

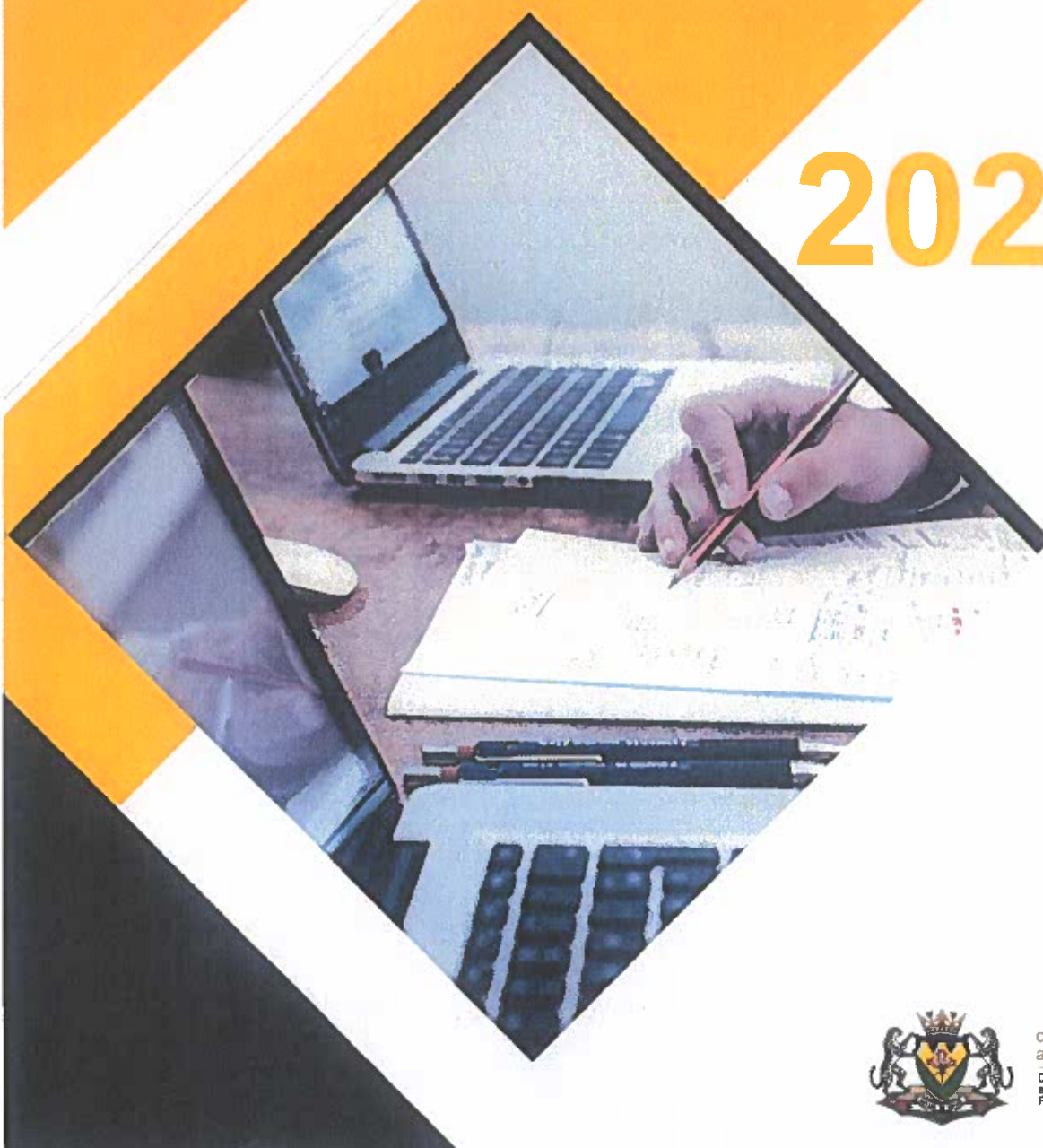
**FREE STATE DEPARTMENT OF
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

ANNUAL REPORT

VOTE NO. 8

FINANCIAL YEAR

2022/23



cooperative governance
and traditional affairs

Department of Cooperative Governance
and Traditional Affairs
FREE STATE PROVINCE

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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Free State

9301

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Bloemfontein

9300

TELEPHONE NUMBER/S: Head of Department: 051 405 5719

Chief Financial Officer: 051 405 5618

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

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

WEBSITE ADDRESS: www.freestateonline.fs.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

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

3. FOREWORD BY THE MEC



Name: MK Makume

MEC: Cooperative Governance and Traditional Affairs

It is with great pleasure that I present this annual report which reflects our efforts in building a developmental State and facilitating cooperative governance in order to improve lives of our people in the Free State and our country in general.

This department, unlike our sister Department: Human Settlements, does not receive a huge budget allocation and yet, we are all asked to be innovative and strive towards achieving more with less, in assisting our Municipalities to function effectively and efficiently.

As reflected over various previous reports, the Department is still guided by its vision, which is to build an “integrated, responsive and Developmental Local Government in the Province.” This is the vision we still abide by to respond to the clarion call to build better communities we live in.

Through the successful implementation of the District Development Model (DDM), which provides a more concrete common vision for development we intend to put our Province on a new path of socio-economic and spatial transformation. This is a ‘all-of-government and society’ approach in which all three domains of Government and State entities collaborate in a way that has a positive influence, by altering the way Government works.

Chapter 7 of our Constitution of the Republic of South Africa, under the Objects of Local Government, provides that “The objects of Local Government are:

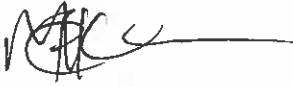
- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the environment of communities and community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

The above can be used as a measuring tool for how our Provincial Government is doing with regards to what is expected of it.

The most notable event of the 2022/2023 financial year is the regression in audit outcomes.

The department achieved an Unqualified Audit Opinion with findings during the 2022/2023 financial year, compared to the Unqualified Audit Opinion (clean audit) for the 2021/2022 financial year.

Lastly, the Municipal Infrastructure Grant (MIG) continued to contribute towards municipal service delivery in the Province during the 2022/2023 MIG financial year (July 2022-June 2023) which overlapped with the Provincial financial years: The Provincial MIG Expenditure target for the end of June 2023 was set at 100%. A total amount of R638, 899,366.60 (81%) out of a revised annual allocation of R788, 051,000.00 was spent as at 30 June 2023.



MK MAKUME

**MEC: COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS**

31 AUGUST 2023

4. REPORT OF THE ACCOUNTING OFFICER

Name: STR Ramakarane

Title: HEAD OF DEPARTMENT

FINANCIAL MANAGEMENT:**Departmental receipts:**

Departmental receipts	2022/2023			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
Sale of goods and services other than capital assets	182	207	(25)	179	176	3
Interest, dividends and rent on land	22	24	(2)	10	10	-
Sales : machinery and equipment	-	29	(29)	-	-	-
Financial transactions in assets and liabilities	94	67	27	98	123	(25)
Total	298	327	(29)	287	309	(22)

The adjusted revenue budget allocated to the department for the 2022/2023 financial year amounted to a total of R 298 000. An amount of R 327 000 was collected resulting in an over collection of R 29 000. The over collection was as a result of sale redundant machinery and equipment disposal during the financial year.

Tariff Policy:

The 2022/2023 tariffs levied by the department related to the sale of tender documents and sale of old cell phones and machinery and equipment. The tariffs for the selling of tender documents had been standardized between all departments and is determined by Provincial Treasury. In terms of the sale of old cell phones and machinery and equipment the tariffs are listed below:

Detail	Period	Fees
Sale of old cell phones	16 – 24 months	5% of original value
	24 – 36 months	R100
Sale of machinery & equipment	More than 3 years	50% of the cost price
	More than 4 years	20% of the cost price
	More than 5 years	10% of the cost price

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Province of Free State

Programme Expenditure:

Programme Name	2022/2023			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	164 667	148 812	15 855	155 218	145 818	9 400
Local Governance	99 596	79 469	20 127	110 559	103 376	7 183
Development and Planning	64 804	48 223	16 581	62 090	56 181	5 909
Traditional Institutional Management	52 222	48 933	3 289	54 296	48 562	5 734
House of Traditional Leaders	17 272	14 841	2 431	13 135	11 790	1 345
Total	398 561	340 278	58 283	395 298	365 727	29 571

The final departmental appropriation for the 2022/2023 financial year amounted to R398,561 million. This represents an increase of approximately 1% over the previous financial year's final appropriation of R395,298 million. Expenditure recorded against the final appropriation amounted to R340,278 million (or 85%) for the 2022/2023 financial year versus R365, 727 million (or 93%) for the 2021/2022 financial year. The year-on-year decrease in actual expenditure is approximately 7%.

Consequently, approximately R58,283 million (or 15%) of the voted funds of R 398,561 million remained unspent (for surrendering to the Revenue Fund).

Virements/roll overs:

Virement

Subsequent to the Special Adjustment Budget the Department approved the following virement:

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Province of Free State

FROM: PROGRAMME	ECONOMIC CLASSIFICATION	AMOUNT (R)	TO: PROGRAMME	ECONOMIC CLASSIFICATION	AMOUNT (R)
3	Compensation of employees	(947 000)	1	Compensation of employees	947 000
1	Goods and Services	(1 350 000)	4	Goods and Services	400 000
			5	Goods and Services	950 000
1	Machinery and equipment	(132 000)	2	Machinery and equipment	132 000
4	Compensation of employees	(325 000)	5	Compensation of employees	325 000
4	Households	(2 000)	5	Households	2 000
TOTAL		(2 756 000)			2 756 000

Shifting**Programme 1: Administration**

An amount of R48 000 was shifted from Goods and Services to Payment for Capital Assets to the amount of R48 000.

Programme 2: Local Governance

An amount of R538 000 was shifted from Goods and Services to Transfers and Subsidies (Transfers to Households) to the amount of R167 000 and Payment for Capital Assets to the amount of R371 000.

Programme 3: Development and Planning

An amount of R49 000 was shifted from Goods and Services to defray expenditure in Transfers and Subsidies (Transfers to Households) to the amount of R31 000 and Payment for Capital Assets to the amount of R18 000.

The total shifting per Economic Classifications:

ECONOMIC CLASSIFICATION BUDGET	SPECIAL ADJUSTMENT APPROPRIATION 2022/ 2023	SHIFTING	FINAL APPROPRIATION 2022/2023
R thousand	A	C	E
Current payments	355 941	-635	355 306
Compensation of employees	279 656		279 656
Goods and services	76 275	-635	75 640
Interest and rent on land	10		10
Current transfers and subsidies to:	32 422	198	32 620
Provinces and municipalities	27 355		27 355
Departmental agencies and accounts	10		10
Universities and Technicons			0
Non-profit institutions	715		715
Households	4 342	198	4 540
Payments for capital assets	10 198	437	10 635
Buildings and other fixed structures			0
Machinery and equipment	10 198	437	10 635
Software and other intangible assets			0
Financial transactions in assets and liabilities			0
TOTAL	398 561	0	398 561

Roll overs

The Department requested an amount of R 11 835 million to be rolled over from the 2022/23 financial year to the 2023/24 financial year. This amount comprise transfers to municipalities amounting to R10 339 million and payment of capital assets amounting to R1 495 million.

Fruitless and wasteful expenditure:

The Department had no cases at the beginning of the financial year. During the reporting year, five (5) new cases were registered to the amount of R 38 061.44 of which four (4) cases were resolved.

Public Private Partnerships:

The Department did not conclude any public/private partnership during the financial year ending 31 March 2023.

Discontinued activities:

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

New or proposed activities:

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

SUPPLY CHAIN MANAGEMENT:

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

During the year under review, the Department adhered to all Supply Chain Management (SCM) processes and the systems that are put in place have strengthened the control environment in order to prevent irregular, unauthorised and fruitless and wasteful expenditure.

In keeping with compliance to payments of creditors within 30 days, the Department has implemented a single (consolidated) register to record and track all payments throughout the supply chain process. Payments of suppliers within 30 days for 2022/23 financial year accounts to 99.87%.

The Department was able to review the SCM Policy and align it with the new Preferential Procurement Regulations, 2022. Furthermore, SCM has been able to conduct in-house sessions with SCM practitioners in order to build capacity around existing and newly introduced National Treasury regulations and instruction notes.

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

None

Exemptions and deviations received from the National Treasury:

The Department was granted exemption from the application of the Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA) relating to procurement of goods and services above R30 000.00. This is as a result of the Constitutional Court Judgement on Preferential procurement regulations, 2017 – Minister of Finance v Afribusiness NPC [2022].

Events after the reporting date:

One (1) case to the amount of R2 million, relating to contingent liabilities has been withdrawn on the 7th April 2023. The claim has therefore been cancelled

Other

None

Related Party Transactions:

The Member of the Executive (MEC) is shared with the Department of Human Settlements and the transactions between the two departments occurred within a normal relationship on terms and conditions not more or less favourable than those applicable to other departments.

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

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

Acknowledgement:

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

Conclusion:

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

Approval and sign-off:

I hereby submit the 2022/2023 Annual Report of the Department of Cooperative Governance and Traditional Affairs in terms of the Public Finance Management Act, 1999.



STR RAMAKARANE

**HEAD: COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS**

31 AUGUST 2023

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.

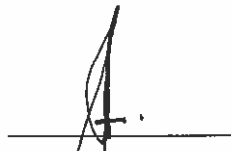
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2023.

Yours faithfully



STR RAMAKARANE

**HEAD: COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS**

31 AUGUST 2023

6. STRATEGIC OVERVIEW

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

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandate

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

7.2 Legislation

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

- a) Public Finance Management Act, 1999 (Act No. 1 of 1999) (as amended by the Public Finance Management Amendment Act No. 29 of 1999). This Act regulates financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith.
- b) Division of Revenue Act, 2016 (Act No. 3 of 2016) This Act provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2022/2023 financial year, to provide for reporting requirements for allocations pursuant to such divisions; to provide for the withholding and the

Vote 8: Department of Cooperative Governance and Traditional Affairs

Province of Free State

delaying of payments; to provide for liability for cost incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and to provide for matters connected therewith.

- c) Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act No. 19 of 1998): The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.
- d) Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970): This Act is used for Town Planning advice to the Department on the subdivision of agricultural land.
- e) Municipal Systems Act, 2000 (Act No. 32 of 2000): The Act introduces changes towards the manner in which municipalities are organized internally, the way they plan and utilize resources, monitor and measure their performance, delegate authority, render services and manage their finances and revenue. Critically, the MSA formalizes a range of alternative service delivery mechanisms that could be used to complement traditional service rendering mechanisms / arrangements used by municipalities. This Act also enables the Integrated Development Plans (IDP). The IDP is a single and inclusive strategic plan that must be compiled and adopted by the municipality. IDPs must include a financial plan, performance management plan, disaster plan and a spatial development framework within which all sector plans should be addressed.
- f) Municipal Demarcation Act, 1998 (Act No. 27 of 1998): The Municipal Demarcation Act of 1998 provided for the re-demarcation of municipal boundaries and this resulted in the rationalization of 843 municipal entities into 284 larger and possible economically viable entities.
- g) Municipal Structures Act, 1998 (Act No. 117 of 1998 as amended in 1999 and 2000): The Act defined new institutional arrangements and systems for local government. Importantly, the Act laid a foundation for local government performance management and ward committee systems.
- h) White Paper on Local Government of 1998: The White Paper on Local Government is a broad policy framework that proposes wholesale changes in the areas of political, administrative structures of local government, electoral systems, demarcations, finances, services, infrastructure development, planning and so forth. The White Paper maps out a vision of developmental local government that is committed to working actively with citizens to identify sustainable ways of meeting their social, economic and material needs and thereby improve their quality of life. Developmental local government envisages the transformation of municipal administrations into rationalized, representative, less bureaucratic, people-centred, efficient, transparent, accountable and responsive entities.
- i) The Fund Raising Act, 1978 (Act No. 107 of 1978): The Act provides for the declaration of a disaster by the President in order to provide relief to the Victims of disasters such as drought disaster.
- j) Disaster Management Act, 2002 (Act No. 57 of 2002): The Act streamlines and unifies disaster management and promotes a risk reduction approach particularly at provincial and local levels. It eliminates the confusion around disaster declaration and addresses current legislative gaps.
- k) National Veld and Forestry Act, 1998 (Act No. 101 of 1998): The Act emphasizes the formation of Fire Protection Associations for the purpose of predicting, preventing, managing and extinguishing veld fires.
- l) The National Environmental and Waste Management Act, 2008 (Act No. 59 of 2008): The Act provides for environmental management strategies so as to prevent and mitigate environmental disasters.
- m) Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003): The Act provides for the recognition of traditional leaders, their roles and functions, recognition of traditional communities, establishment of traditional councils and for matters connected therewith.
- n) Public Audit Act, 2004 (Act No. 25 of 2004): This Act gives effect to the provisions of the Constitution establishing and assigning functions to an Auditor-General; to provide for the auditing of institutions in the public sector; to

provide for accountability arrangements of the Auditor-General; to repeal certain obsolete legislation; and to provide for matters connected therewith.

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

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

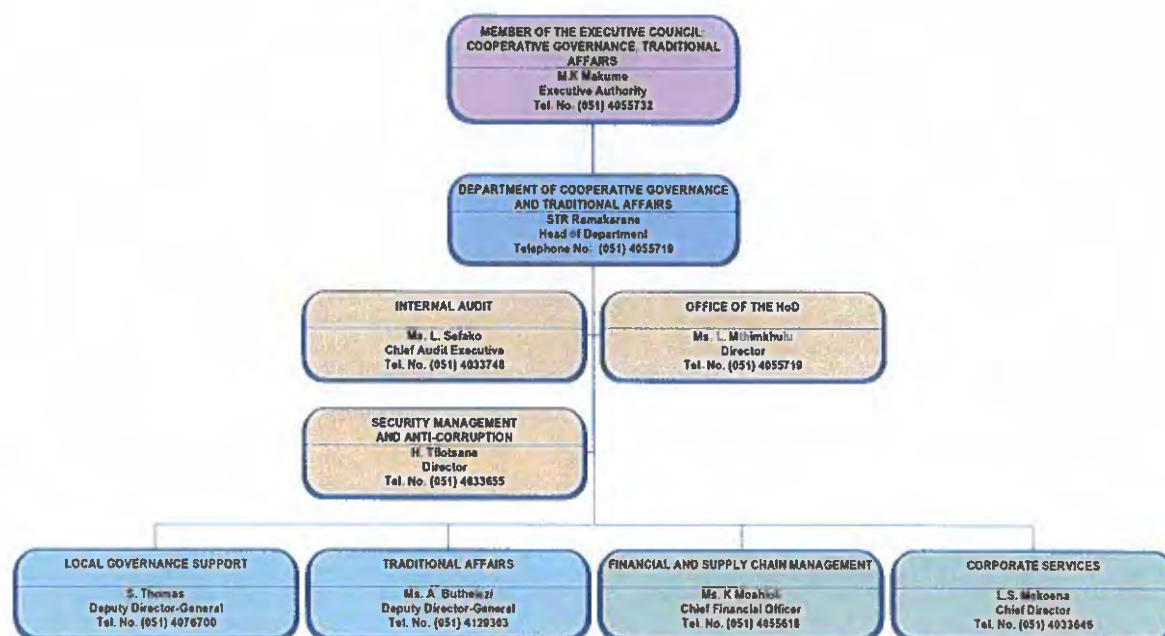
7.3 Policy Mandates

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

Vote 8: Department of Cooperative Governance and Traditional Affairs

Province of Free State

8. ORGANISATIONAL STRUCTURE AS AT 31 MARCH 2023



9. ENTITIES REPORTING TO THE MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
None			

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

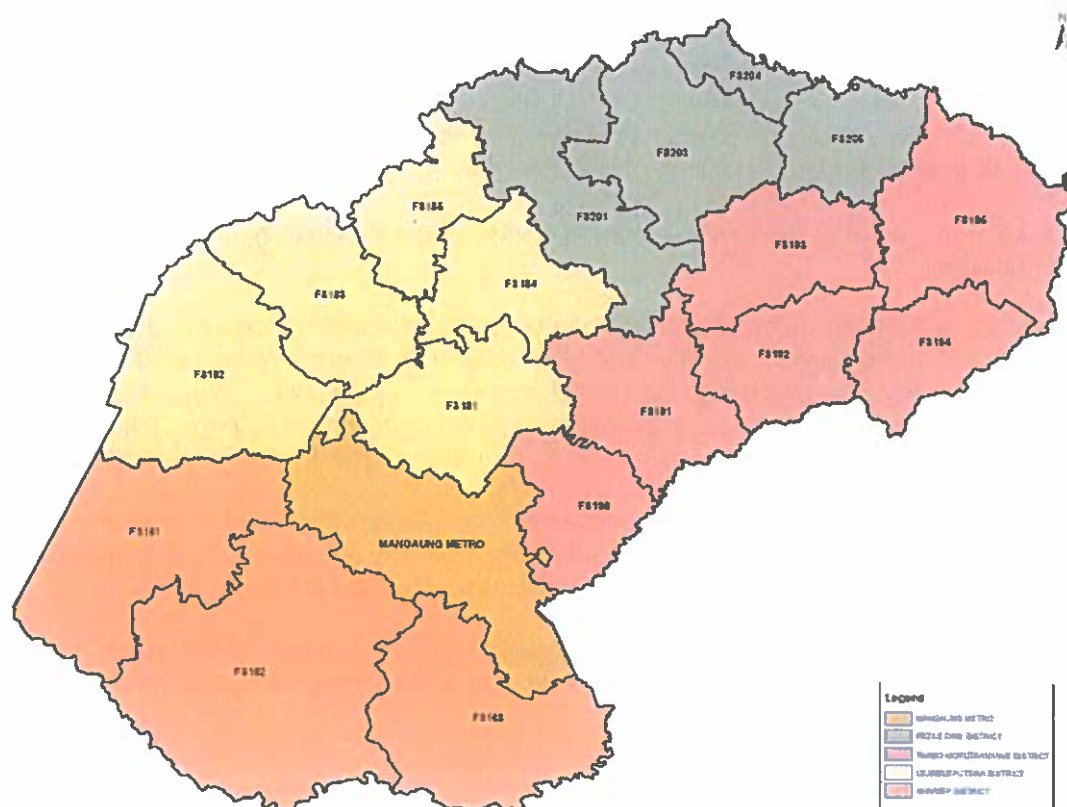
Refer to page 184 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Overview and profiles of Free State Municipalities:

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



MUNICIPAL ADMINISTRATION

The Directorate has been mandated to monitor compliance with regulatory frame-works and to provide advice and support to all Free State municipalities in this regard.

Municipal By-laws

During the period under review the following municipalities have adopted and reviewed their municipal by-laws:

Phumelela Local Municipality

Ngwathe Local Municipality

Letsemeng Local Municipality

Nketoana Local Municipality Moqhaka Local Municipality

Dihlabeng Local Municipality

Mangaung Metro Municipality

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

In 2011 the MEC for local government in the Free State published forty-four (44) standard draft by- laws for adoption by way of reference by municipalities.

Since then there has been a remarkable improvement in the rate at which municipalities are adopting and promulgating municipal by-laws in the province. At this stage the challenge facing municipalities as far as by-laws are concerned is the implementation of by-laws. The passing by-laws without enforcing it, serves no purpose. Failure by a municipality to enforce its by-laws amounts to a failure to give effect to the obligations imposed upon a municipality by section 152 of the Constitution which may also lead to Provincial Intervention through the provisions of section 139 of the Constitution.

Lack of awareness of promulgated by-laws by communities also presents a challenge with regard to enforcement of municipal by-laws. Municipalities also need to conduct educational awareness on promulgated by-laws with their communities, compliance by the community is dependent on them being aware of the laws of the municipality.

The establishment of a multi-disciplinary committee comprised of provincial departments and other stakeholders to provide support to municipalities on by-law implementation is critical in order to assist municipalities to implement and enforce their by-laws.

Status for Promulgated By-laws: Free State Municipalities

Municipality	No. By-Laws
Mangaung	51
Thabo Mofutsanyana	02
Setsoto	18
Dihlabeng	33
Nketoana	11

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Maluti a Phofung	19
Mantsopa	18
Phumelela	08
Xhariep	04
Letsemeng	08
Mohokare	14
Kopanaong	19
Fezile Dabi	03
Moghaka	27
Ngwathe	08
Metsimanololo	07
Mafube	04
Lejweleputsoa	00
Masilonyana	41
Tokololo	02
Tswelopele	14
Matjhabeng	21
Nala	21

Exhumation and re-interment of Mortal Remains

Mandated by the Burial Ordinance 27 of 1966 the Department is responsible for the receiving and the processing of applications for exhumation and re-interment of mortal remains.

DATE	FUNERAL PARLOUR	MUNICIPALITY	FROM	TO	NAMES
APR 2022					
1/04/2022	Ipolokeng	Setsoto	Farm Vondeling, Marquard District	Moemaneng Cemetery, Marquard	Nthabiseng Sello; Tsabo Sello; Malefu Malinah
1/04/2022	Mats Funeral Home	Mangaung	Farm Ramaporama, Dewetsdorp	Botshabelo	Phikiso Jack Mashibini
5/04/2022	Molly's	Setsoto	Farm, Baltimore, Clocolan	Hhlohlwane Clocolan	Matseko Kganare
7/04/2022	Mpoky's Funeral Home	Emfuleni (Vanderbijlpark)	Farm Jeanette Parys	Vanderbijlpark	Malakia Kantoor Nhlapo
7/04/2022	Rea Tshedisa	Dihlabeng	Farm, Vaalbank, Fouriesburg	Mashaeng Cemetery, Fouriesburg	Morupe Genette Mofokeng
7/04/2022	Rea Tshedisa	Monontsha Traditional Council	Henniesrus Farm, Fouriesburg	Village Monontsha, Witsieshoek	Tshepo Ranabete
20/04/2022	Brentpark	Moghaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Sehole Ranthana Jim

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MAY					
3/05/2022	Boikemisetso	Moqhaka	Farm, Brakfontein, Kroonstad	Snakepark, Kroonstad	Sothoane Agron
24/05/2022	Rea Tshedisa	Dihlabeng	Farm, Mullersvlei, Bethlehem	Utopia Cemetery, Bethlehem	SJ Nhlapo; ME Nhlapo; L Nhlapo
24/05/2022	Brandfort Begrafnisdienst e	Landowner	Farm, Saltzmannspan, Brandfort	Cremate	Erasmus Petrus Vermaak
JUN					
6/06/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Kaizer Dumako & Nomvula regina Dumako
6/06/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Mahlape Evelyn Radihlare
22/06/2022	Mothusabatho	Setsoto	Farm Addo, Senekal District	Matwabeng Cemetery, Senekal	Mampakeleng Agnes Makhasane
JUL					
4/07/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Leshoro Andries Lebaka
8/07/2022	Chapel	Dihlabeng & Moqhaka	Utopia Cemetery, Bethlehem	Wespark, Kroonstad	Maitheri Joyce Motaung
14/07/2022	Hlalele Finance Funeral Home	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Mmote Johannes Makuma
22/07/2022	Ipolokeng	Setsoto	Malta Farm, Senekal	Matwabeng, Senekal	Maphello Eliza Moekoa
22/07/2022	Ipolokeng	Setsoto	Fraaiuitzicht	Tambo Cemetery	Selina Mokgatla & Stompi Mokgatla
AUG					
4/08/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Andries Sehloho sr & Andries Sehloho jr
4/08/2022	Chapel	Moqhaka & Dihlabeng	Farm Wonderkop, Kroonstad	Qwaqwa Cemetery	Radebe Ntshene John
18/08/2022	Boikemisetso	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Manyanye Alice
19/08/2022	Chapel	Ngwathe	Farm Koppies	Kwakwatsi, Koppies	Martha Vilakazi
23/08/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Dina Ben Sekoto

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23/08/2022	Chapel	Moqhaka	Hamilton Farm, Kroonstad & Stilfontein, Kroonstad	Brentpark, Kroonstad	Modise Ishmael Kheo & Modise Petrus
24/08/2022	Lesedi Life	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Ramokhothoane Samuel Ntsane
24/08/2022	Lesedi Life	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Martha Mokoatsi
24/08/2022	Maphobole	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Masudubele Hendrik & Lydia
25/08/2022	Chapel	Ngwathe	Cairo farm, Koppies	Kwakwatsi Cemetery, Koppies	Martha Vilakazi
29/08/2022	Brentpark	Moqhaka	Stilfontein, Kroonstad	Dinoheng, Kroonstad	Mpeka Seotlanyane Abednego
31/08/2022	Ratlou	Mangaung	Southpark, Bloemfontein	Mokwena Cemetery, Thaba Nchu	Oupa Michael Mothibi
31/08/2022	Ratlou	Mangaung	Mokwena Cemetery, Thaba Nchu	Seloshesha Cemetery, Thaba Nchu	Kesebelwang Martha Seate
31/08/2022	Chapel	Moqhaka & SAHRA	Farm De Villiers, Edenville District	Wespark, Kroonstad	Daniel Zulu Mazibuko
SEP					
1/09/2022	Phakamani Bantu Funeral Services	Metsimaholo & Traditional Leader	Zamdela Cemetery, Sasolburg	Upper Mjika Location Tsolo Mithatha	Mangaliso Mutile
6/09/2022	Hlalele Finance	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Selepe Sophia
8/09/2022	Masabata's	Masilonyana	Theunissen Cemetery	Cremate	Antoinette Alkdien Catrina Conradie
14/09/2022	Chapel	Moqhaka	Farm Lorraine, Kroonstad	Snakepark	Mathe Mokete Kleinbooi & Mathe Emily Ntopi
14/09/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Makoatsane Mohlouane Emily
14/09/2022	Chapel	Moqhaka	Farm Mooiwater, Kroonstad	Snakepark, Kroonstad	Leeu Sophonia Monyamane
16/09/2022	Brentpark	Moqhaka	Stilfontein, Kroonstad	Dinoheng, Kroonstad	Jordaan Daniel
16/09/2022	Brentpark	Moqhaka	Stilfontein, Kroonstad	Dinoheng, Kroonstad	Ramokopy Letsele Frans

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21/09/2022	Chapel	Matjhabeng	Bronville Cemetery, Welkom	Cremate	Thys Ozwald Monray Jacobs
21/09/2022	Goodwill Burial Society	Mangaung	Southpark, Bloemfontein	Phahameng, Bloemfontein	Seboko Babiki Emily
21/09/2022	Bofelo Ba Sechaba	Ngwathe	Farm, Susannamoed, Heilbron	Schonkenville, Parys	Buti Daniel Masowa
28/09/2022	Kopano	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Daweti Nomimi Florence
28/09/2022	Kopano	Moqhaka	Boikhutsong, Kroonstad	Wespark, Kroonstad	Mohapi John
29/09/2022	Reahilwe Funeral Home	Maluti a Phofung & Traditional Leader	Bolato Village, Mokodumela	Bluegumbosch Cemetery, QwaQwa	Baas Engelina Manosi
30/09/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Moretlo Biki Mokhele; Zakaria Mokhele; Mausia Suzan Mokhele
OCT					
4/10/2022	Rea Tshedisa	Dihlabeng	Farm Swartfontein, Bethlehem	Utopia Cemetery, Bethlehem	Pelane Mofokeng
7/10/2022	Pascalina FH	Matjhabeng & Mhlanganisweni Traditional Council	Farm Bronville, Welkom	Llibode Mhlanganisweni Area, Eastern Cape	Baby Anathi Macingwane
17/10/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Boy Isaac Lekama
19/10/2022	Goodwill Burial Society	Mangaung	Southpark, Bloemfontein	Southpark, Bloemfontein	Sambuti Jan Morale
20/10/2022	Batho Kopanang FS	Metsimaholo	Sasolburg	Sasolburg	Thabo Abram Tshabalala
24/10/2022	Rea Tshedisa	Dihlabeng	Farm, Paulus Bethlehem District	Utopia Cemetery, Bethlehem	Mmapheelo Motaung; Rankgati Motaung; Tlaleng Motaung
28/10/2022	Masabatha's	Masilonyana	Farm, Mandalay, Winburg	Makelekella Cemetery, Winburg	Mokhethi Lucas Matheatau & Moalosi John Matheatau
28/10/2022	Masabatha's	Masilonyana	Farm, Tafelkop, Theunissen	Phahameng Cemetery, Theunissen	Dumiso Daniel Thapo
NOV					
1/11/2022	Lesedi Life	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Shale Caroline Kupon; Agnes Maqoli Kopung; Paul Matsaun Kopung

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1/11/2022	Phehello	Mangaung	Farm Kwartelfontein, Smithfield	Botshabelo Cemetery	Tumeliso Hans Lesole
4/11/2022	Cheslins	Moqhaka	Stilfontein, Kroonstad	Brentpark, Kroonstad	Dinah Ditsego; Samba Elias Ditsego; Alina Ditsego
7/11/2022	Chapel	Moqhaka	Pitso Cemetery, Kroonstad	Wespark, Cemetery, Kroonstad	Mohapi Sello Remi
7/11/2022	Cheslins	Moqhaka	Farm Nico, Viljoenskroon	Wespark, Kroonstad	Manuel Molai
8/11/2022	Chapel	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Mohlokoane: Selloane Maria; Thulare Jacob; Alinah Mantholo
21/11/2022	Bambanani	Matjhabeng	Meloding Cemetery, Virginia	Viljoenskroon Village/ Rammulotsi	Baba: Khenge Alfred; Kobete Emily; Nozigigaba Johannes; Martha Matshadi; Lumka Nonyebo Angelinah
21/11/2022	Boikemisetso	Moqhaka	Stilfontein, Kroonstad & Farm Constantia, Kroonstad	Wespark, Kroonstad	Makau Letiba Edward & Elias Pitso Makau
22/11/2022	Cheslins	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Maruping Morontsare Selina
22/11/2022	Cheslins	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Malefane Joseph
22/11/2022	Boikemisetso	Moqhaka	Snakepark, Kroonstad	Snakepark, Kroonstad	Sehloho Malefane Bethuel
29/11/2022	Chapel	Moqhaka	Pitso, Snakepark, Stilfontein, Kroonstad	Wespark, Kroonstad	Seselinyane Tsela; Billy; Anna & Johannes
30/11/2022	Khutsang	Setsoto	Farm Conzela, Clocolan District	Moemaneng, Marquard	Augustina Maponthso Rantenne
DEC					
6/12/2022	Boikemisetso	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Kedisaletse Lydia Letube
6/12/2022	Boikemisetso	Moqhaka	Stilfontein, Kroonstad	Snakepark, Kroonstad	Matlaka Mohanau Suzan & Letseleha Difelile Maria
6/12/2022	Kopano	Moqhaka	Ruby Informal Settlement, Kroonstad	Wespark, Kroonstad	Molelle Until Montsheng
6/12/2022	Kopano	Moqhaka	Farm Kingswood, Kroonstad	Snakepark, Kroonstad	Mphettane Seipaiti Elisa & Kuma Tandlizwe Alfred
7/12/2022	Masabatha's	Setsoto	Farms: Bellona, Marquard; Morgenrood,	Marquard Cemetery	October Tlali; Alice Mahlehle

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			Winburg; Kleinfontein, Winburg		
9/12/2022	Chapel	Ngwathe	Farm Toren Hill, Koppies	Kwakwatsi Cemetery	Sam Maputse; Maria Maputse sr Maria Maputse jr
13/12/2022	Boikemisetso	Moqhaka	Stilfontein, Kroonstad	Wespark, Kroonstad	Nathane Evodia
JAN 2023					
18/01/2023	Chapel	Moqhaka	Wespark, Kroonstad	Wespark, Kroonstad, New Grave	Setjhaba Elias Mogotsi
20/01/2023	Rea Tshedisa	Dihlabeng	Utophia Cemetery, Bethlehem	Utophia Cemetery, Bethlehem	Thalitha David Lerato (Inspection of grave)
FEB					
16/02/2023	Venter Funeral Services	Dihlabeng	Farm Tulbagh	Fateng Tse Ntsho Cemetery, Paul Roux	Albert Elisa Maseko
TOTAL 79					

Local Government: Municipal Structures Act No. 3 of 2021

The amendment of the Structures Act in 2021 was accompanied by key legislative changes, section 4 of the principle act (Local Government: Municipal Structures Act, 1998(Act No.117 of 1998) abolished the plenary executive and the plenary executive systems combined with a ward participatory system. In the Free State we had three such municipalities namely: Mohokare, Tokologo and Letsemeng. In compliance with this and empowered by section 12 of the Local Government: Municipal Structures Act, 1998(Act No.117 of 1998) the MEC amended the section 12 notices (Establishment Notices) those municipalities.

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

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

During the period under review, new municipal councillors came in to office as the local government elections were held in November 2021. Since then there has been a decline in the number of councillors resigning or being removed from office. This bodes well for governance at municipal level as it creates stability and continuance.

Current status of the vacancies in wards

Municipality	Ward	Cause of Vacancy	Date of By-elections
Dihlabeng	17	Death of a Councillor	26 April 2023

Litigation Management

Below is the summary of the report. There are two categories in relation to our cases which are as follows:

- a) Where relief is sought against the Department (Direct Involvement)
- b) Where relief is not sought against the Department (Indirect Involvement)

1. Relief not sought against the Department (Indirect Involvement)

Parties	Municipality	Status	Case No.	Cost
Vaal River Development Association / Ngwathe LM	Ngathe LM	Finalized	N/A	N/A
SAMWU National Provident Fund / Dihlabeng LM	Dihlabeng LM	Finalized	N/A	N/A
Matjhabeng LM / Eskom	Matjhabeng Lm	Active Pending (municipality filed counterclaim)		R2 800 000.00 (Eskom) R4 500 000.00 (counterclaim by municipality)
Life Health Care Group / Mangaung Metro	Mnaguang Metro	Pending	Will follow with Municipality	N/A
Dihlabeng LM / Eskom	Dihlabeng LM	Finalized	N/A	N/A
Maluti a Phofung LM / Eskom	Maluti a Phafung LM	Active IGR processes		R2 422 573 425.00 R1 046 443 902.00
Boxmore Plastic S / Maluti a Phofung	Maluti a Phofung LM	Finalized	N/A	N/A

2. Relief sought against the Department (Direct Involvement)

Parties	Types of Cases	Status	Case No.	Estimated Legal Costs
Stephan Kau / COGTA	Unfair labour practice	Close / applicant deceased	N/A	N/A
Christopher Mepha / COGTA	Breach of contract	Filed notice of intention to defend	FS/BFN/RC/895/2021	Claim – R209 839.50 ELC – R20 000.00
Boitumelo Christopher Mokomela / COGTA	Civil claim / breach of contract	Filed notice to oppose	5137/2022	Claim – R2 000 000.00 ELC – R150 000.00

INTEGRATED DEVELOPMENT PLANNING

Integrated Development Plan remains Integral tool that guides and inform all planning, management, investment, development and implementation of decisions to drive cooperative governance, to encourage stakeholder engagement and participation in building a capable developmental state at Municipal spheres of government.

In order to support and improve the content of the MEC commenting process so as to ensure we move towards a Sustainable Development Goals and to give platform to all sector departments and other relevant stakeholders to monitor and evaluate municipal IDPs in assisting and supporting municipalities to develop legally compliant and credible IDPs that will be implementable in their respective communities.

Given the above mentioned legal and legislative imperatives the department successfully managed to coordinate, facilitate, conduct and assess all 23 municipal final IDPs for 2022-2027 financial years across the province.

Over and above that and to further ensure that the department strengthen the objective of achieving legally compliant and credible IDPs within the province, the Department of Cooperative Governance and Traditional will be conducting and facilitating Provincial IDP Manager's Forums, Provincial IDP Support Team Sessions, Provincial IDP Capacity Building Session and Municipal IDP Engagement Session amongst other things, to lobby and solicit support and resources from Sector departments and State Owned Enterprises during the process of review and implementation of IDPs for 2023/2024 financial year.

Specific area of focus	Progress to date
Annual IDP Assessment Sessions	The department to date coordinated, conducted and facilitated Final assessment sessions to support, assist and monitor as to whether the municipalities have considered comments or inputs, submissions and recommendations made during IDP draft assessment sessions.
Provincial IDP Mangers Forum	The department to date coordinated, conducted and facilitated four Provincial IDP Managers forum. The purpose of the forum is to focus on planning and to manage, co-ordinate and support the implementation of various IDP initiatives, IDP related activities in order to strengthen support and to avoid duplication.
Provincial IDP Support meeting	The directorate to date coordinated, conducted and facilitated two Provincial IDP Support Meeting. The purpose of the meeting was to encourage the maximum participation and accountability of IDP stakeholders
Provincial IDP Capacity Building	The department to date coordinated, conducted and facilitated two Provincial IDP Capacity Building. The purpose of the meeting was to share information on IDP processes and to strengthen the capacity of municipalities.
Municipal IDP Engagement Session	The department to date successfully managed to convene and facilitate Municipal IDP Engagement Session. The purpose was to

lobby and solicit support from sector departments and State Owned Enterprises, wherein all sectors and State Owned Enterprises were afforded an opportunity to present their respective intervention mechanism and support plans for the development and review of municipal sectors plans.

MUNICIPAL FINANCE

1. Submission of the 2021/2022 Annual Financial Statements

The legal framework on the submission of AFS is stated in the MFMA section 126(1)(a), where the Accounting Officer of a municipality must prepare AFS within **two months** after the end of the financial year to which those statements relate and submit the statements to the Auditor –General for auditing. Furthermore, section 133 states that in the event of non-submission of AFS certain processes have to be undertaken amongst others such as the Mayor tabling a written explanation in council setting out reasons for the failure to submit etc. The Municipality should ensure that processes outlined in section 133 of the MFMA is adhered to.

Municipalities and Municipal Entities had to comply with the above provisions by no later than 31 August 2022. To be fully compliant, Municipalities had to submit to the Auditor General the following by 31 August 2022;

- 2021/2022 Annual Financial Statements
- 2021/2022 Audit Work File
- 2021/2022 Pre-determined Objectives
- 2021/2022 Draft Annual Report

The Office of the Auditor-General informed the Department that certain Municipalities failed to fully comply with the requirements of National Treasury, as is incumbent on the Auditor General in terms of section 133(1) (b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

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Municipality	Date AFS received Auditor - General	Pre-Determined Objectives	Audit Work File	Date Draft Annual Report Submitted	COMMENTS
DC 16 Xhariep	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 161 Letsemeng	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 162 Kopanong	Outstanding	Outstanding	Outstanding	Outstanding	Anticipated date of submission 31 March 2023
FS 163 Mohokare	30-11-2022	30-11-2022	30-11-2022	30-11-2022	
DC 18 Lejweleputswa	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 181 Masilonyana	Outstanding	Outstanding	Outstanding	Outstanding	AFS of 2020/2021 still outstanding. Anticipated date of submission 31 January 2023. Anticipated date of submission of 2021/2022 AFS 31 March 2023
FS 182 Tokologo	07-11-2022	07-11-2022	07-11-2022	07-11-2022	
FS 183 Tswelopele	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 184 Matjhabeng	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 185 Nala	09-09-2022	09-09-2022	09-09-2022	09-09-2022	
DC 19 Thabo Mofutsanyana	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 191 Setsoto	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 191 Dihlabeng	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 193 Nketoana	30-12-2022	30-12-2022	30-12-2022	30-12-2022	
FS 194 Maluti a Phofung	04-12-2022	04-12-2022	04-12-2022	04-12-2022	
FS 195 Phumelela	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FC 196 Mantsopa	31-01-2023	31-01-2023	31-01-2023	31-01-2023	
DC 20 Fezile Dabi	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 201 Moqhaka	31-08-2022	submitted late	submitted late	submitted late	
FS 203 Ngwathe	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 204 Metsimaholo	31-08-2022	31-08-2022	31-08-2022	31-08-2022	
FS 205 Mafube	17-10-2022	17-10-2022	17-10-2022	17-10-2022	
Complied	13	12	12	12	
Submitted Late	7	8	8	8	
Outstanding	2	2	2	2	
Total	22	22	22	22	

1.1 Legislative Compliance with submission of Annual Financial Statements and related documentation.

The table below provides the status of compliance with prescribed submission dates:

Compliance Area	2020/2021	Non-Compliance Municipalities	2021/2022	Non-Compliance Municipalities
Annual Financial Statements	11	Fezile Dabi, Kopanong, Mafube, Maluti a Phofung, Mantsopa, Mohokare, Masilonyana, Tokologo, Nala, Nkelelana, Setsoto.	13	Kopanong, Mafube, Maluti a Phofung, Mantsopa, Masilonyana, Mohokare, Nala, Nkelelana Tokologo
Asset Register	11	Fezile Dabi, Kopanong, Mafube, Maluti a Phofung, Mantsopa, Mohokare, Masilonyana, Tokologo, Nala, Nkelelana, Setsoto.	12	Kopanong, Mafube, Maluti a Phofung, Mantsopa, Masilonyana, Mohokare, Moqhaka, Nala, Nkelelana Tokologo
Audit Work File	11	Fezile Dabi, Kopanong, Mafube, Maluti a Phofung, Mantsopa, Mohokare, Masilonyana, Tokologo, Nala, Nkelelana, Setsoto.	12	Kopanong, Mafube, Maluti a Phofung, Mantsopa, Masilonyana, Mohokare, Moqhaka, Nala, Nkelelana Tokologo
Predetermined Objectives (Performance Information)	12	Kopanong, Mafube, Maluti a Phofung, Mantsopa, Mohokare, Masilonyana, Tokologo, Nala, Nkelelana, Setsoto.	12	Kopanong, Mafube, Maluti a Phofung, Mantsopa, Masilonyana, Mohokare, Moqhaka, Nala, Nkelelana Tokologo
Draft Annual Report	11	Fezile Dabi, Kopanong, Mafube, Maluti a Phofung, Mantsopa, Mohokare, Masilonyana, Tokologo, Nala, Nkelelana, Setsoto.	12	Kopanong, Mafube, Maluti a Phofung, Mantsopa, Masilonyana, Mohokare, Moqhaka, Nala, Nkelelana Tokologo

2. Audit Outcomes

The following Audit outcomes from 2021/2022 points out strong, medium and weak municipalities as far as financial administration, management and compliance capabilities:

FREE STATE 2021/2022 MUNICIPAL AUDIT OUTCOMES

District	No	Municipality	Audit Outcