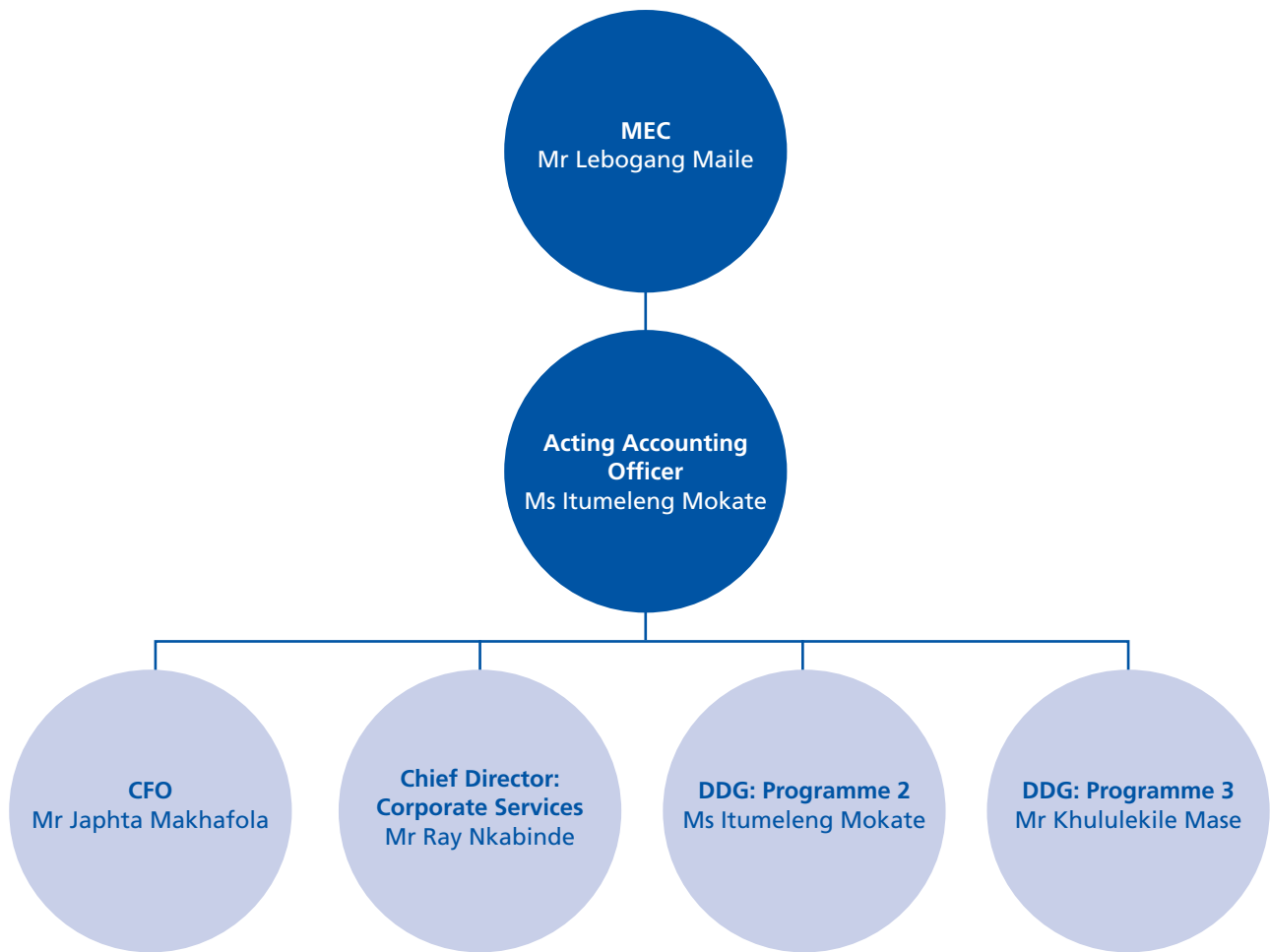
The Sendai Framework is a non-binding voluntary framework whose focus is the reduction of disaster risk. It is the successor to the Hyogo Framework of Action (HFA) 2005-2015. Its emphasis is on the importance of understanding disaster risk in all its aspects, including the different dimensions of exposure, vulnerability, hazards, strengthening of disaster risk governance and accountability for disaster governance.

Disaster Management Framework

The Disaster Management Framework is informed by the National Disaster Risk Reduction Strategy. It makes provision for national and provincial and local government strategies. The target by 2030 is to build resilience among the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters. In turn, it is informed by the UN Sustainable Development Goals (SDGs).



8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC.







PART

B

PERFORMANCE
INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 98 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The total staff complement of the Community Development Worker Programme (CDWP) is 379 staff members. This includes 352 CDWs deployed across the province, 24 managers and four support staff. Currently there are vacancies in 181 wards, as well as four Administrative Officers, four Assistant Directors and two Deputy Directors. All Regional Managers and some supervisors are based at Head Office while other supervisors are located at Thusong Service Centres or in municipalities that have provided office space. There is no formal Memorandum of Understanding (MoU) between municipalities and CDW Supervisors that have been provided with office space and it is recommended that the Department enters into such agreements. This arrangement will also enhance the monitoring of work done by the CDWs by their supervisors.

2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan. The tables below provide an overview of this Plan and the achievements to date.

Table 2.2.1: Main Services and Standards

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
To provide advocacy and facilitation on community engagement, public participation, and government services.	Traditional Councils, Ward Committees, Civil Society Organisations, Sector Departments, Communities and Municipalities.	City of Ekurhuleni, City of Johannesburg and the City of Tshwane were trained on the ABCD methodology (5-day training course with 49 learning partners completed).	Mogale City, Sedibeng, and West Rand District Local Municipalities (ABCD and CBM).	1 ABCD capacity initiative was mainstreamed in 4 municipalities.

Table 2.2.2: Batho Pele Arrangements with Beneficiaries

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
2 Quarterly engagements with traditional council on current challenges and possible resolutions or action plans.	3 Quarterly engagements with traditional council on current challenges and possible resolutions or action plans.	460 WBWRs were activated out of 529 Wards.
Door-to-Door Campaigns in 80% of Wards covered.	Door-to-Door Campaigns in 100% of Wards covered.	CDWs dealt with a total of 64 625 cases during this financial year.

Table 2.2.3: Service Delivery Information Tool

Current/Actual Information Tools	Desired Information Tools	Actual Achievements
Department brochures with contact details and services offered.	Updated Department brochures with contact details and services offered.	The Departmental brochure was updated and circulated to households and to members of the community during information sessions. The Department rolled out COVID-19 awareness campaigns using brochures containing the Department's information.

Table 2.2.4: Complaint's Mechanism

Current/Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
Departmental brochures with contact details for households.	Departmental brochures with contact details for households.	The updated Departmental brochure contains Departmental information, which includes the relevant officials to be contacted should a need arise.

2.3 Organisational Environment

The Department was affected by the inability to procure services in the first quarter of this financial year. As a result, a number of service requests were advertised only in the second quarter. Where the Department was not able to find a suitable bidder this added to the delay in the procurement process. The effect of this was a drop in performance from 91% in the past financial year to 67% in the 1st quarter of this financial year. Departments have embraced the fact that most activities had to be done virtually and have created a conducive environment for staff to do so.

2.4 Key policy developments and legislative changes

There were no legislative changes during the year under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

There were no amendments to the Strategic Plan during the year under review.



4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

The purpose of the Administration Programme is to strengthen the administrative capacity and capability of the Department and to ensure the Department can deliver on its policy and legislative mandate.

Sub-Programmes

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



Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.1: Administration Programme: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-Programme: HUMAN CAPITAL MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	* Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Improved municipal performance in terms of the B2B approach.	20% of organisational structure implemented in line with the revised strategy.	Percentage of the organisational structure implemented in line with the revised strategy.	New indicator.	0% of the organisational structure was approved.	20% of the organisational structure implemented in line with the revised strategy.	The structure has not been finalised. The Department has approached DPSA for access to the Job Evaluation System. 90% of identified jobs have been subjected to job evaluation with the remainder scheduled to be completed in the first week of April 2022.	100% of the organisational structure was not approved.	The Department obtaining / securing compensation budget in order to fund the proposed organisational structure. To this end various funding models are being explored for presentation / consideration by the MEC in order to source the required funding.
	50% Employment Equity target reached for women in SMS positions.	Percentage of Employment Equity target reached for women in SMS positions.	33% of women employed in SMS positions.	No targets planned.	50% women in SMS positions.	The Department currently has in its employ 35% of women at SMS level.	35% of a targeted 50% women in SMS positions.	The Department baseline was 65% male following the demerger with Housing. The ratio between males and females against available vacancy was already negative. 50/50 equity can only be achieved over years as males exit the organisation through attrition.
	Employment Equity target reached for people with disabilities.	Percentage of Employment Equity target reached for people with disabilities.	1,6% of employed people with disabilities.	No targets planned.	4% of employed people with disabilities.	The Department currently has in its employ 2,5% of employees with disabilities.	Only 2,5% of a targeted 4% of employees with disabilities.	The Department has achieved the national target of 2% but will strive to reach the 4% provincial target over time. Lack of appropriate office space places limitations on the recruitment of people with disabilities.

Sub-Programme: FINANCE MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Improved municipal performance in terms of the B2B approach.	100% of invoices paid in 15 days.	Percentage of invoices paid in 15 days.	100% of invoices paid within thirty days as prescribed by the PFMA.	97 % of invoices settled in 15 days.	100% of invoices paid in 15 days.	99.25% of invoices paid in 15 days.	0.75% of invoices not settled in 15 days.	Payment system downtime which led to runs being delayed. Prolonged runs due to SITA technical problems.

Sub-Programme: SUPPLY CHAIN MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
	40% of procurement from women owned companies.	Percentage of procurement from women owned companies.	New indicator.	New indicator.	40% of procurement from women owned companies.	20% of procurement from women owned companies.	20% of procurement from women owned companies was not achieved.	With the suspension of Regulations 4 and 9 of the PPPFA, the SCM could not advertise tenders targeting woman owned companies. This was, however, done for RFQ bids below R500 000 which comprised a small percentage of the budget of goods and services.

Sub-Programme: TRANSFORMATION PROGRAMMES									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation	
Improved municipal performance in terms of the B2B approach.	Capacity building initiatives conducted.	Number of capacity building initiatives conducted.	New indicator.	New indicator.	1 Capacity Building initiative conducted including 20 female and 10 male councilors; 10 members of Traditional Councils; and 20 female and 10 male officials.	1 Capacity building initiative not conducted: 20 female and 10 male councilors; 10 Members of Traditional Councils; 20 female and 10 male officials.	1 Capacity building initiative was not conducted.	The Department did not have the funding to conduct a capacity building initiative.	
	Learners with disabilities awarded bursaries.	Number of learners with disabilities awarded bursaries.	10 Learners with disabilities awarded bursaries.	10 Learners with disabilities awarded bursaries.	10 Learners with disabilities awarded bursaries.	There were no beneficiaries awarded bursaries.	10 Learners with disabilities were not awarded bursaries.	The Department was tasked by the Presidency to produce gender-based violence plans for 2020 which was not planned for. The projects overlapped to the current financial year, which impacted the current budget.	
	CDWs & officials capacitated on GBVF issues.	Number of CDWs and officials capacitated on GBVF issues.	New indicator.	New indicator.	80 CDWs and officials capacitated on GBVF issues.	Terms of Reference partially approved pending budget reprioritisation. Training moved to the next financial year.	80 CDWs and officials not capacitated on GBVF issues.	The Department was tasked by the Presidency to produce gender-based violence plans for 2020 which was not planned for. The projects overlapped to the current financial year, which impacted the current budget.	

Linking Performance with Budgets

The Administration Programme was allocated a total budget of **R156 792 000** of which **R153 552 000** was spent. This represents **98%** of the total budget. The under spending is due to the non-payment of performance bonuses and the delay in the filling of vacant positions.

Table 2.4.2: Administration Programme: Sub-Programme Expenditure

Sub- Programme	2020/2021			2021/2022		
	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	5 329	5 264	65	4 190	3 952	238
Corporate Services	171 653	144 100	27 553	152 602	149 600	3 002
Total	176 982	149 364	27 618	156 792	153 552	3 240

Strategy to Overcome Areas of Under Performance

The following strategies will be implemented to overcome areas of under performance in the Administration Programme:

- All vacant SMS positions will strictly target female candidates. The Department and the Office of the Premier have agreed that the Department will show incremental trajectory on SMS female representation over time.
- As the Department enters the recruitment drive it will strongly consider the inherent requirements of the job and prioritise the hiring of people with disabilities. The Department and the Office of the premier have agreed that the Department will show incremental improvements over time.
- Invoices not paid within 15 days were paid within 30 days.

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

Standardised outputs and output indicators have been incorporated in the Annual Performance Plan.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department had no programmatic response to the pandemic during the 2021/22 financial year.

4.2. Programme 2: Local Governance

The Local Governance Programme seeks to strengthen capacity within local government to achieve its constitutional mandate; to provide democratic and accountable government for communities, ensure sustainable service delivery, promote socio-economic development, promote a safe and healthy environment and encourage the involvement of communities and community organisations in local government.

Sustained performance on Back-to-Basics (B2B) pillar will serve as an indicator as to whether municipalities are functional and ethical, which will further illustrate whether there is effective service delivery. In terms of the B2B pillars, municipalities that achieve a minimum 80% satisfaction level in stakeholder surveys will further reflect functionality and sustainability.

Sub-Programmes

- Municipal Administration
- Public Participation
- Municipal Finance Support
- Capacity Development
- Municipal Monitoring and Evaluation (Service Delivery)
- Municipal Monitoring and Evaluation (Municipal Finance)

Table 2.4.4: Local Governance: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-Programme: MUNICIPAL ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	* Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Improved municipal performance in line with the B2B pillar.	3 Research Studies produced on key local policy issues.	Number of Research Studies produced on key local policy issues.	New indicator.	2 Research Studies on key local government policy issues completed.	3 Research Studies produced on key local government policy issues.	Feasibility Study on Powers and Functions – draft study report developed. Feasibility Study on the Single Tier System of Local Government - Draft Study report developed Two webinars held on the Powers and Functions Study to solicit comments.	3 Research Studies on key local government policy issues were not produced.	The bid responses received were above the budgeted R500 000 which led to delays in the commencement of the projects.
	Reduced corruption in municipalities.	Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Linked to MTSF 2019 – 2024, Priority 1).	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	None.	None.
	11 municipalities supported on ethics and integrity management.	Number of municipalities supported on ethics and integrity management.	9 municipalities capacitated on ethics and integrity management.	11 municipalities supported on ethics and integrity management.	11 municipalities supported on ethics and integrity management.	11 municipalities supported on ethics and integrity management.	None.	None.

Sub-Programme: PUBLIC PARTICIPATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Improved municipal performance in line with the B2B pillar.	Municipalities monitored on the implementation of GBVF responsive programmes.	Number of municipalities monitored on the implementation of GBVF responsive programmes.	New indicator.	New indicator.	3 Municipalities monitored on the implementation of GBVF responsive programmes.	0 Municipalities monitored on the implementation of GBVF responsive programmes.	3 Municipalities not monitored on the implementation of GBVF responsive programmes.	HR capacity constraints in the Public Participation Unit.
	Municipalities supported to promote participation in community based local governance processes: • Priority 1: Capable, Ethical and Developmental State). • Priority 6 MTEF indicator: Social Cohesion and Safer Communities.	Number of municipalities supported to promote participation in community based local governance processes: • Priority 1: Capable, Ethical and Developmental State • Priority 6 MTEF indicator: Social Cohesion and Safer Communities.	New indicator.	New indicator.	3 Municipalities supported to promote participation in community based local governance processes through the ABCD approach.	2 Municipalities (Emfuleni LM and Mogale City LM) supported to promote participation in community based local governance processes through the ABCD approach.	1 Municipality (Merafong LM) was not supported to promote participation in community based local governance processes through the ABCD approach.	There was a change of officials in the Office of the Speaker in Merafong LM. This affected planning as focus was given to local government elections.
	9 Municipalities capable of recording, reviewing, responding to community concerns, and reporting.	Number of municipalities supported to resolve community concerns.	9 Municipalities supported to resolve to community concerns.	No target planned.	9 Municipalities supported to resolve community concerns.	9 Municipalities supported to resolve community concerns.	None.	None.
	Municipalities supported to maintain functional ward committees (Linked to MTSF 2019 – 2024, Priority 1).	Number of municipalities supported to maintain functional ward committees (Linked to MTSF 2019 – 2024, Priority 1).	8 Municipalities supported to maintain functional ward committees.	9 Municipalities supported with initiatives to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	None.	None.

Sub-Programme: PUBLIC PARTICIPATION									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation	
	30 Civic Awareness Campaigns implemented in provincial regions.	Number of Civic Awareness Campaigns implemented in provincial regions.	New indicator.	51 WBWR Civic Awareness Campaigns supported on the fight against COVID-19 implemented in provincial regions.	30 Civic Awareness Campaigns implemented in provincial regions.	66 Civic Awareness Campaigns were supported during the financial year.	36 Additional Campaigns were implemented.	The team exceeded the planned target as the consequence of the need to intensify the community mobilisation drive in response to the slow update and consequences of disinformation and myth in the communities.	
	Voter Education Stakeholder Engagement Sessions implemented in provincial regions to promote voter turnout.	Number of Voter Education Stakeholder Engagement sessions implemented in provincial regions.	New indicator.	14 Voter Education Stakeholder Engagement Sessions implemented in provincial regions.	20 Voter Education Stakeholder Engagement Sessions implemented in provincial regions.	47 Voter Education Stakeholder Engagement Sessions implemented in provincial regions.	27 Additional Sessions were implemented.		The roll out was ramped up to cover for the lost time during the two preceding lockdowns.

Sub-Programme: MUNICIPAL FINANCIAL SUPPORT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Improved municipal performance in line with the B2B pillar.	Municipalities provided with capacity to implement the simplified revenue plans.	Number of municipalities provided with capacity to implement the simplified revenue plans.	2 Municipalities were provided with capacity to implement the simplified revenue plans (Emfuleni LM and Rand West LM).	Merafong LM supported with capacity to implement simplified revenue plans.	3 Municipalities provided with capacity to implement the simplified revenue plans (Lesedi LM, Merafong LM and Midvaal LM).	3 Municipalities provided with capacity to implement the simplified revenue plans	None.	None.
						Midvaal LM: Undertaking a data sourcing exercise that will assist with the data analytics and cleansing sub-programmes; a questionnaire has been developed for all revenue value chain activities Lesedi LM: Undertaking a data sourcing exercise that will assist with the data analytics and cleansing sub-programmes. Merafong LM: Developed debt collection performance and presented to the Municipality, currently reviewing the Debt Collection Strategy.		
	Local municipalities provided with capacity to undertake data enrichment of large power and water users.	Number of municipalities provided with capacity to undertake data enrichment of large power and water users.	Data cleansing of top 500 businesses billing data under the implementation of the Simplified Revenue Plans.	No target planned.	3 Municipalities provided with capacity to undertake data enrichment of large power and water users (Mogale City LM, Emfuleni LM and Rand West LM).	3 Municipalities provided with capacity to undertake data enrichment of large power and water users (Mogale City LM, Emfuleni LM and Rand West LM).	None.	None.

Sub-Programme: MUNICIPAL FINANCIAL SUPPORT									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation	
	Local municipalities supported with the deployment of revenue experts to develop and implement an Integrated Revenue Enhancement and Debtors Management Strategy.	Number of municipalities supported with the deployment of revenue experts to develop and implement an Integrated Revenue Enhancement and Debtors Management Strategy.	New indicator.	3 Municipalities supported with the deployment of revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Strategy (Lesedi LM, Emfuleni LM and Merafong LM).	2 Municipalities supported with the deployment of revenue experts to implement an Integrated Revenue Enhancement and Debtors Management Strategy (Emfuleni LM and Merafong LM).	2 Municipalities supported with the deployment of revenue experts to implement an Integrated Revenue Enhancement and Debtors Management Strategy (Emfuleni LM and Merafong LM).	None.	None.	
	Municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure.	Number of municipalities supported to reduce Unauthorised, Irregular, Wasteful and Fruitless Expenditure (Linked to MTSF 2019 – 2024, Priority 1).	New indicator.	1 Municipality provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure (Rand West LM and Mogale City LM).	2 Municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure through an in-depth assessment of the status quo (City of Tshwane and Rand West LM).	2 Municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure through an in-depth assessment of the status quo (City of Tshwane and Rand West LM).	None.	None.	
	OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	Number of OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	None.	None.	

Sub-Programme: CAPACITY DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Improved municipal performance in line with the B2B pillar.	Capacity building interventions supported in municipalities.	Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019 – 2024, Priority 1 and B2B Pillar 5).	4 Capacity building interventions (SCM, Finance, Contract Management and Project Management) in action learning provided in 6 targeted municipalities.	1 Capacity building intervention supported (Accountability and Ethical Conduct) for councillors and officials in 11 municipalities.	1 Capacity building intervention (Accountability and Ethical Conduct) for officials in 11 municipalities.	1 Capacity building intervention (Accountability and Ethical Conduct) for 154 councillors and officials in 11 municipalities. All moderated POE's submitted to LG SETA for verification in December 2021 and January 2022. Awaiting final moderated results.	None.	None.
	Municipalities supported with the Organisational Structure and Institutional Review.	Number of municipalities supported with the Organisational Structure and Institutional Review.	1 Municipality (Emfuleni LM) supported with the Organisational Structure and Institutional Review.	1 Municipality (Emfuleni LM) supported with the Organisational Structure and Institutional Review.	1 Municipality (Merafong LM) supported with the Organisational Structure and Institutional Review.	1 Municipality (Merafong LM) supported with the Organisational Structure and Institutional Review. Departmental Change Management Workshops were held on 3-4 March 2022, with good attendance. Written Merafong LM Organisational Structure Inputs were received on 14 March 2022 and interrogated by COGTA and the service provider on 18 March 2022, to ensure alignment with MSA regulations. Draft holistic Change Management Implementation Plan and draft Change Stories were workshoped and concluded with Exco on 22-23 March 2022.	None.	None.

Sub-Programme: CAPACITY DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
	4 Experts placed in regional teams to support municipalities to address service delivery challenges.	Number of experts placed in regional teams to support municipalities to address service delivery challenges.	New indicator.	4 Experts placed in regional teams to support municipalities to address service delivery challenges (2 Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).	4 Experts placed in regional teams to support municipalities to address service delivery challenges (2 Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).	4 Experts placed in regional teams to support municipalities to address service delivery challenges (2 Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).	None.	None.
	Municipalities supported to comply with MSA Regulations on the appointment of senior managers and other critical technical positions (Linked to MTSF 2019 – 2024, Priority 1).	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers.	No target planned.	11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	None.	None.
	Municipalities supported to institutionalise the performance management system (PMS) (Linked to MTSF 2019 – 2024).	Number of municipalities supported to institutionalise the performance management system (PMS).	New indicator.	New indicator.	11 Municipalities supported to institutionalise the Performance Management System.	11 Municipalities supported to institutionalise the Performance Management System.	None.	None.

Sub-Programme: MUNICIPAL MONITORING AND EVALUATION (Service Delivery)								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	* Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Improved municipal performance in line with the B2B pillar.	Municipal performance reports against the key performance areas of local government.	Number of municipal quarterly performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	None.	None.
	Annual municipal performance reports compiled as per Section 47 of the Municipal Systems Act.	Number of Section 47 performance reports compiled as prescribed by the MSA (Linked to MTSF 2019 – 2024, Priority 1 and B2B Pillar 5).	1 Annual municipal performance report compiled for 2019/20 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled.	1 Annual municipal performance report compiled for 2021/22 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled.	None.	None.

Sub-Programme: MUNICIPAL PERFORMANCE MONITORING, REPORTING AND EVALUATION (Municipal Finance)								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
	Municipalities compliant with the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	Number of compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	None.	None.
	Municipalities compliant with the MPRA.	Number of municipalities guided to comply with the MPRA (Linked to MTSF 2019 – 2024, Priority 1 and B2B Pillar 4).	New indicator.	No target planned.	9 municipalities guided to comply with the MPRA.	9 municipalities guided to comply with the MPRA.	None.	None.
	Municipalities compliant with Section 131 of the MFMA.	Number of reports on the issues raised by the Auditor General in audit reports in terms of Section 131 of the MFMA.	1 Report on the issues raised by the Auditor General in audit reports in terms of Section 131 of the MFMA.	1 Report on the issues raised by the Auditor General in audit reports in terms of Section 131 of the MFMA.	1 Report on the issues raised by the Auditor General in audit reports in terms of Section 131 of the MFMA.	1 Report on the issues raised by the Auditor General in audit reports in terms of Section 131 of the MFMA.	None.	None.

Linking performance with budgets

The Local Governance Programme was allocated a budget of **R292 494 000**, of which **R281 994 000** was spent (96%). Under spending is attributed mainly to the non-payment of performance bonuses and the delay in filling vacant positions.

Sub-Programme Expenditure

Table 2.4.5: Local Governance Programme: Sub-Programme Expenditure

Sub-Programme Name	2020/2021			2021/2022		
	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	13 885	11 666	2 219	15 077	13 470	1 607
Municipal Finance	14 710	12 955	1 755	22 252	22 022	230
Public Participation	192 351	188 135	4 216	210 739	203 166	7 573
Capacity Development	28 742	27 784	958	26 880	26 692	188
Municipal Performance Monitoring, Reporting and Evaluation	16 504	15 959	545	17 546	16 644	902
Total	266 192	256 499	9 693	292 494	281 994	10 500

Strategy to Overcome Areas of Under Performance

To improve performance, the number of municipalities monitored will be increased for the next financial year.

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

Standardised outputs and output indicators have been incorporated in the Annual Performance Plan.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department had no programmatic response to the pandemic during the 2021/22 financial year.

4.3 Programme 3: Development and Planning

The Development and Planning Programme supports integrated development planning in the Gauteng province. This includes the spatial and economic integration of urban areas, achieved in part through improved land use management, infrastructure planning, local economic development and service provision, as well as alignment with the Spatial Development Framework and coordination among these different spheres. In turn, these efforts should contribute to the localisation of the UN Sustainable Development Goals across the province.

The assumption is that integrated development planning will aid in providing oversight and support for the provision of affordable and reliable basic services. This would also allow for the promotion of integrated, inclusive and sustainable local economic development through strategic partnerships, hence the need for the outcome indicators in this space. Furthermore, sustainable cities and communities require a greater focus on Disaster Management and combating the impact of climate change.

Sub-Programmes

- Integrated Development Planning
- Land Use Management
- Local Economic Development
- Integrated Development Planning Coordination
- Infrastructure Planning
- Energy Office
- Disaster Management
- Fire and Rescue Services

Table 2,4,7: Development and Planning: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-Programme: INTEGRATED DEVELOPMENT PLANNING (IDP)								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Gauteng Spatial Development Framework work reviewed.	Gauteng Spatial Development Frameworks reviewed.	New indicator.	Draft Gauteng Spatial Development Framework not reviewed.	2 nd Draft Gauteng Spatial Development Framework reviewed.	2 nd Draft Gauteng Spatial Development Framework reviewed.	None.	None.
	Business cases assessed for level of compliance to statutory Town Planning legislation.	Number of business cases assessed for level of compliance to statutory Town Planning legislation.	New indicator.	6 Business cases were assessed for level of compliance to statutory Town Planning legislation from six departments with capital projects.	6 Business cases assessed for level of compliance to statutory Town Planning legislation with capital projects.	7 Business cases assessed for level of compliance to statutory Town Planning legislation from six departments with capital projects.	None.	None.
	11 metropolitan, district and local municipal capital projects in SDBIPs spatially referenced.	Number of metropolitan, district and local municipal capital projects in SDBIPs spatially referenced.	New indicator.	6 local municipal capital projects in SDBIPs spatially referenced.	8 district and local municipal capital projects in SDBIPs spatially referenced.	8 District and local municipal capital projects in SDBIPs spatially referenced.	None.	None.

Sub-Programme: LAND USE MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Land Use Audits conducted in 2 district municipalities towards enabling SPLUMA-compliance.	Number of Land Use Audits conducted for local municipalities within the Sedibeng and West Rand Districts.	New indicator.	1 Land Use Audit conducted for the Sedibeng District Municipality was finalised.	1 Desktop Land Use Audit conducted for local municipalities within West Rand District.	1 Land Use Audit finalised for local municipalities within West Rand District.	1 Land Use Audit finalised for local municipalities within West Rand District.	A Land Use Audit was finalised instead of a desktop land use audit due to the availability of additional resources.
					1 Land Use Audit conducted for local municipalities within Sedibeng District.	1 Land Use Audit Report finalised for local municipalities within Sedibeng District.	None.	None.

Sub-Programme: LOCAL ECONOMIC DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Sufficient work opportunities created for vulnerable people.	Number of work opportunities reported through the Community Work Programme (CWP) (MTSF 2019-2024, Priority 2).	Support provided to the CWP Programme to create 19 000 jobs.	No target planned.	20 000 work opportunities reported through the CWP.	21 000 work opportunities created and reported through the CWP.	1 000 additional work opportunities created.	The target was exceeded due to demand across municipalities, however, the approved deviation is supposed to be within 10%.

Sub-Programme: INTEGRATED DEVELOPMENT PLANNING COORDINATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities with legally compliant and responsive IDPs.	Number of municipalities with legally compliant and responsive IDPs.	11 Municipalities supported with the development of IDPs.	No target planned.	11 Municipalities with legally compliant and responsive IDPs.	11 Municipalities with legally compliant and responsive IDPs.	None.	None.
	Districts/Metros supported to develop One Plans.	Number of Districts/ Metros supported to develop One Plans (MTSF 2019 – 2024, Priority 5: Spatial integration, human settlements, and local government).	5 District Profile Analysis reports finalised.	0 Pilot District Development Models (DDM) launched.	5 Districts/Metros supported to develop One Plans.	5 District/ Metros supported to develop One Plans.	None.	None.
	Municipalities supported with the development of a Capital Expenditure Framework (CEF).	Number of municipalities supported with the development of a CEF.	0 Municipalities supported with the development of a CEF.	Merafong LM supported with the development of a CEF.	1 Municipality (Emfuleni LM) supported with the development of a CEF.	1 CEF for the Emfuleni LM.	None.	None.

Sub-Programme: INFRASTRUCTURE PLANNING								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reason for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5).	Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5).	6 Local municipalities monitored on the implementation of infrastructure service delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5).	6 Local and 3 metro municipalities supported to implement infrastructure service delivery programmes.	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	6 Local and 3 metro municipalities supported to implement infrastructure service delivery programmes (MIG and other Grants).	None.	None.
	Increased provision and access to Free Basic Services.	Number of municipalities monitored on the implementation of indigent policies (Sub-outcome 1, B2B Pillar 2).	9 Municipalities supported to implement indigent policies.	No target planned.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	None.	None.

Sub-Programme: INFRASTRUCTURE PLANNING								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reason for Deviation
	Districts supported to improve spending on National Grants.	Number of districts monitored on the spending of National Grants.	New indicator.	New indicator.	5 Districts monitored on the spending of National Grants.	5 Districts assessed on percentage (%) expenditure of National Grants (100% target).	None.	None.
	9 Municipalities supported with technical skills capacity through MISA/ COGTA/ multidisciplinary teams (engineering and town planning).	Number of municipalities supported with technical skills capacity through MISA/ COGTA/ multidisciplinary teams (engineering and town planning).	New indicator.	2 District municipalities (Sedibeng and West Rand) supported with technical skills through MISA/COGTA/ multidisciplinary teams (engineering and town planning).	9 Municipalities supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	0 Municipalities supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	0 Municipalities supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	Due to the under expenditure in previous years the department took on more projects as per the need in municipalities with the expectation that there will be an increase in the budget which did not materialise.
	Municipalities monitored on the implementation of adaptive measures to climate change in water supply infrastructure and use.	Number of municipalities monitored on implementation of adaptive measures to climate change in water supply infrastructure and use.	New indicator.	New indicator.	9 Municipalities monitored on adaptive responses to climate change impacts on water supply services and use.	9 Municipalities monitored on adaptive responses to climate change impacts on water supply - WC/WDMM projects identified and underway.	None.	None.
	Municipalities supported to implement water security interventions.	Number of municipalities supported to implement water security interventions.	New indicator.	New indicator.	9 Municipalities supported to implement water security interventions.	9 Municipalities monitored on water security interventions - projects identified and underway.	None.	None.

Sub-Programme: ENERGY OFFICE								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth	State of Energy Outlook studies completed	Number of State of Energy Outlook studies completed.	No target	No target	1 State of Energy Outlook study which will contribute to the formulation and implementation of climate change mitigation interventions	State of Energy Outlook study completed	None	None
	Online Information System (database) of renewable energy/ energy efficiency (RE/EE) projects implemented provincially	Number of online information systems developed.	New indicator	New indicator	1 online information system developed	Prototype of an online information system developed	None	None
	Develop a financial model for the future projects of municipalities to generate own electricity from alternative sources	Number of financial models developed.	New indicator	New indicator	1 Financial model developed	Prototype of financial model developed	None	None
	Large Power Users and commercial customers meters replaced in Merafong LM	Number of Large Power Users and commercial customers meters replaced in Merafong LM	New indicator	New indicator	50 Large Power Users and commercial customers meters replaced in Merafong LM	0 Large Power Users and commercial customers meters replaced in Merafong LM	50 Large Power Users and commercial customers meters not replaced in Merafong LM	Project deferred due to lack of finance
	Large Power Users billed in Emfuleni LM	Number of Large Power Users billed in Emfuleni LM	600 Large Power Users billed	196 Large Power Users billed	786 Large Power Users billed in Emfuleni LM	1 452 meters being monitored online.	666 additional Large Power Users and commercial users' meters replaced or audited in Emfuleni LM	The budget available was enough to cater for more metering than initially envisaged

Sub-Programme: DISASTER MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Disaster management plans completed.	Number of disaster management plans completed.	New indicator.	Level 1 plan completed.	Level 2 disaster management plans completed.	Level 2 disaster management plans not completed.	The project was not completed due to budget constraints in the Chief Directorate. The Directorate was unable to pay monthly project costs from December 2021 to March 2022.	Due to under expenditure in previous years, the Department took on more projects as per the need in municipalities, with the expectation that there will be an increase in the budget which did not materialise.
	Municipal Disaster Management Centres supported to remain functional.	Number of municipalities supported to maintain functional Disaster Management Centres.	5 Municipal Disaster Management Centres supported to remain functional.	5 Municipal Disaster Management Centres supported to remain functional.	5 Municipal Disaster Management Centres supported to remain functional.	5 Municipal Disaster Management Centres supported to remain functional.	None.	None.

Sub-Programme: FIRE AND RESCUE SERVICES								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe spatially integrated cities and communities with inclusive growth.	Municipalities supported on fire brigade services.	Number of municipalities supported on fire brigade services.	2 Municipalities supported on fire brigade services (West Rand and Lesedi LM).	1 Fire and rescue bylaw drafted.	4 Municipalities supported on fire brigade services (training and equipment).	4 Municipalities supported on fire brigade services (training and equipment).	None.	None.

Linking Performance with Budgets

The Development Planning Programme was allocated a total budget of **R127 856 000** during the reporting period, of which **R127 702 000** was spent. This amounts to 99,8% of the total budget allocated.

Table 2.4.8: Development Planning Programme: Sub-programme Expenditure

Sub-Programme Name	2020/2021			2021/2022		
	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
Land Use Management	8 872	8 143	729	12 932	12 922	10
IDP Coordination	18 219	15 694	2 525	19 749	19 693	56
Disaster Management	104 547	98 051	6 496	65 720	65 634	86
Municipal Infrastructure	20 379	19 387	992	29 455	29 453	2
Total	152 017	141 275	10 742	127 856	127 702	154

Strategy to Overcome Areas of Under Performance

The Risk Assessment Project will be completed through the RFQ process in the 2022/23 financial year.

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

Standardised outputs and output indicators have been incorporated in the Annual Performance Plan.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department had no programmatic response to the pandemic during the 2021/22 financial year.

4.4 Programme 4: Governance

The Governance Programme is focused on the nature and quality of intergovernmental and stakeholder relations across spheres and sectors. The assumption is that if these structures and instruments are functional then matters of public interest and concern will be properly dealt with, which in turn will result in the desired impacts.

Sub-Programmes

- Back 2 Basics
- Intergovernmental Relations



Table 2.4.10: Governance Programme: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-Programme: BACK 2 BASICS								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities that are functional in terms of B2B indicators.	Number of reports on the implementation of Back-to-Basics support plans by municipalities.	4 Municipalities are functional in terms of B2B indicators.	4 Municipalities are functional in terms of B2B indicators.	4 Reports on the implementation of Back-to-Basics support plans by municipalities.	4 Reports on the implementation of Back-to-Basics support plans by municipalities.	None.	None.

Sub-Programme: INTERGOVERNMENTAL RELATIONS								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation
Safe, spatially integrated cities and communities with inclusive growth.	Statutory IGR structures' functional in accordance with the IGR Framework.	Number of Statutory IGR structures' functional in accordance with the IGR Framework.	4 Functional Cooperative Governance and IGR structures.	1 Statutory IGR structure functional in accordance with the IGR Framework.	4 IGR structures' functional in accordance with the IGR Framework.	3 IGR structures' functional in accordance with the IGR Framework.	1 IGR structure was not functional in accordance with the IGR Framework due to meetings being cancelled when a quorum is not reached.	Three IGR structures sat: • MINMEC • Local Government Workstream • HoD/MMs
	Implementation of decisions taken at the IGR forums.	Percentage implementation of decisions taken at the IGR forums.	New indicator.	80% of decisions taken at the IGR forums implemented.	50% implementation of decisions taken at the IGR forums.	56,75% implementation of decisions taken at the IGR forums.	6,75% additional implementation of decisions taken at the IGR forums	Work streams have led to quicker resolution of decisions

Strategy to Overcome Areas of Under Performance

The number of municipalities monitored will be increased for the next financial year.

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

Standardised outputs and output indicators have been incorporated in the Annual Performance Plan.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department had no programmatic response to the pandemic during the 2021/22 financial year.

4.5 Programme 5: Traditional Institutional Management

The Traditional Institutional Management Programme seeks to secure trust and prosperity across the Gauteng Province by supporting the two recognised institutions of traditional leadership. Support is provided to the institution of traditional leadership in the implementation of policies, norms and standards, systems and regulatory frameworks. It is assumed that these efforts will assist in preserving cultural heritage, promoting social cohesion, and building sustainable livelihoods.

Sub-Programmes

- Traditional Leadership

Table 2.4.12: Traditional Institutional Management: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-Programme: TRADITIONAL INSTITUTIONAL MANAGEMENT									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviation	
Strengthened institution of Traditional Leadership.	2 Traditional Councils supported to perform their functions.	Number of Traditional Councils supported to perform their functions.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts.	None.	None.	
	100% of succession claims/disputes processed.	Percentage of Traditional Leadership succession claims/disputes received and processed.	100% of succession claims/ disputes received and processed.	100% of succession claims/disputes processed.	100% of succession claims/disputes processed.	100% of succession claims/disputes processed.	None.	None.	
	Increased awareness on GBVF amongst traditional leadership communities.	Number of Anti-GBVF intervention/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	New indicator.	New indicator.	2 Anti-GBVF intervention/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti-GBVF intervention/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	None.	None.	

Linking Performance with Budgets

The Traditional Institutional Management Programme was allocated the smallest budget during the reporting period. The allocation for the programme amounted to **R14 930 000** of which **R13 004 000** (87%) was spent. Under spending is due to the non-payment of performance bonuses and the delay in filling vacant positions.

Table 2.4.13: Traditional Institutional Management: Sub-programme expenditure

Sub-Programme Name	2020/2021			2021/2022		
	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 Institution Admin	7 970	5 902	2 068	7 192	6 353	839
Traditional Resource Admin	6 880	6 042	838	6 537	5 583	954
Rural Development Facilitation	500	320	180	15	0	15
Traditional Land Admin	1 431	1 021	410	1 186	1 068	118
Total	16 781	13 285	3 496	14 930	13 004	1 926

Strategy to Overcome Areas of Under Performance

N/A – all targets were met.

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

Standardised outputs and output indicators have been incorporated in the Annual Performance Plan.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department had no programmatic response to the pandemic during the 2021/22 financial year.



5. TRANSFER PAYMENTS

5.1 Transfer Payments to all Organisations other than Public Entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022. Note that the municipalities still have the fourth quarter of their financial year in which to spend the funds. The municipal fourth quarter ends on 30 June 2022.

Table 2.5.1: Transfer Payments to Municipalities

Name of Transferee	Type of Organisation	Purpose for which the Funds were Used	Compliance with S 38 (1) (j) of the PFMA	Amount Transferred (R'000)	Amount Spent by the Entity	Reasons for the Funds Unspent by the Entity
West Rand District Municipality	Municipality	Functional Fire and Rescue Services	Yes	7 000	-	-
Midvaal Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	2 000	1 233	-
Lesedi Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	2 000	-	-
Emfuleni Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	7 000	6 989	-
Merafong City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	500	379	-
Lesedi Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	1 000	291	-
Mogale City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	537	436	-
Lesedi Local Municipality	Municipality	GRAP 17	Yes	1 000	1 000	-
Rand West City Municipality	Municipality	GRAP 17	Yes	1 000	1 000	-
Merafong City Local Municipality	Municipality	GRAP 17	Yes	1 000	413	-
Mogale City Local Municipality	Municipality	GRAP 17	Yes	1 000	-	-
West Rand District Municipality	Municipality	GRAP 17	Yes	1 000	-	-

6. CONDITIONAL GRANTS

6.1 Conditional Grants and Earmarked Funds Paid

The following table details conditional grants and earmarked funds paid by the Department during the year under review. These funds support the Expanded Public Works Programme (EPWP) in three local municipalities.

Table 2.6.1. Conditional grants paid (EPWP) for the period 1 April 2021 to 31 March 2022

Municipality to whom the grant has been transferred	Three municipalities (Lesedi, Mogale City and Merafong Local Municipalities)
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation opportunities in communities
Actual outputs achieved	Jobs opportunities created
Amount per amended DORA	R2 037 000
Amount transferred (R'000)	R2 037 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the municipality (R'000)	R1 106 000
Reasons for the funds unspent by the entity	The municipalities still have the fourth quarter of their financial year in which to spend the funds. The municipal fourth quarter ends on 30 June 2022.
Monitoring mechanism by the transferring department	N/A

The following table details conditional grants and earmarked funds paid to the Department by the National Department of Public Works during the year under review.

Table 2.6.2. Conditional grants received (EPWP) for the period 1 April 2021 to 31 March 2022

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation alleviation programme
Actual outputs achieved	Yes
Amount per amended DORA	R2 037 000
Amount received (R'000)	R2 037 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R2 037 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

7. DONOR FUNDS

7.1 Donor Funds Received

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

8. CAPITAL INVESTMENT

8.1 Capital Investment, Maintenance and Asset Management Plan

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



PART



GOVERNANCE

1. INTRODUCTION

The Department is committed to effectively and efficiently implement a risk management framework and processes to ensure that Departmental goals and outcomes are achieved optimally and with due care. The Department fosters a positive, value-based risk culture and performs its function in compliance with the Public Finance Management Act (PFMA) and Treasury Regulations.

2. RISK MANAGEMENT

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

Strategic and operational risk assessments are undertaken at least annually to identify new and emerging risks. Risk reports or registers for each of the above-mentioned categories are in place and are monitored for progress on a regular basis.

Progress in the management of all risks is reported on a quarterly basis to the Risk Management Committee (RMC), which is chaired by an Independent Chairperson, and the Provincial Audit Committee. The Risk Management Committee was fully functional throughout the 2021/22 financial year and advised Executive Management whenever necessary on the management of existing risks and the identification and assessment of emerging risks, including progress, as well as reporting on implementation of the action plan.

As part of Departmental strategic risk assessment, the following risks were identified for the 2021/22 financial year:

- Poor support for local economic development in municipalities
- Inadequate support for municipal delivery on infrastructure projects
- Fragmented planning across the province
- Disruption of the administrative and political operations in hung municipalities
- Inability to effectively support municipalities to be financially viable
- Business disruption
- Inadequate records management
- Inability of the province to effectively respond to disasters

3. FRAUD AND CORRUPTION

The Department conducted the fraud risk assessment for the reporting period and a Fraud Prevention Plan (FPP) was developed and approved. The plan was implemented throughout the year with 83% of actions fully implemented and 17% still in progress. The 17% will be carried over to the next financial year for implementation.

Ethics, Fraud Prevention and Anti-Corruption Awareness Campaigns were conducted to sensitise staff on Departmental values and the zero tolerance on fraud and corruption activities.

Officials and the public at large were encouraged to report cases of fraud and corruption via the National Anti-Corruption Hotline, while fraud is also reported via the Premier's Hotline and internally to the Office of the Chief Risk Officer. Allegations of fraud and corruption are referred to the Gauteng Premier's Office for investigation and appropriate actions taken based on the recommendations.

Fraud and Corruption functions are currently performed at the Office of the Chief Risk Officer with one (1) Ethics Officer appointed to carry out the duties outlined in the ethics plan for the reporting period. The capacity of the unit will be strengthened once the proposed structure is adopted by the Department of Public Service and Administration.

4. MINIMISING CONFLICT OF INTEREST

Senior Management, Middle Management, Finance and Supply Chain Management officials are required to disclose their financial interest on an annual basis. Furthermore, an audit is done on a quarterly basis by the Gauteng Audit Services to identify any areas of potential conflict of interest. Recommendations from the internal audit report are implemented. Awareness campaigns on Remunerative Work outside public services were conducted to eliminate the potential conflict of interest.

5. CODE OF CONDUCT

The Department is implementing the Public Service Code of Conduct as applicable in the entire Public Service. The Code forms part of CoGTA's internal induction programme. Every employee receives a copy of the Code of Conduct, and accordingly accepts and binds his or herself to the Code. CoGTA follows the process as outlined in the Disciplinary Code and Procedures as per Resolution 1 of 2003 in cases of any breach of the Code of Conduct.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

There were no health, safety and environmental issues during the reporting period.

7. PORTFOLIO COMMITTEES

DATE OF SITTING	ADOPTED RESOLUTION	RESPONSES
REPORT ON THE 1ST QUARTERLY REPORT OF THE GAUTENG DEPARTMENT OF COGTA FOR THE 2021/22 FINANCIAL YEAR		
16/11/2021	The Department should provide the Portfolio Committee with reasons for overspending in four (4) programmes namely Local Governance, Administration, Development and Planning and Traditional Institutional Development.	The over expenditure for the quarter was because of accruals and actual progress on projects for the financial year. The Department procured all goods and services before the beginning of the financial year and as such implementation took place from the first day of the financial year. Whereas the quarter shows over expenditure, no unauthorised expenditure will result.
16/11/2021	The Department should explain the reasons for underspending by Municipalities in relation to the MIGs, IUDG and USDG.	Under expenditure in municipalities is attributable to delays in internal supply chain processes, contractors not being able to secure performance guarantees on time, lack of funds to undertake preplanning activities the year before project implementation, community protests and local business forum disruptions.
16/11/2021	Since the Department is a custodian of Municipalities, the Department should put remedial action in place to ensure that Municipalities improve on MIGs, IUDG and USDG expenditure management. The Portfolio Committee will monitor this action on a quarterly basis.	Through the Provincial CAPEX War Room session convened bi-monthly, the Department works with municipalities and sector Departments to develop remedial measures to improve expenditure. However, the bulk of the measures rely mainly on municipal internal process for them to succeed.
16/11/2021	The Department should ensure that all vacancies are filled as vacancies compromise the ability of the Department to fulfil its service delivery mandate. The Portfolio Committee will monitor this action on a quarterly basis.	The Department will continuously ensure that critical vacant and funded posts are filled.

DATE OF SITTING	ADOPTED RESOLUTION	RESPONSES
16/11/2021	The Department should provide the Portfolio Committee with names of Municipalities that will be given support by experts placed in regional teams to address service delivery challenges and the kind of support that will be provided.	4 experts placed in regional teams to support municipalities to address service delivery challenges: 2 x Organisational Development and Design Experts are supporting the following municipalities: Sedibeng District Municipality, Rand West City LM, Merafong City LM, Lesedi LM and Mogale City LM. Sedibeng District Municipality is supported with the development of the service delivery model, including analysing the current modes of delivery in terms of insourcing/outourcing and centralisation/decentralisation. The District is also supported with the Organisational Structure Review, which involves developing a structure that has considered OD Norms, standards and principles such as: Strategic Alignment, Budget Constraints, IGT and Cooperative Governance, Optimised Spans of Control, Clear Accountability and Efficient Resource Utilisation. Finally, the District is supported with the review of Business processes in Licensed Service Centres of Sedibeng District. Rand West City LM is supported with the crafting of job descriptions as per the agreed upon scope, obtaining drafts, conducting workshops and interviews with managers, unions, supervisors and key incumbents, as well as benchmarking and clarifying functions with supervisors and incumbents. Merafong City LM, Lesedi LM and Mogale LM are supported with functional analysis to clarify engineering professions and related occupations. This involves the identification and listing of all Occupational Specific Dispensation (OSD) Engineering professions and related occupations under review; clarifying job structures and description of professionals (Infrastructure Department, Economic Development and Environmental Management Departments); establishing the current practice of local government in attracting and retaining professionals through pay and grade progression; providing a comparative analysis with private sector; practice with Public Services OSD Translation keys; and assessing the effective and efficient resource utilisation of professionals. 1 x Local Government Labour Expert is supporting the following Municipalities: Sedibeng District Municipality, Rand West City LM and Midvaal LM. All 11 Gauteng Municipalities will participate in workshop for knowledge and skills transfer on Initiating and Chairing Disciplinary Hearings, Recent Case Law and Legislation and Case Management, including timelines for referring disputes. Sedibeng District Municipality, Rand West City LM and Midvaal LM are supported with the conducting of a due diligence assessment on the existing labour relations matters and providing an opinion thereon. The cases vary from unfair labour practices to unfair dismissals and salary disparities. A review of existing awards and court orders is done to further advise the Municipality on either appealing, revoking or taking any other action that may bring about savings. A risk assessment is conducted on the current litigation to establish its viability and veracity, and to provide recommendations and advice on key interventions that will enhance labour relations efficiencies and effectiveness. 1 x Local Government Legal Expert is supporting the following municipalities with legal and contract management matters: Emfuleni LM and Rand West City LM. The municipalities are supported on the following three (3) areas: Interpretation of legal prescripts governing local government and the review of current contracts [Emfuleni (2 contracts) and Rand West (3 contracts)] to establish compliance and conduct risk assessment on current litigations in all municipalities.
REPORT ON THE 2ND QUARTERLY REPORT OF THE GAUTENG DEPARTMENT OF COGTA FOR THE 2021/2022 FINANCIAL YEAR		
07/12/2021	The Department should provide the Portfolio Committee with mechanisms that are instituted in Municipalities in terms of changing social norms and behaviour through high-level awareness raising and prevention campaigns on GBV.	The Department will this year resuscitate the Departmental GEYODI committee, aimed at dealing with all issues relating to GEYODI, including municipal monitoring and all GBVF related issues.

DATE OF SITTING	ADOPTED RESOLUTION	RESPONSES
07/12/2021	The Department should, through the Revenue Experts, ensure that Municipalities collect an amount of R268 974 365 owed by 19 319 businesses registered with the Companies and Intellectual Property Commission (CIPC) for Municipal services rendered.	The support provided to Emfuleni LM through revenue experts is to assist the municipalities to put systems, processes and procedures in place to facilitate debt collection. Part of the support entails the provision of accurate and complete business data to enable the municipality to contact the owing businesses and demand payment. In this regard, the list of accounts verified with CIPC has been handed over to Ntiyiso Consulting who are the debt collectors for Emfuleni LM. This list includes accounts of (large power users) debtors who are in dispute with the Municipality over electricity tariffs. The collection from these debtors is currently not possible as a result of the dispute, which is in court. A meeting was held on 9 December 2021 between the Municipality, NERSA, CoGTA and the revenue and energy experts to discuss and propose a solution regarding this long outstanding matter, where the court reviewed and set aside the tariffs that were approved by NERSA resulting in non or short payments by the applicants and other businesses which were not among the 11 applicants. The business accounts include Cape Gate, which owes the Municipality R463 million and ArcelorMittal, which owes R117 million. The next meeting will be held in early January 2022 where the Emfuleni LM legal representatives are also expected to attend. Ntiyiso has commenced with implementing credit control on the top 20 owing businesses as well as debt collection processes. This activity is closely monitored by CoGTA and the revenue experts to ensure maximisation of collection.
07/12/2021	The Department should provide the Portfolio Committee with details of Municipalities that did not comply with Section 26 & 29 of the MSA and the reasons thereof.	There were no municipalities that have not complied with the minimum requirements of both Sections 26 and 29 of the MSA. Section 26 of the MSA deals with the "core components of integrated development plans" of which some of the basics include a municipal vision, development strategies, spatial development framework, applicable disaster and financial plans amongst others. From the recent IDP assessments, all municipalities in Gauteng were deemed to have complied with these requirements, however with recommendation for municipalities to review some of these components/ plans under the newly elected councils. Section 29 of the MSA deals with the "process to be followed" by municipalities in drafting their IDPs inclusive of community and stakeholder engagement, alignment with national and provincial legislation and, in the case of a district, alignment of local municipal IDPs in accordance with the district framework plan. All municipalities in Gauteng were deemed to have complied with the minimum requirements. It was thus recommended that all municipalities submit their Process Plans timeously for provincial support where necessary and that the Districts provide copies of their Framework Plans, adopted with LMs, in order to assess the levels of alignment thereof.
07/12/2021	The Department should provide the Portfolio Committee with a detailed report on the 121-summons that Merafong LM will be issuing due to non payment of services amounting to R16,3 million.	Merafong City LM appointed five debt collectors. Two of the debt collectors terminated their services with the Municipality and currently BBTE, Saya and Mogaswa Inc are the three remaining debt collectors. The process started with tracing and the verification of accounts to ensure that there are no billing queries. Mogaswa Inc intended to issue summonses to 279 account holders with a total outstanding balance of R91,8 million. Accounts with billing irregularities were identified and the municipality was requested to engage the infrastructure department to verify meter readings, install new meters where applicable, and process correcting journals where necessary. The list reduced from 279 to 121 accounts legible for summonses as letters of demands were successfully delivered on these accounts. Mogaswa Inc proceeded with the summonses and default listing is not yet complete. The outstanding balance on the 121 accounts has increased to R18 million and only four accounts have reduced balances in the amount of R257 980.
07/12/2021	The Department should provide the Portfolio Committee with a breakdown on Gender Mainstreaming and Cross Cutting issues as follows: Number of Women that have been recruited under CWP; Number of Youth that have been recruited under CWP; and Number of persons living with disabilities that have been recruited under CWP.	At the end of Quarter 2, the Community Work Programme (CWP) contribution to Gender Mainstreaming and Cross-Cutting Issues in terms of recruitment breakdown was as follows: • Women: 18 012 (13 920 female non-youth/ 4 092 female youth) • Youth: 5 357 (1 265 male youth/ 4 092 female youth) People Living with Disabilities: 492 (150 male non-youth/ 182 female non-youth/ 83 male youth/ 77 female youth)

DATE OF SITTING	ADOPTED RESOLUTION	RESPONSES
07/12/2021	The Department should ensure that all vacancies are occupied as this will ensure comprehensive performance in all budgeted Programmes and Targets.	The Department will continuously ensure that critical vacant and funded posts are filled.
07/12/2021	The Department should ensure that it prioritises and promotes the enforcement of water conservation and water demand management in all Municipalities as water is a scarce commodity in the Province and in the Country. Municipalities should regularly, through public participation, educate communities to report leakages timeously as this is one of the measured contributors of water loss.	The Department has deployed technical experts to support municipalities in this area. The Department previously embarked on joint awareness campaigns with municipalities specifically for Water Conservation and Demand Management. However, funding is a hindrance in sustaining these campaigns. The OoP together with CoGTA has supported the establishment of call centres mainly in local municipalities as part of creating a platform for receiving and responding promptly to community needs on this and other services.
REPORT ON THE 3RD QUARTERLY REPORT OF THE GAUTENG DEPARTMENT OF COGTA FOR THE 2021/22 FINANCIAL YEAR		
22/03/2022	The Department should provide the Portfolio Committee with mechanisms in place on how it measures the effectiveness of social media platforms such as WhatsApp in resolving community service delivery issues.	CDW's in their responsibility of dealing with community service matters do not use social media to resolve or ascertain them. CDW's do manual case recordings when they visit households and subsequently load cases on the USSD, and further referral is done via the OoP. The Department has further recently implemented the Intlaka App for reporting on cases and further tracking that CDW's are servicing communities wholistically. For context, cases requiring intervention are ascertained through door-to-door visits, referral by CDW's, and platforms hosted by Ward Committees and Community Forums.
22/03/2022	The Department should report to the Portfolio Committee on whether ward committees in the nine (9) municipalities have been established and are functional and to provide the names of the municipalities in question.	All nine municipalities are in the process of establishing their ward committees. Status as at 19 April 2022: • Sedibeng DM: out of 73 wards, 72 wards were established and 1 outstanding (1 outstanding in Midvaal LM) • West Rand DM: 93 wards established out of 102 (3 outstanding in Rand West LM and 6 outstanding in Merafong LM) • Ekurhuleni Metro: Establishment in progress, with 56 out of 112 wards complete • City of Johannesburg: Establishment will take place in May 2022 • City of Tshwane: Policy for ward committee establishment approved by council and plans for establishment in progress
22/03/2022	The Department should provide the Portfolio Committee with details on whether the workshop to provide knowledge and skills to Emfuleni LM and West Rand LM did take place in mid-January 2022, as rescheduled to realise value for money and avoid fruitless and wasteful expenditure.	The workshops were conducted by SALGA, National Treasury and the Department of Cooperative Governance as follows: • Emfuleni: 15-16 March 2022 • West Rand: 12-13 April 2022
22/03/2022	The Department should provide the Portfolio Committee with the number of people with disabilities and senior citizens empowered with developments that are in the Department during the quarter under review.	The Department did not have plans for senior citizens in the quarter under review. Regarding people with disabilities, the Department had plans to award 10 bursaries to learners with disabilities, however, due to budgetary constraints the target was not achieved.
22/03/2022	The Department should provide reasons for over expenditure amounting to R14,9 million (10%) during the quarter under view.	Whereas the Department reported over expenditure of R14 million during the quarter in question, the Department was within the budgeted expenditure year on year. The reported expenditure was as a result of catching-up on under expenditure reported in previous quarters.

8. SCOPA RESOLUTIONS

The following SCOPA Resolutions were taken during the reporting period.

Resolution No.	Details	Response by the Department
Resolution 7.1	That Gauteng Department of CoGTA and Gauteng Provincial Treasury must ensure that all efforts are made towards eradicating Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIF&W) in municipalities by holding them accountable and by providing SCOPA with a progress report detailing the adherence to legislation, application of consequence management every quarter and continuing up until the end of June 2021.	The Department has reported that it convened a meeting with National Treasury and Gauteng Provincial Treasury on 16 April 2021 to discuss the collaboration model in the Gauteng province on the following: Support on role clarification to MPACs and Disciplinary Boards on UIFW expenditure, financial misconduct, and consequence management. Support is provided to MPACs on the amendments of the Municipal Structures Act; and training of MPACs after local government elections. The Department is in the process of engaging with GPT on areas of collaboration including finalisation of the Memorandum of Understanding and a copy thereof will be availed to the Committee as soon as its revision has been finalised.
Resolution 7.2	That Gauteng Department of CoGTA must work with municipalities to improve oversight and transparency on financial accountability at local government sphere through creating a healthy and empowering environment for MPACs and provide SCOPA with a quarterly progress report continuing up until the end of June 2021.	Support is provided to MPACs on the amendments of the Municipal Structures Act; and training of MPACs after local government elections. Gauteng Department of COGTA and the Gauteng Provincial Treasury participated in the Sedibeng District Municipality Strategic Workshop held on 22 April 2021.
Resolution 7.3	That Gauteng Department of CoGTA and Gauteng Provincial Treasury must investigate the possibility of Councillors serving in MPACs being fulltime, and the possibility of Councillors serving in the Finance Oversight Committee (Section 79) also serving as members of MPAC and provide SCOPA with a final report by February 2021.	The proposal will be escalated to the National Department of Cooperative Governance and National Treasury. Furthermore, the Gauteng Department of COGTA is working in collaboration with Gauteng Provincial Treasury on capacity building.
Resolution 7.4	That Gauteng Department of CoGTA and Gauteng Provincial Treasury must investigate the possibility of building municipal capacity. The aim is to enable municipalities to support MPACs with both financial and personnel resources and to consider how municipalities can create the basic foundational platform that MPACs require, discharging their oversight responsibilities effectively and providing SCOPA with a quarterly progress report continuing up until the end of June 2021.	The feedback provided on 20 May 2021 is as follows: COGTA is working closely with Gauteng Provincial Treasury on capacity building for municipalities.
Resolution 7.5	That Gauteng Department of CoGTA and Gauteng Provincial Treasury, possibly working with other partners, must ensure that continuous awareness is raised on the Financial Misconduct Regulations read with MFMA Circular 76 by assisting municipal councils to establish functional and effective disciplinary boards and structures and provide SCOPA with a quarterly progress report continuing up until the end of June 2021.	COGTA intends to establish ethics governance structures at political and administrative level. Furthermore, COGTA will assess the municipalities annual reports and present findings to MPACs to assist them with the process of preparing the oversight report and enhancing their oversight mechanism.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department received a clean audit opinion.

10. INTERNAL CONTROL UNIT

The Governance unit is involved in the following activities:

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

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit Objectives

- Gauteng Audit Services (GAS) provides internal audit services to all Gauteng Provincial Government Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring effective internal control environment

Key Activities of Internal Audit

- Risk based Internal Audit plans were developed by GAS and approved by the Audit Committee which exercises oversight on the activities of GAS. The internal audit activities were as follow:

Risk and Compliance Audits
Performance Audits
Information Technology Audits.

LEGEND AND DEFINITIONS

RATING	RATING DEFINITION
1	Adequate/effective Controls evaluated relating to the design of the process are adequate, and the controls in place were assessed to be functioning effectively to provide reasonable assurance that risks are being managed and objectives should be met.
2	Adequate but ineffective A few specific control weaknesses were noted regarding the functioning of controls. Controls evaluated are adequately designed but functioning ineffectively.
3	Partially adequate/effective A few specific control weaknesses were noted regarding the design of the process. The adequate controls evaluated are functioning effectively.
4	Inadequate/ineffective Controls evaluated are not adequate or effective to provide reasonable assurance that risks are being managed and objectives should be met.
Not rated	Consulting/Advisory audit only
Not rated	Cancelled/Deferred/Replaced Audit only

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Item	2021/2022
Number of Audit Reports	13
Number of Significant Audit Findings	69
Percentage of 1 and 2 Opinion Ratings	57%
Percentage of 3 and 4 Opinion Ratings	43%

Control environment at CoGTA – Conclusion based on the above

Internal audit completed 13 audits, during the financial year 2021/22, with 69 significant findings raised.

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

The Department should focus on improving the effectiveness of controls in the following areas:

- Supply Chain Management
- Document Management
- Asset Management
- Patch Management Review

Management should also implement the findings raised by the Auditor-General and Internal Audit on time.

#	1COGTA Internal Audit Activities 2021/2022 2Number of reports = 13 3Significant Findings = 69 3&2 Opinion Ratings = 57% 3&4 Opinion Ratings = 43%	Total Findings	High risk Findings	Q1	Q2	Q3	Q4
RISK AND COMPLIANCE AUDIT							
1	Document Management	19	19				
2	SCM - Contract Management	16	16				
3	Asset Management	10	10				
4	HR Recruitment, Overtime and Leave Management	4	1				
5	Follow-up on AG Significant Findings	8	5				
PERFORMANCE AUDIT							
6	Review of Annual Performance report	3	3				
7	Performance Information audit /Performance of the department against predetermined objectives.	4	4				
8	Review of Draft Annual Performance Plan	2	2				
IT AUDIT							
9	Patch management review	6	6				
10	Data analysis – ETHICS / HR / FIN (2021-22, Q2)	2	2				
11	SAP ESS & PERSAL Leave Reconciliation						
12	IT risk assessment	0	0				
13	Data analysis – ETHICS / HR / FIN (2021-22, Q4)	1	1				
Totals as at 31 March 2022		75	69				

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
Collen Weapond	• BCom Honours Information Technology • Mtech Forensic Investigations • LLB • BTech Policing • B.luris • Diploma in Business Management • Diploma in Compliance Management • Diploma in Education	External	-	08 November 2017	Current	05
Sidwell Mofokeng	• MBA • Diploma in Public Sector Finance • Certificate in Project Management • Certificate in Housing Program Management Development • Management Development Programme	External	-	01 September 2016	Current	05
Pumla Mzizi	• Honours Bachelor of Commerce • Honours Bachelor of Accounting Science • Bachelor of Business Science • Certificate in the Theory of Accountancy	External	-	01 September 2018	Current	05

12. AUDIT COMMITTEE REPORT

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 05

Gauteng Department of Cooperative Governance and Traditional Affairs

We are pleased to present our report for the financial year ended 31 March 2022.

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 the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA) as amended. In terms of the approved Terms of Reference (GPG Audit Committee Charter).

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

Non-Executive Members

Name of Member	Number of Meetings attended
Adv. Collen Weapond (Chairperson)	05
Mr. Sidwell Mofokeng	05
Ms. Pumla Mzizi	05

Executive Members

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

Compulsory Attendees	Number of Meetings attended
Ms. Itumeleng Mokale (Acting Accounting Officer)	04
Mr. Bongani Gxilishe (Former Accounting Officer)	01
Mr. Japhter Makhafola (Chief Financial Officer)	05
Ms. Mamafolo Namanyane (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

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

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has 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 also reviewed the progress with respect to the IT Governance in line with the ICT Framework which confirms that the Department maintains adequate IT Governance controls. Some progress was made by the Department to implement and monitor its Disaster Recovery Plan and Business Continuity Processes. Based on the results of the audits performed and the follow up reviews conducted, the overall opinion on the internal control design was Adequate but Ineffective to ensure that the Department objectives will be achieved. The Department should focus on improving the effectiveness of controls in the following areas:

- Supply Chain Management
- Document Management
- Asset Management
- Patch Management

Management should also implement the findings raised by the Auditor-General and Internal Audit on time.

Internal Audit

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

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

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

Risk Management

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

Forensic Investigations

Two (02) cases were reported to Provincial Forensic Service during the period under review, both cases were closed during the financial year. The Audit Committee commends management for implementing all recommendations as contained in the Forensic Investigation reports.

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

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

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA.
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

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

The department must once again be commended for having no material misstatements.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

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

Auditor-General of South Africa

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



Adv. Johannes Collen Weapond

Chairperson

On behalf of Cluster 05 Audit Committee

05 August 2022.

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been compliance with the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Table 3.13.1: B-BBEE Compliance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	NO	The Department will appoint a verification agency to assist with the B-BBEE certificate level.
Developing and implementing a preferential procurement policy?	NO	The Department will appoint a verification agency to assist with the B-BBEE certificate level.
Determining qualification criteria for the sale of state-owned enterprises?	NO	The Department will appoint a verification agency to assist with the B-BBEE certificate level.
Developing criteria for entering into partnerships with the private sector?	NO	The Department will appoint a verification agency to assist with the B-BBEE certificate level.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	NO	The Department will appoint a verification agency to assist with the B-BBEE certificate level.





PART



HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The reporting period took place in an environment seeking to return to a pre-COVID-19 “normal”. During this period the Department adopted a hybrid model, with some employees reporting physically at the office, whilst the balance continues to work virtually.

The Department remains committed and is steadfastly observing and continually enforces the COVID-19 Regulations in its efforts to protect officials.

2. OVERVIEW OF HUMAN RESOURCES

2.1 The Status of Human Resources in the Department

The hybrid model of physical and remote work requires that Line Managers be more enterprising in how work outputs are delivered, managed and reported.

This adaptation was enabled by the provision of work tools such as laptops and cellular phones.

Operationalisation of the Regional Work Streams continued to make a positive impact in strengthening service delivery and, most importantly, support to municipalities.

2.2 Human Resource Priorities

Table 4.2.1: Human Resources Priorities for 2021/22

HR Planning Priorities	Impact
Organisational Structure Review	The developed organisational structure is designed to deliver on the mandate of the Department.
Training and development - workplace skills plans	Training and development initiatives focused on developing the Department's core competencies. Implementation of the identified training programmes served to fulfil and ascertain progress / improvement on performance.
Employment Equity Plan	Compliance with the Employment Equity Act.
Conducive and safe working environment	The Department does not have an office building which leads to some staff not having a conducive working environment.
Repositioning of Human Capital Management as a solutions orientated business partner	Meaningful contribution to the holistic development of human capital in the Department.

2.2.1 Workforce Planning and Strategies

The Department's Workforce Planning Strategy looks at how the Department seeks to attract, retain and develop its workforce, inform the culture as the Department evolves and engage officials at all levels, ensuring that our workforce is educated, trained and developed into the future.

2.2.2 Employee Performance Management

Implementation of the Employee Self Service - electronic performance management and development system (ESS - epmds) the previous financial year has enabled the Department to manage the performance of its employees remotely and holistically.

Line managers and employees have shown a greater level of comfort and capability in independently utilising the ESS - epmds, supported by the Sub-Directorate: Human Resource Utilisation and Development.

2.2.3 Employee Wellness Programmes

The Department is actively communicating and marketing the Zinakekele Programme, which is available and accessible to employees throughout the year, leading a proactive role in the coordination of COVID-19 interventions in the Department.

2.3. Achievements, Challenges and Future Goals

2.3.1. Achievements

Training and Development

The Department invests in its employees by providing bursaries. This funding enables employees to pursue their studies in various fields and is not limited to the priority development areas of the Department.

Performance Management and Development Systems

Implementation of the EPDMS has served to increase the line managers and employees' independence and control in management of their performance. This in turn has freed Human Resources to play an advisory role and to provide ongoing training and support.

The repositioning of Management's role and the ownership of performance appraisal management of their employees, with the support and facilitation (where required) by Human Resources, has led to an increase in the participation and compliance rate, specifically for salary levels 2-12.

Management of the Senior Managers has consistently achieved one hundred percent compliance and no poor performance reported.

Recruitment and Selection

COVID-19 has significantly impacted the Department's capability to recruit for vacant posts during lockdown levels five (5), four (4) and three (3) and the restrictions imposed by the Department of Public Service and Administration pertaining to recruitment during the lockdown period.

As a result of COVID-19 restrictions and precautions, the recruitment process was brought fully online, using platforms such as MS Office –Teams.

In-spite of the conditions imposed by COVID-19, the overall vacancy rate in the Department was kept in the single digits, throughout the year in question.

Employee Wellness Programme

The Department appointed an Occupational Nurse to help drive, manage and co-ordinate the various interventions around COVID-19 and general management of the basic / primary health care needs of employees.

The sub-Directorate had to pay increased attention to matters pertaining to Occupational Health and Safety as informed by the COVID-19 social distancing measures, including informing various officials about compliance measures.

The Department continuously expanded access to services provided by the Employee Wellness Programme – particularly through Zinakekele – as a twenty-four (24) hour service to help employees deal with the realities of the pandemic.

2.3.2. Challenges

Employee Health and Wellness

Termination of the transversal employee health and wellness service posed a challenge for the Department, requiring that the Department source a service provider as an interim arrangement, whilst procurement for the transversal service is underway.

Training and Development

COVID-19 regulations necessitated that training continue to be provided virtually, which lends itself to assessing difficulties in the impact of the training.

Performance Management and Development

Technical challenges experienced by officials when using the electronic performance management and development system (epmds) led to the Department not reaching one hundred percent compliance amongst officials on salary levels 1-12.

Recruitment and Selection

Failure to timeously fill vacant posts at various stages of the recruitment value chain, in part due to a hybrid approach to shortlisting and conducting the interviews.

Interviews are either carried out physically or virtually, depending on various factors taken into consideration for the respective posts under consideration.

Human Resource Administration

The Department continued to experience the loss of officials, tragically due to COVID-19, as well as through resignations and other forms of exit.

2.4 Personnel Related Expenditure

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

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

Table 4.2.2: Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

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	153 552	89 262	172	7 794	58%	652
Local Governance	281 994	190 579	-	28 540	68%	428
Development and Planning	127 702	54 820	-	35 621	43%	731
Traditional Institutional Management	13 004	10 482	-	1 336	81%	953
Total	576 252	345 143	172	73 291	60%	517

Table 4.2.3: Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	1 368	0%	7	195
Skilled (levels 3-5)	8 387	2%	30	280
Highly skilled production (levels 6-8)	187 277	54%	462	405
Highly skilled supervision (levels 9-12)	100 967	30%	134	753
Senior and top management (levels 13-16)	47 144	14%	35	1 347
Total	345 143	100%	668	517

Table 4.2.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	55 259	62%	107	0%	2 535	3%	3 688	4%
Local Governance	128 229	67%	232	0%	6 623	3%	13 201	7%
Development and Planning	36 383	66%	66	0%	1 056	2%	1 845	3%
Traditional Institutional Management	6 271	60%	4	0%	129	1%	287	3%
Total	226 142	66%	409	0%	10 343	3%	19 021	6%

Table 4.2.5: Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 1-2)	762	56%	-	0%	107	8%	233	17%
Skilled (levels 3-5)	5 543	66%	32	0%	468	6%	643	8%
Highly skilled production (levels 6-8)	118 690	63%	304	0%	7 248	4%	15 038	8%
Highly skilled supervision (levels 9-12)	70 737	70%	73	0%	1 557	2%	2 834	3%
Senior management (levels 13-16)	30 410	65%	-	0%	963	2%	273	1%
Total	226 142	66%	409	0%	10 343	3%	19 021	6%

2.5 Employment and Vacancies

The tables in this section summarise the position regarding 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.

This information is presented in terms of three key variables:

- Programme;
- Salary band; and
- Critical occupations.

Departments has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1: Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	167	141	15,6%	0
Programme 2: Local Governance	460	418	9,1%	0
Programme 3: Development and Planning	85	77	9,4%	0
Programme 4: Governance	13	9	30,8%	0
Total	725	645	11,0%	0

*Note that Programme 5 is included in the figures for Programme 4.

Table 3.2.2: Employment and vacancies by salary band as on 30 September 2022

Salary Band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	7	6	14,3%	0
Skilled (Levels 3-5)	41	32	21,9%	0
Highly skilled production (Levels 6-8)	492	450	8,5%	0
Highly skilled supervision (Levels 9-12)	144	123	14,6%	0
Senior management (Levels 13-16)	41	34	17,1%	0
Total	725	645	11,0%	0

Table 3.2.3: Employment and vacancies by critical occupation as on 31 March 2022

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Directorate: Integrated Development Planning	8	5	37,5%	0
Directorate: Land-Use Management	1	1	0%	0
Directorate: Legal Services	1	1	0%	0
Directorate: Municipal Infrastructure	10	9	10%	0
Total	20	16	20%	0

2.6 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 (SMS) 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 3.3.2: SMS post information as on 31 March 2022

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	0	0	0%	1	100%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	2	2	100%	0	0%
Salary Level 14	8	8	100%	0	0%
Salary Level 13	27	24	89%	3	11%
Total	39	36	92%	3	8%

Table 3.3.4: Advertising and filling of SMS posts for the period 1 April 2021 to 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised within 6 months of becoming vacant	Number of vacancies per level filled within 6 months of becoming vacant	Number of vacancies per level not filled within 6 months but filled within 12 months
Director-General/ Head of Department	1	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	1	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 2021 and 31 March 2022

Reasons for vacancies not filling advertised within six months
Consideration is given to employing females and or people with disabilities for all the current vacancies at SMS levels.

Reasons for vacancies not filled within twelve months
Consideration is given to employing females and or people with disabilities for all the current vacancies at SMS levels.

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 2021 and 31 March 2022

Disciplinary steps taken for not filling SMS posts within 12 months
None.

2.7 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their 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 2021 and 31 March 2022

Salary Band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary band	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	7	7	100%	0	0%	0	0%
Skilled (Levels 3-5)	41	41	100%	0	0%	0	0%
Highly skilled production (Levels 6-8)	492	492	100%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	144	144	100%	0	0%	0	0%
Senior Management Service Band A	28	28	100%	0	0%	0	0%
Senior Management Service Band B	9	9	100%	0	0%	0	0%
Senior Management Service Band C	2	2	100%	0	0%	0	0%
Senior Management Service Band D	2	2	100%	0	0%	0	0%
Total	725	725	100%	0	0%	0	0%

Employee Upgrades and Salaries

No employees saw their positions upgraded due to their posts being upgraded during the year under review.

No employee salaries were deemed to exceed the grade determined by the job evaluation during the year under review.

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 2021 and 31 March 2022

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

Employees with a disability	2	0	0	0	2
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2.8 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.

Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	7	0	0	0,0
Skilled (Levels 3-5)	27	4	4	14,8
Highly skilled production (Levels 6-8)	456	13	25	5,5
Highly skilled supervision (Levels 9-12)	125	6	10	8,0
Senior Management Service Band A	21	0	1	4,8
Senior Management Service Band B	7	0	0	0,0
Senior Management Service Band C	4	0	0	0,0
Senior Management Service Band D	1	0	0	0,0
Contracts	18	1	3	0,2
Total	663	24	42	6,6

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical Occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative Related: Permanent	81	5	4	4,9
Architects, Town and Traffic Planners: Permanent	7	0	0	0
Bus and Heavy Vehicle Drivers: Permanent	3	0	0	0
Civil Engineering Technicians: Permanent	1	0	0	0
Cleaners in Offices, Workshops, Hospitals etc: Permanent	3	0	0	0
Client Inform Clerks: permanent	2	0	0	0
Communication and Information Related: Permanent	3	0	1	33,3
Community Development Workers: Permanent	349	11	21	6
Computer System Designers and Analysts: Permanent	2	1	0	0
Engineering Sciences Related: Permanent	3	0	1	33,3
Engineers and Related Professionals: Permanent	4	0	0	0
Finance and Economics Related: Permanent	5	0	0	0
Financial and Related Professionals: Permanent	9	0	0	0
Financial Clerks and Credit Controllers: Permanent	7	0	0	0
Head of Department/Chief Executive Officer: Permanent	3	0	1	33,3
Human Resources. Organisational Development & Related Professionals: Permanent	8	1	0	0
Human Resources Clerks: Permanent	27	1	5	18,5
Human Resources Related: Permanent	12	1	1	8,3
Language Practitioners Interpreters & Other Communications: Permanent	5	0	0	0
Legal Related: Permanent	1	0	0	0

Critical Occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Library Mail and Related Clerks: Permanent	3	1	0	0
Logistical Support: Personnel: Permanent	3	0	0	0
Material-Recording and Transport Clerks: Permanent	3	0	0	0
Messengers Porters and Deliverers: Permanent	6	1	0	0
Other Administration and Related Clerks and Organisers: Permanent	10	1	0	0
Other Administrative Policy and Related Officers: Permanent	22	0	0	0
Other Information Technology Personnel: Permanent	1	0	0	0
Other Occupations: Permanent	10	0	0	0
Photographic Lithographic and Related Workers: Permanent	1	0	1	100
Secretaries and Other Keyboard Operating Clerks: Permanent	35	0	4	11,4
Security Guards: Permanent	2	0	1	50
Security Officers: Permanent	3	0	1	33,3
Senior Managers: Permanent	30	1	3	10
Social Work and Related Professionals: Permanent	1	0	0	0
TOTAL	665	24	44	6

The table below identifies the major reasons why staff left the Department during the year under review.

Table 3.5.3: Reasons why staff left the Department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	8	18%
Resignation	18	41%
Expiry of contract	2	5%
Dismissal – operational changes	0	0%
Dismissal – misconduct	1	2%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	1	2%
Retirement	14	32%
Transfer to other Public Service Departments	0	0%
Other	0	0%
Total	44	100%
Total number of employees who left as a % of total employment		6,6%

Table 3.5.4: Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees: 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	81	4	4,9%	84	103,7%
Financial Related	9	0	0%	9	100,0%
Human Resource Related	12	0	0%	11	91,7%
Material Recording Clerk	3	0	0%	3	100,0%
Secretaries and other Keyboard Operating Clerks	35	0	0%	33	94,3%
TOTAL	140	4	4,9%	140	489,7%

Table 3.5.5: Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees: 1 April 2021	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)	7	0	0%	0	0
Skilled (Levels 3-5)	27	0	0%	0	0
Highly skilled production (Levels 6-8)	466	1	0,2%	0	0
Highly skilled supervision (Levels 9-12)	132	6	4,5%	0	0
Senior Management (Levels 13-16)	33	0	0%	0	0
Total	665	7	1,1%	0	0

2.9 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 2022

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	2	2	21	-	10	1	-	11
Professionals	169	3	1	173	2	211	5	-	216
Technicians and associate professionals	42	-	-	42	-	55	5	4	64
Clerks	18	-	-	18	1	52	8	1	61
Service and sales workers	3	-	-	3	-	-	-	-	-
Skilled agriculture and fishery workers	3	-	-	3	-	-	-	-	-
Craft and related trades workers	9	-	-	9	1	9	-	-	9
Plant and machine operators and assemblers	261	5	3	269	4	337	19	5	361
Elementary occupations	17	2	2	21	-	10	1	-	11
Total	539	12	8	559	8	684	39	10	733
Employees with Disabilities	8	-	-	-	8	-	-	-	16

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	1	-	-	1	-	-	-	5
Senior Management	15	1	2	-	10	1	-	-	28
Professionally qualified and experienced specialists and mid-management	59	1	1	1	57	4	2	5	125
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	161	2	-	3	255	12	3	4	437
Semi-skilled and discretionary decision making	18	-	-	-	10	1	-	-	27
Unskilled and defined decision making	4	-	-	-	4	-	-	-	7
Total	260	5	3	4	333	17	5	9	629

Table 3.6.3: Recruitment for the period 1 April 2021 to 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	1	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	0	4	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	10	0	0	0	13
Semi-skilled and discretionary decision making	2	0	0	0	2	0	0	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	8	0	0	0	16	0	0	0	25
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4: Promotions for the period 1 April 2021 to 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	1	0	0	2	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	1	0	0	5	0	0	0	7
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5: Terminations for the period 1 April 2021 to 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	4	0	0	2	4	1	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	16	0	0	0	24
Semi-skilled and discretionary decision making	4	0	0	0	1	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	19	0	0	2	22	1	0	0	44
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6: Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dereliction of duties and absent from work without permission or authorisation	1	0	0	0	0	0	0	0	1
Unlawful possession of confidential and personal information	0	0	0	0	1	0	0	0	1

Table 3.6.7: Skills development for the period 1 April 2021 to 31 March 2022

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	5	0	0	0	5
Professionals	4	0	0	0	2	1	1	0	8
Technicians and associate professionals	6	0	0	0	9	1	0	1	17
Clerks	3	0	0	0	17	3	0	0	23
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	0	0	0	0	0
Total	17	0	0	0	33	5	1	1	53
Employees with Disabilities	0	0	0	0	2	0	0	0	2

2.10 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented below.

Table 3.7.1: Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	2	2	2	100%
Salary Level 14	10	10	10	100%
Salary Level 13	22	22	22	100%
Total	36	36	36	100%

2.11 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.

Table 3.8.1: Performance rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

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	2	253	0,8%	81,46	40 729
Female	4	329	1,2%	123,58	30 895
Asian					
Male	2	253	0,8%	81,46	40 729
Female	1	5	20%	19,92	19 923
Coloured					
Male	0	5	0%	0	0
Female	1	19	5,3%	14,94	14 942
White					
Male	0	4	0%	0	0
Female	0	9	0%	0	0

Table 3.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	0	7	0%	0	0
Skilled (Levels 3-5)	1	27	3,7%	17,09	17 094
Highly Skilled Production (Levels 6-8)	3	437	0,7%	44,25	14 749
Highly Skilled Supervision (Levels 9-12)	2	125	1,6%	89,97	44 983
Total	6	596	5,0%	151,31	25 608

Table 3.8.3: Performance rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	1	7	14,3%	13,46	13 464
Human Resources Clerks	2	23	8,7%	87,14	43 569
Security Officers	0	2	-	-	-
Human Resources, Organisational Development & Related Professions	0	10	-	0	0
Messengers Porters and Deliverers	0	7	-	0	0
Finance and Economics Related	0	4	-	0	0
Logistical Support Personnel	0	3	-	0	0
Other Administrative and related Clerks and Organisers	0	11	-	0	0
Other Occupations	0	10	-	0	0
Legal Related	0	1	-	0	0
Financial and Related Professionals	0	9	-	0	0
Architects, Town and Traffic Planners	0	7	-	0	0,00
Administrative related	2	84	2,4%	87,91	43 955,00
Communication and Information related	0	2	-	0	0
Secretaries & other Keyboard Operating Clerks	3	31	9,7%	44,25	14 751,00
Cleaners in Offices Workshops, Hospitals etc.	0	3	-	0	0

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Library, Mail and related Clerks	0	4	-	0	0
Human Resources related	0	12	-	0	0
Head of Department/Chief Executive Officer	0	2	-	0	0
Language Practitioners, Interpreters and other Communications	0	5	-	0	0
Social Work and Related Professionals	0	1	-	0	0
Civil Engineering Technicians	0	1	-	0	0
Material-Recording and Transport Clerks	0	3	-	0	0
Other Administrative Policy and Related Officers	0	21	-	0	0
Bus and Heavy Vehicle Drivers	0	3	-	0	0
Senior Managers	0	29	-	0	0
Client Inform Clerks	0	2	-	0	0
Computer System Designers and Analysts	0	2	-	0	0
Engineers and Related Professionals	0	5	-	0	0
Other Information Technology Personnel	0	2	-	0	0
Engineering Sciences Related	0	2	-	0	0
Security Guards	0	1	-	0	0
Community Development Workers	1	334	0,30	24,23	24 235,00
TOTAL	9	643	1,40	257,00	28 556,00

Performance Rewards or Bonuses

No performance related rewards or bonuses were paid during the year under review.

2.12 Foreign Workers

The tables below summarises 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 2021 and 31 March 2022

Salary Band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	3	100%	3	100%	3	0%
Contract (Levels 9-12)	0	0%	0	0%	0	0%
Contract (Levels 13-16)	0	0%	0	0%	0	0%
Total	3	100%	3	100%	3	0%

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Major Occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Other Occupations	1	33,3%	1	33,3%	1	0%
Professionals and Managers	2	66,7%	2	66,7%	2	0%
TOTAL	3	100%	3	100%	3	0%

2.13 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.

Sick Leave

Table 3.10.1: Sick leave for the period 1 January 2021 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 skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	13	46,2%	3	2,3%	4,3	13
Highly skilled production (Levels 6-8)	698	91,3%	88	68,8%	7,9	967
Highly skilled supervision (Levels 9 -12)	149	90,6%	30	23,4%	4,96	394
Top and senior management (Levels 13-16)	32	78,1%	7	5,5%	4,5	142
Total	892	90,0%	128	100%	6.9	1516

Disability Leave

No disability leave was taken by employees during the year under review.

Annual Leave

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 2021 to 31 December 2021

Salary Band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	148	7	21,1
Skilled (Levels 3-5)	506	29	17,4
Highly skilled production (Levels 6-8)	9 406	444	21,2
Highly skilled supervision (Levels 9-12)	2 764	128	21,6
Senior management (Levels 13-16)	651	35	18,6
Total	13 475	643	21,0

Capped Leave

There was no capped leave taken by employees during the year under review.

Leave Payouts

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

Table 3.10.5: Leave payouts for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payout on termination of service for 2021/22	371	6	61 833
Current leave payout on termination of service for 2021/22	803	19	42 263
Total	1 174	25	46 960

2.14 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	Key steps taken to reduce the risk
Community Development Worker's due to the nature of their work in the field	- Wellness Days inclusive of HIV Counselling and Testing (HCT) are coordinated. - Counselling and support services are provided by the Wellness Unit and the Zinakekele Wellness Programme. - Other interventions are provided as per the Directorates' need.

Table 3.11.2: Details of health promotion and HIV/AIDS Programmes

Question	Yes	No	Details
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Director: Human Capital Management
2. Does the Department have a dedicated Unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		The Employee Health and Wellness Programme (EHWP) consists of 4 employees with a budget of R1 136 157.
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 Programme (EHWP) is guided by four Pillars. The following services are provided 1) HIV & AIDS Management, which focuses on HIV prevention, 2) Health and Productivity Management, which includes employees on long-term incapacity leave, 3) Wellness Management which includes counselling and health promotion, 4) SHERQ, which includes Occupational Health and Safety within the workplace.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, provide the names of the members of the committee and the stakeholder(s) that they represent.	x		The Department has the following committees in place: OHS Committee and Wellness & Peer Educators Committee. The Committee consists of the following members: Mr. S Ratau (16.2 and Director: Facilities Management), Ms. C Steenkamp (EHWP), Mr. V Tonga (EHWP), Ms. P Tibini (EHWP), Ms. M Molewa (OHS Officer), Ms. I Mchalla (Policy & Research), Ms. J Johannes (Finance), Mr. C Nkuna (HCM), Ms. P Vilakazi (Municipal Finance), Ms. A Rautenbach (Facilities), Ms. L Kesten (Facilities), Mr. D Mahlangu (Facilities), Ms. C Tlala (Disaster Management), Ms. B Lisa (Disaster Management), Ms. M Mashaba (Facilities), Ms. A Sehoole (Risk Management), Ms. N Monama (Municipal Finance Support), Ms. I Sehunoe (IT), Mr. S Ngcobo (Risk Management), Mr. N Tshobeka (Facilities), Mr. P Komane (Cooperative Governance), Mr. T Maimela (Knowledge & Information Management), Mr. A Ndaba (HCM), Mr. P Ndaba (Facilities), Mr. D Lentswane (HCM), Ms D Kirsten (HCM), Ms. I Maluleke (HCM), Ms. S Witbooi (CDWP), Ms L Maluleke (Infrastructure Support), Ms. T Lande (CDWP), Mr. L Khauoe (CDWP), Mr. L Tsoku (CDWP) .
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		The Department has an HIV&AIDS Management Policy and is also guided by national policies and internal policies such as the Basic Conditions of Employment Act and the Internal Recruitment Policy.

Question	Yes	No	Details
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		The Department is guided by the above-mentioned policies to prevent discrimination. The Wellness Programme promotes a healthy lifestyle for all employees including those who are HIV positive. Those who have tested positive during a Wellness Day event are provided with counselling and referred by the nurse to a clinic or doctor for treatment and care.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		HIV Counselling and Testing is provided to all staff on a quarterly basis. Employees are encouraged to know their status for better management of HIV&AIDS and TB.
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		Health and utilisation reports from the respective service providers e.g.. GEMS and Zinakeke Wellness Programme, Quarterly Reports compiled by the Wellness Unit, and attendance registers of Wellness Days and Seminars.

2.15 Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2021 and 31 March 2022

Subject matter	Date
Total number of Collective agreements	None

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

Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

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

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Deliration of duties and absent from work without permission or authorisation	1	50%
Unlawful possession of confidential and personal information	1	50%
Total	2	100%

Table 3.12.4: Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	5	31%
Number of grievances not resolved	11	69%
Total number of grievances lodged	16	100%

Table 3.12.5: Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	1	50%
Total number of disputes lodged	2	100%

Table 3.12.6: Strike actions for the period 1 April 2021 and 31 March 2022

Total number of person working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	R0,00

Table 3.12.7: Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	R0,00

2.16 Skills Development

This section highlights efforts to encourage skills development within the Department.

Table 3.13.1: Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational Category	Gender	Number of employees as at 1 April 2021	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	9	0	0	5	5
	Male	23	0	0	1	1
Professionals	Female	229	0	2	4	6
	Male	183	0	1	4	5
Technicians and associate professionals	Female	64	0	5	11	16
	Male	42	0	0	6	6
Clerks	Female	60	0	8	20	28
	Male	20	0	0	3	3
Service and sales workers	Female	0	0	0	6	6
	Male	5	0	0	1	1
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	0	0	0
Elementary occupations	Female	9	0	0	1	1
	Male	10	0	0	3	3
Sub-Total	Female	371	0	15	47	62
	Male	289	0	1	18	19
Total		660	0	16	65	81

Table 3.13.2: Training provided for the period 1 April 2021 and 31 March 2022

Occupational Category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	9	0	0	5	5
	Male	23	0	0	1	1
Professionals	Female	229	0	2	4	6
	Male	183	0	1	4	5
Technicians and associate professionals	Female	64	0	5	11	16
	Male	42	0	0	6	6
Clerks	Female	60	0	8	20	28
	Male	20	0	0	3	3
Service and sales workers	Female	0	0	0	6	6
	Male	5	0	0	1	1
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	0	0	0
Elementary occupations	Female	9	0	0	1	1
	Male	10	0	0	3	3
Sub-Total	Female	371	0	15	47	62
	Male	289	0	1	18	19
Total		660	0	16	65	81

2.17 Injury on Duty

There were no injuries on duty for any employee during the year under review.

2.18 Utilisation of Consultants

No consultants were hired or paid during the year under review.

2.19 Severance Packages

There were no employee-initiated severance packages paid during the reporting period.







PART

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FINANCIAL
INFORMATION

Report of the auditor-general to the Gauteng Provincial Legislature on vote no. 7: Gauteng Department of Co-operative Governance and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Co-operative Governance and Traditional Affairs set out on pages 106 to 157, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the 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 Gauteng Department of Co-operative Governance and Traditional Affairs as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the modified cash standards (MCS) prescribed by the National Treasury, the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act (Act No. 1 of 2021) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the 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 matter

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

Material underspending of the budget

7. As disclosed in the appropriation statement, the department has materially underspent the budget by R3,2 million on programme 1: Administration, R10,5 million on programme 2: Local Governance, R0,2 million on programme 3: Development and planning and R1,9 million on programme 4: Traditional Institutional Management.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 158 to 164 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS, the requirements of the PFMA and Dora 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.

11. 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 accounting officer 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

12. 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.
13. 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

14. 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.
15. 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.
16. 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 2022:

Programme	Pages in the annual performance report
Programme 3 – Development and Planning	48 - 53

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 3 – Development and Planning.

Other matter

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 48 - 53 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Adjustment of material misstatements

21. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was on the reported performance information of Programme 3 – Development and Planning. As management subsequently corrected the misstatement, I did not raise a material finding on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

22. 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.
23. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
26. 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.
27. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor-General

Johannesburg
31 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

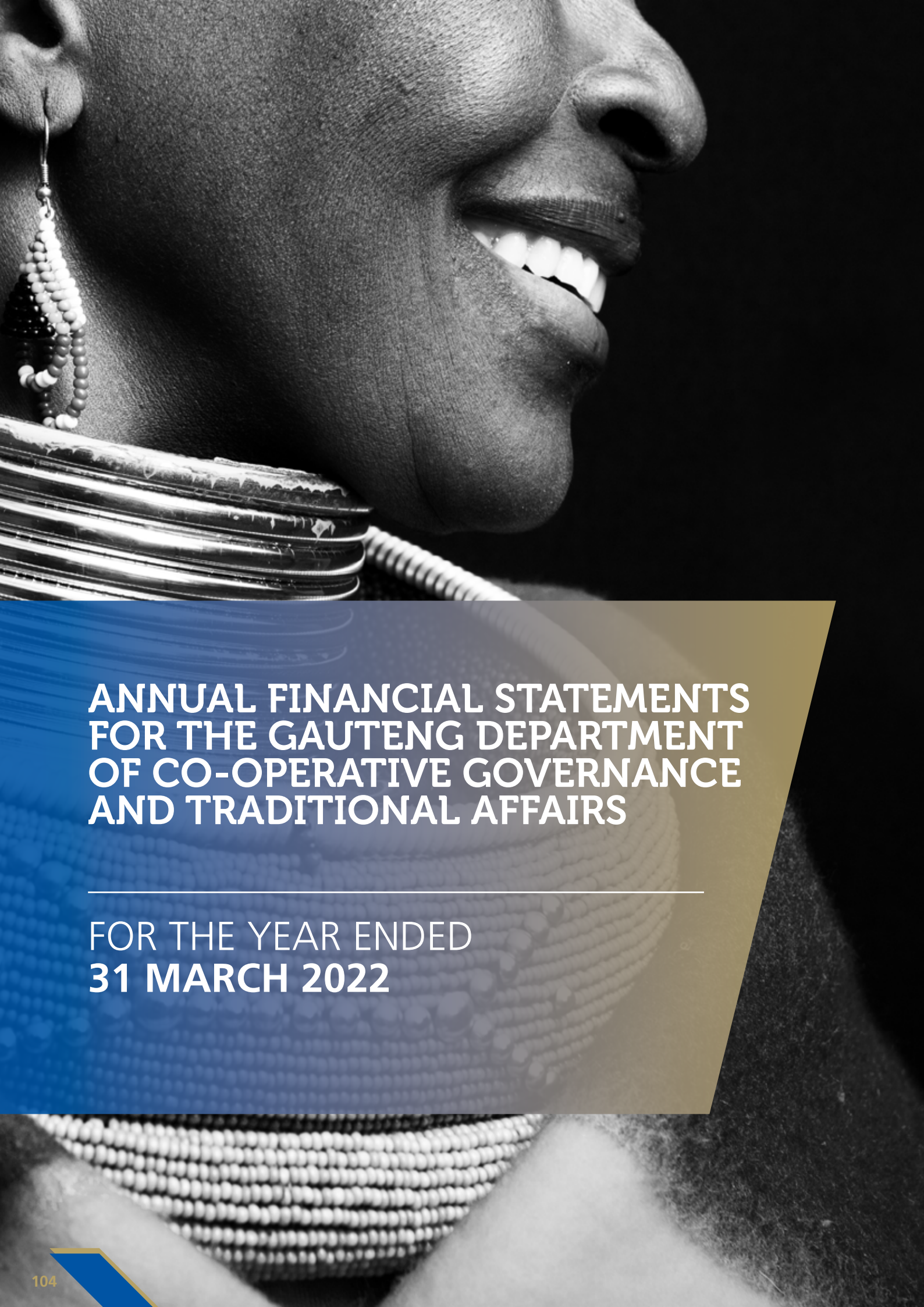
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect 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 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



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

**FOR THE YEAR ENDED
31 MARCH 2022**

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GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per programme										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Programme										
1. Administration	156 792	-	-	156 792	153 552	3 240	97.9%	176,982	149 364	
2. Local Governance	292 494	-	-	292 494	281 994	10 500	96.4%	266,192	256 499	
3. Development and Planning	127 856	-	-	127 856	127 702	154	99.9%	152,017	141 275	
4. Traditional Institutional Management	14 930	-	-	14 930	13 004	1 926	87.1%	16,781	13 285	
Subtotal	592 072		-	592 072	576 252	15 820	97.3%	611 972	560 423	
Statutory Appropriation										
President and Deputy President salary										
Members' remuneration										
Debt service costs										
Provincial equitable share										
General fuel levy sharing with metropolitan municipalities										
Judges' and magistrates' salaries										
TOTAL	592 072	-	-	592 072	576 252	15 820	97.3%	611 972	560 423	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

	2021/22		2020/21	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	4 380		412	
PRF receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	596 452		612 384	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		576 252		560 423

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per economic classification										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virements	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	553 250	(45)	-	553 205	537 493	15 712	97,2%	559 590	523 864	
Compensation of employees	360 649	-	-	360 649	345 143	15 506	95,7%	352 071	339 671	
Salaries and wages	309 795	133	-	309 928	296 781	13 147	95,8%	302 062	292 301	
Social contributions	50 854	(133)	-	50 721	48 362	2 359	95,4%	50 009	47 370	
Goods and services	192 601	(45)	-	192 556	192 350	206	99,9%	207 519	184 193	
Administrative fees	78	(20)	-	58	50	8	86,2%	392	280	
Advertising	45 444	(6 572)	-	38 872	38 864	8	100,0%	42 966	30 686	
Minor assets	355	(333)	-	22	21	1	95,5%	271	269	
Audit costs: External	3 840	(259)	-	3 581	3 581	-	100,0%	2 795	2 794	
Bursaries: Employees	1 501	(780)	-	721	720	1	99,9%	1 717	1 716	
Catering: Departmental activities	1 214	83	-	1 297	1 267	30	97,7%	643	503	
Communication	14 714	3 493	-	18 207	18 206	1	100,0%	11 714	11 713	
Computer services	6 086	(621)	-	5 465	5 464	1	100,0%	5 367	5 365	
Consultants: Business and advisory services	22 669	(584)	-	22 085	22 051	34	99,8%	21 263	18 885	
Legal services	800	22	-	822	822	-	100,0%	3 506	3 506	
Contractors	1 127	170	-	1 295	1 295	2	99,8%	2 275	2 272	
Agency and support / outsourced services	48 669	2 583	-	51 252	51 240	12	100,0%	40 383	34 236	
Fleet services	9 415	989	-	10 404	10 399	5	100,0%	11 911	11 910	
Housing	-	-	-	-	-	-	-	-	-	
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	
Consumable supplies	3 751	(254)	-	3 497	3 493	4	99,9%	33 960	33 954	
Consumable: Stationery, printing and office supplies	1 858	(251)	-	1 607	1 604	3	99,9%	1 382	1 379	
Operating leases	850	(782)	-	68	68	-	100,0%	302	301	
Property payments	10 374	(397)	-	9 977	9 968	9	99,9%	11 063	11 061	
Travel and subsistence	2 303	(493)	-	1 810	1 799	11	99,3%	1 728	1 618	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per economic classification											
	2021/22							2020/21			
	Adjusted Appropriation	Shifting of Funds	Virements	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		
Training and development	8 451	(3 397)	-	5 054	5 050	4	100,0%	4 769	3 919		
Operating payments	7 117	7 645	-	14 762	14 759	3	100,0%	6 417	6 389		
Venues and facilities	1 985	(317)	-	1 668	1 600	68	95,9%	2 413	1 156		
Rental and hiring	-	30	-	30	29	1	96,7%	282	281		
Transfers and subsidies	27 311	-	-	27 311	27 273	38	99,9%	34 568	34 567		
Provinces and municipalities	25 037	-	-	25 037	25 037	-	100,0%	30 300	30 300		
Provinces											
Municipalities	25 037	-	-	25 037	25 037	-	100,0%	30 300	30 300		
Municipal bank accounts	25 037	-	-	25 037	25 037	-	100,0%	30 300	30 300		
Households	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267		
Social benefits	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267		
Payments for capital assets	11 511	-	-	11 511	11 441	70	99,4%	17 814	1 992		
Machinery and equipment	11 511	-	-	11 511	11 441	70	99,4%	17 814	1 992		
Transport equipment						-	-	-	-		
Other machinery and equipment	11 511	-	-	11 511	11 441	70	99,4%	17 814	1 992		
Payments for financial assets	-	45	-	45	45	-	100,0%	-	-		
TOTAL	592 072	-	-	592 072	576 252	15 820	97,3%	611 972	560 423		

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Statutory Appropriation per economic classification									
	2021/22						2020/21		
	Adjusted Appropriation	Shifting of Funds	Virements	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	553 250	(45)	-	553 205	537 493	15 712	97,2%	559 590	523 864
Compensation of employees	360 649	-	-	360 649	345 144	15 505	95,7%	352 071	339 671
Goods and services	192 601	(45)	-	192 556	192 349	207	99,9%	207 519	184 193
Interest and rent on land			-				-	-	-
			-						
Transfers and subsidies	27 311	-	-	27 311	27 273	38	99,9%	34 568	34 567
Provinces and municipalities	25 037	-	-	25 037	25 037	-	100,0%	30 300	30 300
Non-profit institutions			-						
Households	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267
			-						
Payments for capital assets	11 511	-	-	11 511	11 441	70	99,4%	17 814	1 992
Buildings and other fixed structures			-						
Machinery and equipment	11 511		-	11 511	11 441	70	99,4%	17 814	1 992
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
			-						
Payments for financial assets	-	45	-	45	45	-	100,0%	-	-
TOTAL	592 072	-	-	592 072	576 252	15 820	97,3%	611 972	560 423

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT for the year ended 31 March 2022

PROGRAMME 1: ADMINISTRATION

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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. Office of the MEC	4 235	(45)	-	4 190	3 952	238	94,3%	5 329	5 264
2. Corporate Services	152 557	45	-	152 602	149 600	3 002	98,0%	171 653	144 100
Total for sub programmes	156 792	-	-	156 792	153 552	3 240	97,9%	176 982	149 364
Economic classification									
Current payments	148 352	(45)	-	148 307	145 105	3 202	97,8%	158 448	144 086
Compensation of employees	92 445	-	-	92 445	89 262	3 182	96,6%	90 907	88 845
Salaries and wages	81 565	-	-	81 565	78 511	3 054	96,3%	79 715	78 470
Social contributions	10 880	-	-	10 880	10 752	129	98,8%	11 192	10 375
Goods and services	55,907	(45)	-	55 862	55 843	19	100,0%	67 541	55 241
Administrative fees	63	(12)	-	51	50	1	98,0%	47	46
Advertising	11 235	190	-	1 425	11 423	1	100,0%	17 047	4 775
Minor assets	350	(328)	-	22	21	1	95,5%	56	54
Audit costs: External	3 840	(259)	-	3 581	3 581	-	100,0%	2 795	2 794
Bursaries: Employees	1 501	(796)	-	705	705	-	100,0%	1 717	1 716
Catering: Departmental activities	190	(69)	-	121	121	-	100,0%	236	234
Communication	6 518	1,169	-	7 687	7 687	-	100,0%	4 181	4 181
Computer services	5 696	(532)	-	5 164	5 163	1	100,0%	1 468	1 467
Consultants: Business and advisory services	2 430	241	-	2 671	2 670	1	100,0%	3 290	3 289
Legal services	800	22	-	822	822	-	100,0%	3 506	3 506

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Contractors	627	229	-	856	855	1	99,9%	1 362	1 360
Agency and support / outsourced services	5 067	58	-	5 125	5 124	1	100,0%	9 046	9 045
Fleet services	6 712	721	-	7 433	7 433	-	100,0%	9 985	9 985
Consumable supplies	1 533	(182)	-	1 351	1 350	-	99,9%	1 871	1 867
Consumable: Stationery, printing and office supplies	812	345	-	1 157	1 158	-	100,0%	1 194	1 193
Operating leases	850	(782)	-	68	68	-	100,0%	302	301
Property payments	4 708	(461)	-	4 247	4 247	-	100,0%	4 883	4 882
Travel and subsistence	553	37	-	590	588	1	99,7%	393	390
Training and development	710	(538)	-	172	173	-	100,6%	520	520
Operating payments	936	1 152	-	2 088	2 087	1	100,0%	3 017	3 015
Venues and facilities	776	(280)	-	496	487	9	98,2%	625	621
Rental and hiring	-	-	-	-	-	1	-	-	-
Transfers and subsidies	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267
Households	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267
Social benefits	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267
Payments for capital assets	6 166	-	-	6 166	6 166	-	100,0%	14 266	1 011
Machinery and equipment								14 266	1 011
Other machinery and equipment	6 166	-	-	6 166	6 166	-	100,0%	14 266	1 011
Payments for financial assets	-	45	-	45	45	-	100,0%	-	-
TOTAL	156 792	-	-	156 792	153 552	3 240	97,9%	176 982	149 364

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT for the year ended 31 March 2022

1.1 Office of the MEC

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	4 235	(45)	-	4 190	3 952	238	94,3%	5 329	5 264
Compensation of employees	2 228	-	-	2 228	1 999	229	89,7%	2 219	2 157
Goods and services	2 007	(45)	-	1 962	1 953	9	99,5%	3 110	3 107
TOTAL	4 235	(45)	-	4 190	3 952	238	94,3%	5 329	5 264

1.2 Corporate Services

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	144 117	-	-	144 117	141 153	2 964	97,9%	153 119	138 822
Compensation of employees	90 217	-	-	90 217	87 263	2 953	96,7%	88 688	86 688
Goods and services	53 900	-	-	53 900	53 890	11	100,0%	64 431	52 134
Transfers and subsidies	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267
Households	2 274	-	-	2 274	2 236	38	98,3%	4 268	4 267
Payments for capital assets	6 166	-	-	6 166	6 166	-	100,0%	14 266	1 011
Machinery and equipment								-	-
Payments for financial assets	-	45	-	45	45	-	100,0%		
TOTAL	152 557	45	-	152 602	149 600	3 002	98,0%	171 653	144 100

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT

for the year ended 31 March 2022

PROGRAMME 2: LOCAL GOVERNANCE

	2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	15 093	(16)	-	15 077	13 470	1 607	89,3%	13 885	11 666	
2. Municipal Finance	22 252	-	-	22 252	22 022	230	99,0%	14 710	12 955	
3. Public Participation	211 281	(542)	-	210 739	203 166	7 573	96,4%	192 351	188 135	
4. Capacity Development	26 284	596	-	26 880	26 692	188	99,3%	28 742	27 784	
5. Municipal Performance Monitoring, Reporting and Evaluation	17 584	(38)	-	17 546	16 644	902	94,9%	16 504	15 959	
Total for sub programmes	292 494	-	-	292 494	281 994	10 500	96,4%	266 192	256 499	
Economic classification										
Current payments	287 494	-	-	287 494	276 994	10 500	96,3%	262 192	252 499	
Compensation of employees	200 996	-	-	200 996	190 597	10 387	94,8%	195 647	189 433	
Salaries and wages	169 022	-	-	169 022	160 666	8 356	95,1%	164 661	159 733	
Social contributions	31 944	-	-	31 944	29 913	2 031	93,6%	30 986	297 00	
Goods and services	86 528	-	-	86 528	86 415	113	99,9%	66 545	63 066	
Administrative fees	15	(8)	-	7	-	7	-	11	-	
Advertising	33 125	(6 571)	-	26 374	26 368	6	100,0%	24 019	24 018	
Bursaries: Employees	-	16	-	16	15	1	93,8%	-	-	
Catering: Departmental activities	444	147	-	591	569	22	96,3%	6	5	
Communication	7 442	3 078	-	10 520	10 519	1	100,0%	7 533	7 532	
Computer services	340	(340)	-	-	-	-	0%	390	320	
Consultants: Business and advisory services	6 683	(2 066)	-	4 617	4 616	1	100,0%	6 664	6 160	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

	2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	
Contractors	-	2	-	2	1	1	50,0%	-	-	
Agency and support / outsourced services	22 641	1 286	-	23 927	23 924	3	100,0%	19 259	16 831	
Fleet services	-	900	-	900	900	-	100,0%	-	-	
Consumable supplies	1 788	292	-	2 080	2 077	3	99,9%	515	514	
Consumable: Stationery, printing and office supplies	130	(5)	-	125	124	1	99,2%	142	141	
Property payments	-	718	-	718	716	2	99,7%	-	-	
Travel and subsistence	1 198	(546)	-	652	646	6	99,1%	737	725	
Training and development	6 111	(1 842)	-	4 269	4 266	3	99,9%	3 611	3 191	
Operating payments	5 511	5 681	-	11 192	11 192	-	100,0%	3 172	3 171	
Venues and facilities	1 100	(562)	-	538	482	56	89,6%	556	458	
Rental and hiring	-	-	-	-	-	-	-	-	-	
			-							
Transfers and subsidies	5 000	-	-	5 000	5 000	-	100,0%	4 000	4 000	
Provinces and municipalities	5 000	-	-	5 000	5 000	-	100,0%	4 000	4 000	
Provinces	-		-					-	-	
Municipalities	5 000	-	-	5 000	5 000	-	100,0%	4 000	4 000	
Municipal bank accounts	5 000	-	-	5 000	5 000	-	100,0%	4 000	4 000	
TOTAL	292 494	-	-	292 494	281 994	10 500	96,4%	266 192	256 499	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT

for the year ended 31 March 2022

2.1 Municipal Administration

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	15 093	(16)	-	15 077	13 470	1 607	89,3%	13 885	11 666
Compensation of employees	12 289	-	-	12 289	10 741	1 548	87,4%	11 828	10 676
Goods and services	2 804	(16)	-	2 788	2 729	59	97,9%	2 057	990
TOTAL	15 093	(16)	-	15 077	13 470	1 607	89,3%	13 885	11 666

2.2 Municipal Finance

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	17 252	-	-	17 252	17 022	230	98,7%	10 710	8 955
Compensation of employees	4 567	-	-	4 567	4 337	230	95,0%	4 431	4 326
Goods and services	12 685	-	-	12 685	12 685	-	100,0%	6 279	4 629
Transfers and subsidies	5 000	-	-	5 000	5 000	-	100,0%	4 000	4 000
Provinces and municipalities	5 000	-	-	5 000	5 000	-	100,0%	4 000	4 000
TOTAL	22 252	-	-	22 252	22 022	230	99,0%	14 710	12 955

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022**2.3 Public Participation**

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	211 281	(542)	-	210 739	203 166	7 573	96,4%	192 351	188 135
Compensation of employees	158 924	(596)	-	158 328	150 766	7 562	95,2%	154 612	150 403
Goods and services	52 357	54	-	52 411	52 400	11	100,0%	37 739	37 732
TOTAL	211 281	(542)	-	210 739	203 166	7 573	96,4%	192 351	188 135

2.4 Capacity Development

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	26 284	596	-	26 880	26 692	188	99,3%	28 742	27 784
Compensation of employees	9 884	596	-	10 480	10 328	152	98,5%	9 672	9 391
Goods and services	16 400	-	-	16 400	16 364	36	99,8%	19 070	18 393
Interest and rent on land									
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
TOTAL	26 284	596	-	26 880	26 692	188	99,3%	28 742	27 784

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT for the year ended 31 March 2022

2.5 Municipal Performance Monitoring, Reporting and Evaluation

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	17 584	(38)	-	17 546	16 644	902	94,9%	16 504	15 959
Compensation of employees	15 302	-	-	15 302	14 407	895	94,2%	15 104	14 637
Goods and services	2 282	(38)	-	2 244	2 237	7	99,7%	1 400	1 322
TOTAL	17 584	(38)	-	17 546	16 644	902	94,9%	16 504	15 959

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022**PROGRAMME 3: DEVELOPMENT PLANNING**

	2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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. Land Use Management	11 543	1 389	-	12 932	12 922	10	99,9%	8 872	8 143	
2. IDP Coordination	20 766	(1 017)	-	19 749	19 693	56	99,7%	18 219	15 694	
3. Disaster Management	65 388	332	-	65 720	65 634	86	99,9%	104 547	98 051	
4. Municipal Infrastructure	30 159	(704)	-	29 455	29 453	2	100,0%	20 379	19 387	
Total for sub programmes	127 856	-	-	127 856	127 702	154	99,9%	152 017	141 275	
Economic classification										
Current payments	102 474	-	-	102 474	102 390	84	99,9%	122 169	113 994	
Compensation of employees	54 856	-	-	54 856	54 820	36	99,9%	53 501	50 861	
Salaries and wages	48 105	133	-	48 238	48 228	10	100,0%	46 904	44 633	
Social contributions	6 751	(133)	-	6 618	6 592	26	99,6%	6 597	6 228	
Goods and services	47 618	-	-	47 618	47 570	48	99,9%	68 668	63 133	
Administrative fees	-	-	-	-	-	-	-	334	234	
Advertising	1 084	(11)	-	1 073	1,072	1	99,9%	1 900	1 893	
Minor assets	5	(5)	-	-	-	-	-	215	215	
Catering: Departmental activities	470	58	-	528	521	7	98,7%	205	173	
Communication	754	(754)	-	-	-	-	-	-	-	
Computer services	50	251	-	301	301	-	100,0%	3 579	3 578	
Consultants: Business and advisory services	13 499	1 276	-	14 775	14 765	10	99,9%	10 609	9 436	
Contractors	500	(61)	-	439	439	-	100,0%	913	912	
Agency and support / outsourced services	19 771	1 093	-	20 864	20 856	8	100,0%	10 002	6 286	
Fleet services	2 703	(632)	-	2 071	2 066	5	99,8%	1 926	1 925	

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Consumable supplies	430	(364)	-	66	65	1	98,5%	31 574	31 573
Consumable: Stationery, printing and office supplies	626	(301)	-	325	323	2	99,4%	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	5 666	(654)	-	5 012	5 005	7	99,9%	6 180	6 179
Travel and subsistence	345	(20)	-	325	322	3	99,1%	347	296
Training and development	1 200	(867)	-	333	332	1	99,7%	233	208
Operating payments	470	876	-	1 346	1 344	2	99,9%	228	203
Venues and facilities	45	115	-	160	159	1	99,4%	400	-
Rental and hiring	-	-	-	-	-	-	-	23	22
Transfers and subsidies	20 037	-	-	20 037	20 037	-	100,0%	26 300	26 300
Provinces and municipalities	20 037	-	-	20 037	20 037	-	100,0%	26 300	26 300
Municipalities	20 037	-	-	20 037	20 037	-	100,0%	26 300	26 300
			-						
Payments for capital assets	5 345	-	-	5 345	5 275	70	98,7%	3 548	981
Machinery and equipment	5 345	-	-	5 345	5 275	70	98,7%	3 548	981
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 345	-	-	5 345	5 275	70	98,7%	3 548	981
TOTAL	127 856	-	-	127 856	127 702	154	99,9%	152 017	141 275

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT for the year ended 31 March 2022

3.1 Land Use Management

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	11 543	1 389	-	12 932	12 922	10	99,9%	8 872	8 143
Compensation of employees	9 294	1 389	-	10 683	10 679	4	100,0%	7 792	7 143
Goods and services	2 249	-	-	2 249	2 243	6	99,7%	1 080	1 000
TOTAL	11 543	1 389	-	12 932	12 922	10	99,9%	8 872	8 143

3.2 IDP Coordination

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	20 766	(1 017)	-	19 749	19 693	56	99,7%	18 219	15 694
Compensation of employees	14 415	(998)	-	13 417	13 387	30	99,8%	15 473	14 557
Goods and services	6 351	(19)	-	6 332	6 306	26	99,6%	2 746	1 137
TOTAL	20 766	(1 017)	-	19 749	19 693	56	9978%	18 219	15 694

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022**3.3 Disaster Management**

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	42 043	332	-	42 375	42 359	16	100.0%	76 699	72 770
Compensation of employees	15 525	318	-	15 843	15 842	1	100.0%	14 804	14 294
Goods and services	26 518	14	-	26 532	26 517	15	99.9%	61 895	58 476
Transfers and subsidies	18 000	-	-	18 000	18 000	-	100.0%	24 300	24 300
Provinces and municipalities	18 000	-	-	18 000	18 000	-	100.0%	24 300	24 300
Payments for capital assets	5 345	-	-	5 345	5 275	70	98.7%	3 548	981
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 345	-	-	5 345	5 275	70	98.7%	3 548	981
TOTAL	65 388	332	-	65 720	65 634	86	99.9%	104 547	98 051

3.4 Municipal Infrastructure

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	28 122	(704)	-	27 418	27 416	2	100.0%	18 379	17 387
Compensation of employees	15 622	(709)	-	14 913	14 912	1	100.0%	15 432	14 867
Goods and services	12 500	5	-	12 505	12 504	1	100.0%	2 947	2 520
Transfers and subsidies	2 037	-	-	2 037	2 037	-	100.0%	2 000	2 000
Provinces and municipalities	2 037	-	-	2 037	2 037	-	100.0%	2 000	2 000
TOTAL	30 159	(704)	-	29 455	29 453	2	100.0%	20 379	19 387

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT for the year ended 31 March 2022

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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 Institution Administration	7 114	78	-	7 192	6 353	839	88,3%	7 970	5 902
2. Traditional Resource Administration	6 568	(31)	-	6 537	5 583	954	85,4%	6 880	6 042
3. Rural Development Facilitation	50	(35)	-	15	-	15	-	500	320
4. Traditional Land Administration	1 198	(12)	-	1 186	1 068	118	90,1%	1 431	1 021
Total for sub programmes	14 930	-	-	14 930	13 004	1 926	87,1%	16 781	13 285
Economic classification									
Current payments	14 930	-	-	14 930	13 004	1 926	87,1%	16 781	13 285
Compensation of employees	12 382	-	-	12 382	10 482	1 900	84,7%	12 016	10 532
Salaries and wages	11 103	-	-	11 103	9 376	1 727	84,4%	10 782	9 465
Social contributions	1 279	-	-	1 279	1 106	173	86,5%	1 234	1 067
Goods and services	2 548	-	-	2 548	2 522	26	99,0%	4 765	2 753
Audit costs: external	-	-	-	-	-	-	-	-	-
Consultants: business and advisory services	57	(35)	-	22	-	22	-	700	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	110	(53)	-	57	56	1	98,2%	196	91
Agency and support / outsourced services	1 190	146	-	1 336	1 336	-	10,0%	2 076	2 074
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	290	(290)	-	-	-	-	-	46	45
Travel and subsistence	207	36	-	243	242	1	99,6%	251	207
Training and development	430	(150)	-	280	280	-	100,0%	405	-

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2022

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Operating payments	200	(64)	-	136	136	-	100,0%	-	-
Venues and facilities	64	410	-	474	472	2	99,6%	832	77
Rental and hiring	-	-	-	-	-	-	-	259	259
TOTAL	14 930	-	-	14 930	13 004	1 926	87,1%	16 781	13 285

4.1 Traditional Institution Administration

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	7 114	78	-	7 192	6 353	839	88,3%	7 970	5 902
Compensation of employees	5 286	-	-	5 286	4 457	829	84,3%	4 753	4 260
Goods and services	1 828	78	-	1 906	1 896	10	99,5%	3 217	1 642
TOTAL	7 114	78	-	7 192	6 353	839	88,3%	7 970	5 902

4.2 Traditional Resource Administration

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	6 568	(31)	-	6 537	5 583	954	85,4%	6 880	6 042
Compensation of employees	5 948	-	-	5 948	4 994	954	84,0%	6 132	5 296
Goods and services	620	(31)	-	589	589	-	100,0%	748	746
TOTAL	6 568	(31)	-	6 537	5 583	954	85,4%	6 880	6 042

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

APPROPRIATION STATEMENT

for the year ended 31 March 2022

4.3 Rural Development Facilitation

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	50	(35)	-	15	-	15	-	500	320
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	50	(35)	-	15	-	15	-	500	320
TOTAL	50	(35)	-	15	-	15		500	320

4.4 Traditional Land Administration

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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	1 198	(12)	-	1 186	1 068	118	90,1%	1 431	1 021
Compensation of employees	1 148	-	-	1 148	1,031	117	89,8%	1 131	976
Goods and services	50	(12)	-	38	37	1	97,4%	300	45
Interest and rent on land									
TOTAL	1 198	(12)	-	1 186	1 068	118	90,1%	1 431	1 021

APPROPRIATION STATEMENT

for the year ended 31 March 2022

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

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

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

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 Virements):**4.1 Per programme**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
1: Administration	156 792	153 552	3 240	98%
2: Local Governance	292 494	281 994	10 500	96%
3: Development Planning	127 856	127 702	154	100%
4: Traditional Institutional Management	14 930	13 004	1 926	87%
TOTAL	592 072	576 252	15 820	97%

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	553 250	537 493	15 712	97%
Compensation of employees	360 649	345 144	15 505	96%
Goods and services	192 556	192 349	207	100%
Interest and rent on land				
Transfers and subsidies	27 311	27 273	38	100%
Provinces and municipalities	25 037	25 037	-	100%
Non-profit institutions				
Households	2 274	2 236	38	98%
Payments for capital assets	11 511	11 441	70	99%
Machinery and equipment	11 511	11 441	70	99%
TOTAL	592 072	576 252	15 820	97%

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Expanded Public Works Programme	2 037	2 037	-	100%

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	592 072	611 972
Departmental revenue	2	4 380	412
TOTAL REVENUE		596 452	612 384
EXPENDITURE			
Current expenditure			
Compensation of employees	3	345 143	339 671
Goods and services	4	192 350	184 193
Total current expenditure		537 493	523 864
Transfers and subsidies			
Transfers and subsidies	6	27 273	34 567
Total transfers and subsidies		27 273	34 567
Expenditure for capital assets			
Tangible assets	7	11 441	1 992
Total expenditure for capital assets		11 441	1 992
Payments for financial assets	5	45	-
TOTAL EXPENDITURE		576 252	560 423
SURPLUS FOR THE YEAR		20 200	51 961
Reconciliation of Net Surplus for the year			
Voted funds		15 820	51 549
Annual appropriation		15 820	51 549
Conditional grants		-	-
Departmental revenue and PRF Receipts	11	4 380	412
SURPLUS FOR THE YEAR		20 200	51 961

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets		19 748	52 561
Cash and cash equivalents	8	18 598	51 623
Receivables	9	1 150	938
TOTAL ASSETS		19 748	52 561
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	10	15 820	51 549
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	11	33	84
Payables	12	3 467	456
Non-current liabilities			
Payables			
TOTAL LIABILITIES		19 320	52 089
NET ASSETS		428	472
Represented by:			
Recoverable revenue		428	472
TOTAL		428	472

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
Recoverable revenue			
Opening balance		472	481
Transfers:		(44)	(9)
Debts recovered (included in departmental receipts)		(44)	(9)
Closing balance		428	472
TOTAL		428	472

CASH FLOW STATEMENT

for the year ended 31 March 2022

	Note	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		596 452	612 384
Annual appropriated funds received	1.1	592 072	611 972
Departmental revenue received		4 326	334
Interest received	2.2	54	78
Net (increase)/decrease in working capital		2 799	426
Surrendered to Revenue Fund		(55 980)	(66 855)
Current payments		(537 493)	(523 864)
Payments for financial assets	5.1	(45)	-
Transfers and subsidies paid	6	(27 273)	(34 567)
Net cash flow available from operating activities	13	(21 540)	(12 476)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	7	(11 441)	(1 992)
Net cash flows from investing activities		(11 441)	(1 992)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(44)	(9)
Net cash flows from financing activities		(44)	(9)
Net increase/(decrease) in cash and cash equivalents		(33 025)	(14 477)
Cash and cash equivalents at beginning of period		51 623	66 100
Cash and cash equivalents at end of period	8	18 598	51 623

ACCOUNTING POLICIES

for the year ended 31 March 2022

Summary of significant accounting policies

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

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

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

ACCOUNTING POLICIES

for the year ended 31 March 2022

7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.

ACCOUNTING POLICIES

for the year ended 31 March 2022

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

ACCOUNTING POLICIES

for the year ended 31 March 2022

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

ACCOUNTING POLICIES

for the year ended 31 March 2022

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

ACCOUNTING POLICIES

for the year ended 31 March 2022

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 or 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. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, 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 The Annual Financial Statements have been prepared in accordance with the modified cash basis of accounting. There were no departures from the modified cash standards.
24	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

ACCOUNTING POLICIES

for the year ended 31 March 2022

25	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.
26	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.
27	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
28	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
29	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.
30	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.
31	Mergers Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. Annual Appropriation**1.1 Annual Appropriation**

	2021/22		2020/2	
	Final Appropriation	Actual Funds Received	Final Appropriation	Actual Funds Received
	R'000	R'000	R'000	R'000
Administration	156 792	156 792	176 982	176 982
Local Governance	292 494	292 494	266 192	266 192
Development Planning	127 856	127 856	152 017	152 017
Traditional Institutional Management	14 930	14 930	16 781	16 781
Total	592 072	592 072	611 972	611 972

1.2 Conditional grants

	Note	2021/22	2020/21
		R'000	R'000
Total grants received	25	2 037	2 000
Provincial grants included in total grants received		2 037	2 000

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

- Lesedi Local Municipality R1 000 000
- Merafong Local Municipality R500 000
- Mogale City Local Municipality R537 000

2. Departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services other than capital assets	2.1	202	216
Interest, dividends and rent on land	2.2	54	78
Transactions in financial assets and liabilities	2.3	4 124	118
Departmental revenue collected		4 380	412

The Department derives most of its revenue from payroll related activities. During the reporting period an amount of R3,9 million was received from a service provider who was previously paid in error. The actual revenue generated by the Department was approximately R400 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

2.1 Sales of goods and services other than capital assets

	Note	2021/22 R'000	2020/21 R'000
Sales of goods and services produced by the Department	2	202	216
Sales by market establishment		202	216
Total		202	216

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

2.2 Interest, dividends and rent on land

	Note	2021/22 R'000	2020/21 R'000
Interest	2	54	78
Total		54	78

2.3 Transactions in financial assets and liabilities

	Note	2021/22 R'000	2020/21 R'000
Receivables	2	4 124	118
Total		4 124	118

An increase in transaction in financial assets and liabilities is due to amount received from the service provider for an invoice previously paid in error.

3. Compensation of employees**3.1 Salaries and wages**

	Note	2021/22 R'000	2020/21 R'000
Basic salary		226 142	229 384
Performance award		324	5 636
Service based		165	282
Compensative/circumstantial		12 690	9 832
Periodic payments		7	15
Other non-pensionable allowances		57 453	47 152
Total		296 781	292 301

The reduction in the performance awards is due to a performance award of which payment remained outstanding for the reporting period. The same will be paid during the ensuing financial year. Increase on compensation relates to amounts paid for learnership and internship programme.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

3.1 Social contributions

	Note	2021/22 R'000	2020/21 R'000
Employer contributions			
Pension		29 082	29 000
Medical		19 021	18 245
Insurance		187	55
Bargaining council		72	70
Total		48 362	47 370
Total Compensation of Employees		345 143	339 671
Average number of employees		668	684

4. Goods and services

	Note	2021/22 R'000	2020/21 R'000
Administrative fees		50	280
Advertising		38 864	30 686
Minor assets	4.1	21	269
Bursaries (employees)		720	1 716
Catering		1 267	503
Communication		18 206	11 713
Computer services	4.2	5 464	5 365
Consultants: Business and advisory services		22 051	18 885
Legal services		822	3 506
Contractors		1 295	2 272
Agency and support / outsourced services		51 240	34 236
Audit cost – external	4.3	3 581	2 794
Fleet services		10 399	11 910
Consumables	4.4	18 289	40 099
Operating leases		68	300
Property payments	4.5	9 968	11 062
Rental and hiring		29	281
Travel and subsistence	4.6	1 798	1 618
Venues and facilities		1 600	1 156
Training and development		5 051	3 919
Other operating expenditure	4.7	1 567	1 623
Total		192 350	184 193

NOTES TO THE ANNUAL FINANCIAL STATEMENTSfor the year ended 31 March 2022

The following service items increased materially due to the reason mentioned below:

- Advertising increased due to expenditure on COVID-19 awareness programmes, and local government election programmes including other civic education on various issues affecting local government.
- Catering increased to fund awareness programmes on Gender Based Violence and Femicide and disaster management winter programmes.
- Communications increased as a result of additional data and voice resulting from remote working as well as additional 3G and Cell phone instruments acquired and issued during the reporting period.
- Consultants and business advisory increased due to appointment of professionals to develop and compile the Provincial Disaster Management Framework, land audits and payment of administrators appointed for the Emfuleni Local Municipality and other support that was provided to municipalities.
- Agency and support increased due to interventions to improve service delivery in municipalities including the provision of multi-disciplinary technical assistance teams.
- Consumables increased as a result of humanitarian relief material purchased to aid homeless people in support of the Department of Social Development and Department of Health during the hard lockdown period and beyond.
- Training and development increased due to the provision of training for community development workers on community development, leadership and computer training. It also increased to capacitate the ward committees and traditional councils.
- Other operating expenditure includes media buying and material for COVID-19 awareness, and payment for storage facilities for own assets pending securing of own building.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

4.1 Minor assets

	Note	2021/22 R'000	2020/21 R'000
Tangible assets		21	269
Machinery and equipment		21	269
Total		21	269

4.2 Computer services

	Note	2021/22 R'000	2020/21 R'000
SITA computer services		1 473	622
External computer service providers		3 991	4 743
Total		5 464	5 365

The increase in SITA computer services expenditure involve connection to the Gauteng Broadband Network and acquisition and connection to a cloud facility for backup of all state information.

4.3 Audit cost – External

	Note	2021/22 R'000	2020/21 R'000
Regulatory audits		3 581	2 794
Total		3 581	2 794

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

4.4 Consumables

	Note	2021/22 R'000	2020/21 R'000
Consumable supplies		3 493	33 954
Uniforms and clothing		1 815	-
Household supplies		1 534	20 347
Building material and supplies		-	13 494
IT consumables		92	54
Other consumables		52	59
Stationery, printing and office supplies		14 796	6 145
Total		18 289	40 099

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

4.5 Property payments

	Note	2021/22 R'000	2020/21 R'000
Municipal services		1 075	1 005
Property management fees		118	129
Property maintenance and repairs		720	668
Other		8 055	9 260
Total		9 968	11 062

4.6 Travel and subsistence

	Note	2021/22 R'000	2020/21 R'000
Local		1 798	1 618
Total		1 798	1 618

4.7 Other operating expenditure

	Note	2021/22 R'000	2020/21 R'000
Other		1 567	1 623
Total		1 567	1 623

Expenditure incurred on other operating expenditure relates to the storage facility for departmental assets, awareness material procured for the COVID-19 pandemic and voter education for the 2021 local elections.

5. Payments for financial assets

	Note	2021/22 R'000	2020/21 R'000
Debts written off	5.1	45	-
Total		45	-

Irrecoverable debts of deceased officials written off during the year under-review.

5.1 Debts written off

	Note	2021/22 R'000	2020/21 R'000
Other debt written off	5	45	-
Total debt written off		45	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

6. Transfers and subsidies

	Note	2021/22 R'000	2020/21 R'000
Provinces and municipalities	Annexure 1A	25 037	30 300
Households	Annexure 1G	2 236	4 267
Total		27 273	34 567

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

1. R 18 million for Functional Fire and Rescue Services

- West Rand District Municipality R7 000 000.00
- Midvaal Local Municipality R2 000 000.00
- Emfuleni Local Municipality R7 000 000.00
- Lesedi Local Municipality R2 000 000.00

2. R 5 million for GRAP 17

- Mogale City Local Municipality R1 000 000.00
- Lesedi Local Municipality R1 000 000.00
- Merafong City Local Municipality R1 000 000.00
- West Rand District Municipality R1 000 000.00
- Rand West City Local Municipality R1 000 000.00

3. R 2 million for Expanded Public Works Projects as follows:

- Merafong Local Municipality R500 000.00
- Lesedi Local Municipality R1 000 000.00
- Mogale City Local Municipality R537 000.00

7. Expenditure for capital assets

	Note	2021/22 R'000	2020/21 R'000
Tangible assets		11 441	1 992
Machinery and equipment		11 441	1 992
Total		11 441	1 992

7.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	11 441	-	11 441
Machinery and equipment	11 441	-	11 441
Total	11 441	-	11 441

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1 992	-	1 992
Machinery and equipment	1 992	-	1 992
Total	1 992	-	1 992

8. Cash and cash equivalents

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General Account		18 598	51 623
Total		18 598	51 623

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

9. Receivables

	Note	2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	40		40			
Recoverable expenditure	9.2	57	-	57	1	-	1
Staff debt	9.3	1 053	-	1 053	937	-	937
Total		1 150	-	1 150	938	-	938

9.1 Claims recoverable

	Note	2021/22	2020/21
		R'000	R'000
Provincial departments	9	40	-
Total		40	-

The department raised a liability for salary paid on behalf of the official transferred to the Gauteng Department of Infrastructure Development.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

9.2 Recoverable expenditure (disallowance accounts)

	Note	2021/22 R'000	2020/21 R'000
(Group major categories, but list material items)			
Sal recoverable	9	57	1
Total		57	1

9.3 Staff debt

	Note	2021/22 R'000	2020/21 R'000
Debt accounts	9	1 053	937
Total		1 053	937

10. Voted funds to be surrendered to the Revenue Fund

	Note	2021/22 R'000	2020/21 R'000
Opening balance		51 549	66 501
Transfer from statement of financial performance		15 820	51 549
Paid during the year		(51 549)	(66 501)
Closing balance		15 820	51 549

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

Compensation of Employees	R15 506 000.00
Goods and Services	R206 000.00
Households	R38 000.00
Capital Assets	R70 000.00
Total	R15 820 000.00

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

11. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		84	26
Transfer from Statement of Financial Performance		4 380	412
Paid during the year		(4 431)	(354)
Closing balance		33	84

12. Payables – current

	Note	2021/22	2020/21
		R'000	R'000
Other payables		3 467	456
Total		3 467	456

12.1 Other payables

	Note	2021/22	2020/21
		R'000	R'000
Sal: ACB recall CA		798	8
Sal: Income Tax		(48)	411
Sal: Pension		2	37
Sal: Medical		2 607	-
Sal: Insurance		105	-
Sal: Financial institution study loan		2	-
Sal: Finance Other Institutions		1	-
Total		3 467	456

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

13. Net cash flow available from operating activities

	Note	2021/22 R'000	2020/21 R'000
Net surplus as per Statement of Financial Performance		20 200	51 961
Add back non-cash/cash movements not deemed operating activities		(41 740)	(64 437)
Increase/decrease in receivables		(212)	44
Increase/(decrease) in payables – current		3 011	382
Expenditure on capital assets		11 441	1 992
Surrenders to Revenue Fund		(55 980)	(66 855)
Net cash flow generated by operating activities		(21 540)	(12 476)

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

	Note	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General account		18 598	51 623
Total		18 598	51 623

15. Contingent liabilities and contingent assets**15.1 Contingent liabilities**

	Note	2021/22 R'000	2020/21 R'000
Liable to Nature			
Intergovernmental payables (unconfirmed balances)		-	1 284
Total		-	1 284

The department does not have contingent liability for the year under review.

16. Capital commitments

	Note	2021/22 R'000	2020/21 R'000
Office furniture and equipment		2 591	-
Total		2 591	-

Capital commitment is wholly tools of trade which were ordered but delivery remained outstanding on the last day of the reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

17. Accruals and payables not recognised**17.1 Accruals**

Listed by economic classification	30 Days	30+ Days	2021/22	2020/21
			R'000	R'000
			Total	Total
Goods and services	39 645	-	39 645	23 545
Capital assets	-	-	-	314
Transfers and subsidies	-	-	-	38
Other	-	-	-	55
Total	39 645	-	39 645	23 952

Listed by programme level

Administration	14 324	5 896
Local Governance	18 893	9 259
Development Planning	6 175	8 275
Traditional Institutional Management	253	522
Total	39 645	23 952

17.2 Payables not recognised

Listed by economic classification	30 Days	30+ Days	2021/22	2020/21
			R'000	R'000
			Total	Total
Goods and services	987	-	987	1 911
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	39
Capital assets	-	-	-	-
Other (Employee Benefits)	-	-	-	-
Total	987	-	987	1 950

Listed by programme level

Administration	474	735
Local Governance	428	1 215
Development Planning	85	-
Traditional Institutional Management	-	-
Total	987	1 950

Note**Included in the above totals are the following:**

	2021/22	2020/21
	R'000	R'000
Confirmed balances with other departments	2 665	746
Confirmed balances with other government entities	3 122	1 006
Total	5 787	1 752

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

18. Employee benefits

	Note	2021/22	2020/21
		R'000	R'000
Leave entitlement		25 616	32 959
Service bonus		8 751	8 903
Performance awards		1 760	1 760
Capped leave		1 749	2 192
Other		141	174
Total		38 017	45 988

Included in other is long service award liability for 20- and 30-years' service respectively (6 officials), salary related payments due to official transferred to Department of Infrastructure amounting to R44 000 and R20 000 for the deceased official. Also included are the performance awards for the 2020/21 financial year calculated at 0.5% of departmental salary bill of R352 071 (i.e., $R352\,071 \times 0.5\% = R1\,760$), that relates to the previous financial year that will be settled during the current financial year once approval is granted by the authorities as per the recommendations of the moderating committee.

19. Lease commitments**19.1 Operating leases**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
2021/22					
Not later than 1 year				2 783	2 783
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	2 101	2 101
Total lease commitments	-	-	-	4 884	4 884

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
2020/21					
Not later than 1 year	-	-	-	4 172	4 172
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	2 126	2 126
Total lease commitments	-	-	-	6 298	6 298

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

20. Irregular expenditure**20.1 Reconciliation of irregular expenditure**

Note	2021/22	2020/21
	R'000	R'000
Opening balance	5 726	5 968
Prior period error		
Add: Irregular expenditure – relating to current year	214	578
Less: Prior year amounts condoned	-	(820)
Closing balance	5 940	5 726
Analysis of awaiting condonation per age classification		
Current year	214	578
Prior years	5 726	5 148
Total	5 940	5 726

Irregular expenditure incurred during the year under review relates to services which were procured based on one quotation instead of minimum of three. All officials involved were not supply chain management officials. The Department is following the procedure prescribed by National Treasury on irregular expenditure.

20.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2021/22
		R'000
Non-Compliance with Procurement		214
Processes		-
Total		214

Department incurred Irregular Expenditure of R214 000.00 for the year under review.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

21. Fruitless and wasteful expenditure**21.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2021/22 R'000	2020/21 R'000
Opening balance		137	137
Less amounts: written off	21.2	(137)	-
Closing balance		-	137

21.2 Details of fruitless and wasteful expenditure written off

	2021/22 R'000
Interest paid on overdue amount	137
Total	137

Expenditure incurred during 2018/19 financial year on interest paid to Telkom on outstanding amount for services rendered has been condoned by the accounting officer.

22. Related party transactions

Department has a related party relationship with Gauteng Department of Human Settlements, Housing Fund and Gauteng Partnership Fund due to the fact that both departments have one Political Head.

22.1 Bidding disclosure

During the reporting period the Department appointed Akhile Management and Consulting Services (Pty) Ltd to conduct municipal viability assessment and strategy development for local and metropolitan municipalities. In their response Akhile Management and Consulting Services (Pty) Ltd indicated that one their director in particular Mr. Brain Hadebe is related to Mrs. Maggy Hadebe who is in the employ of Ekurhuleni Metropolitan Municipality. It is further recorded that Mrs. Hadebe was not involve in any capacity with the conception, evaluation, and adjudication of the relevant tender, as such she had no influence whatsoever.

23. Key management personnel

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearers	1	2 000	1 978
Level 15 to 16	5	8 090	10 325
Level 14	9	11 785	12 396
Total		21 875	24 699

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

24. Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening Balance	Value Adjustment	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	36 113	-	12 789	-	48 902
Transport assets	926	-	-	-	926
Computer equipment	21 003	-	12 029	-	33 032
Furniture and office equipment	8 742	-	760	-	9 502
Other machinery and equipment	5 442	-	-	-	5 442
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	36 113	-	12 789	-	48 902

Movable Tangible Capital Assets under investigation 2021/2022

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Computer equipment	42	924
Furniture and fittings	-	-
Office equipment	-	-
Other machinery	3	72
TOTAL	45	996

Assets under investigation include assets which were lost in previous and current reporting periods. All assets involved were reported to South African Police Services as missing or stolen. To this end the Department awaits the conclusion of the matters by the Police Officials.

Movable Capital Assets under investigation 2020/21

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Computer equipment	38	757
Furniture and fitting	1	6
Office equipment	-	-
Other machinery and equipment	6	80
TOTAL	45	843

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

24.1 Additions**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Cash*	Non-cash**	Capital Work in Progress (Current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	11 441	1 348	-	-	12 789
Transport assets	-	-	-	-	-
Computer equipment	11 034	995	-	-	12 029
Furniture and office equipment	407	353	-	-	760
Other machinery and equipment	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	11 441	1 348	-	-	12 789

24.2 Movement for 2020/21**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening Balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	36 889	-	2 051	2 827	36 113
Transport assets	926	-	-	-	926
Computer equipment	22 064	-	824	1 885	21 003
Furniture and office equipment	8 713	-	823	794	8 742
Other machinery and equipment	5 186	-	404	148	5 442
SPECIALISED MILITARY ASSETS					
Specialised military assets					
BIOLOGICAL ASSETS					
Biological assets					
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	36 889	-	2 051	2 827	36 113

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

24.3 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	3 374	-	3 374
Additions	-	-	-	338	-	338
TOTAL MINOR ASSETS	-	-	-	3 712	-	3 712

Included in the machinery and equipment are assets, valued at R317 000.00, transferred from the Gauteng Office of the Premier in terms of Section 42 of the PFMA.

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	3 549	-	3 549
Prior period error	-	-	-	-	-	-
Additions	-	-	-	269	-	269
Disposals	-	-	-	(444)	-	(444)
TOTAL MINOR ASSETS	-	-	-	3 374	-	3 374

24.4 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	3 271	-	3 271
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	3 271	-	3 271

24.5 S42 Movable capital assets**MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets	-	-	-	3	-	3
Value of the assets (R'000)	-	-	-	59	-	59

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

SECTION 42**24.6 S42 Movable capital assets****MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2022**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets				58		58
Value of the assets (R'000)				1 348		1 348

24.7 S42 Movable minor assets**MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2022**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets				122		122
Value of the assets (R'000)				317		317

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

25. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION				SPENT			2020/21	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount Received by Department	Amount Spent by Department	Under / (Overspending)	% of Available Funds spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Expanded Public Works Programme	2 037	-	-	-	2 037	2 037	2 037	-	100%
	2 037	-	-	-	2 037	2 037	2 037	-	100%
								2 000	2 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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

NAME OF MUNICIPALITY	2021/22					2020/21			
	GRANT ALLOCATION			TRANSFER					
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Merapong City Local Municipality (EPWP)	500	-	-	500	500	-	-	500	500
Mogale City Local Municipality (EPWP)	537	-	-	537	537	-	-	1 000	1 000
Lesedi Local Municipality	1 000	-	-	1 000	1 000	-	-	500	500
West Rand District Municipality (fire and rescue services)	7 000	-	-	7 000	7 000	-	-	20 000	20 000
Midvaal Local Municipality (improved fire and rescue response services)	2 000	-	-	2 000	2 000	-	-	2 700	2 700
Lesedi Local Municipality (fire and rescue services)	2 000	-	-	2 000	2 000	-	-	-	-
Emfuleni Local Municipality (Municipality Grass fire unit with equipment)	7 000	-	-	7 000	7 000	-	-	1 600	1 600
Mogale City Local Municipality (Property Valuation Management System)	-	-	-	-	-	-	-	4 000	4 000
Lesedi Local Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	-	-
Rand West City Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	-	-
Merapong City Local Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	-	-
Mogale City Local Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	-	-
West Rand District Municipality	1 000	-	-	1 000	1 000	-	-	-	-
TOTAL	25 037			25 037	25 037			30 300	30 300

It is confirmed that all the above amounts were paid into the primary bank accounts of the respective municipalities.

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

27. BROAD-BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

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

28. COVID-19 Response Expenditure

	Note	2021/22	2020/21
	Annexure 11	R'000	R'000
Compensation of employees			
Goods and services		19 868	23 861
Transfers and subsidies			
Expenditure for capital assets			
Other			
Total		19 868	23 861

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 1A**UNAUDITED STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT			2021/22	
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfers	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	R'000	R'000
Merafong Local Municipality (EPWP)	500	-	-	500	500	-	-	500	379	-	76%	500	500
Mogale City Local Municipality (EPWP)	537	-	-	537	537	-	-	537	508	-	95%	1 000	1 000
Lesedi Local Municipality (EPWP)	1 000	-	-	1 000	1 000	-	-	1 000	533	-	53%	500	500
West Rand District Municipality (improved fire and rescue services)	7 000	-	-	7 000	7 000	-	-	7 000	-	-	0%	20 000	20 000
Midvaal Local Municipality (improved fire and rescue services)	2 000	-	-	2 000	2 000	-	-	2 000	1 233	-	62%	2 700	2 700
Lesedi Local Municipality (Fire and Rescue services)	2 000	-	-	2 000	2 000	-	-	2 000	-	-	0%	-	-
Emfuleni Local Municipality (improved fire and rescue services)	7 000	-	-	7 000	7 000	-	-	7 000	6 989	-	100%	1 600	1 600
Mogale City Local Municipality (valuation management system)	-	-	-	-	-	-	-	-	-	-	-	4 000	4 000
Lesedi Local Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	-	-
Rand West City Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	1 000	1 000	-	100%	-	-
Merafong City Local Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	1 000	413	-	41%	-	-
Mogale City Local Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	1 000	-	-	0	-	-
West Rand District Municipality (GRAP 17)	1 000	-	-	1 000	1 000	-	-	1 000	-	-	0	-	-
TOTAL	25 037	-	-	25 037	25 037	-	-	25 037	12 055	-	48%	30 300	30 300

It is confirmed that all the above was paid to the primary bank accounts of the respective municipalities.

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 1G**UNAUDITED STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21 Final Appropriation
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H EMPL S/BEN:PST RETIRMT BENEF							
Key Health Med Scheme					470		545
National Treasury					68		208
Alexander Forbes Group					-		-
MEC					-		2 675
H/H EMPL S/BEN: INJURY ON DUTY							
Clinics, drs, Compensation Commissioner					2		4
H/H EMPL SBEN LEAVE GRATUITY							
	-	-	-	-	1 696		835
					2 236		4 267
Subsidies							
TOTAL	-	-	-	-	2 236		4 267

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

ANNEXURE 4

UNAUDITED CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Infrastructure	40	-	-	-	40	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other Government Entities								
TOTAL	40	-	-	-	40	-	-	-

GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS VOTE 7

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

ANNEXURE 5

UNAUDITED INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice	1 643	691	-	-	1 643	691	-	-
Department of E-Government	244	-	-	-	244	-	-	-
Gauteng Office of the Premier	769	37	-	1 284	769	1 321	-	-
Department of Human Settlements	-	18	-	-	-	18	-	-
Infrastructure Development	9	-	-	-	9	-	-	-
Subtotal	2 665	746	-	1 284	2 665	2 030	-	-
Non-current								
Subtotal								
TOTAL	2 665	746	-	1 284	2 665	2 030	-	-
OTHER GOVERNMENT ENTITY								
Current								
Department of transport (G-Fleet)	2 962	1 006	-	-	2 962	1 006	-	-
Government Printing Works	160	-	-	-	160	-	-	-
Subtotal	3 122	1 006	-	-	3 122	1 006	-	-
Non-current								
Subtotal								
TOTAL INTERGOVERNMENT PAYABLES	5 787	1 752	-	1 284	5 787	3 036	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

ANNEXURE 11

COVID-19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2021/22					2020/21	
	Q1	Q2	Q3	Q4	Total	Total	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees							
Goods and services	2 110	1 570	6 585	9 603	19 868	23 861	
List all applicable SCOA level 4 items							
Advertising	1 970	-	6 222	9 603	17 795	1 899	
Cns: Bus&Adv Ser: Research Advisor	88	101	-	-	189	58	
Contractors	36	(36)	-	-	-	179	
Cons Supplies	-	-	-	-	-	-	
Property payments	-	483	-	-	483	1 348	
Operating payments	-	-	-	-	-	-	
Cons Hous Sup: Wash/Clean Dete	16	1 022	363	-	1 401	16 411	
P/P: Pest Cntrl/Fumigation Ser							
O/P: Printing Publications Serv							
Advert: Marketing							
Cns: Bus&Adv Ser: Research Advisor							
Contractors: Audio-Visual Serv							

Transfers and subsidies

List all applicable SCOA level 4 items

Expenditure for capital assets

List all applicable SCOA level 4 items

NOTES

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NOTES

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GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA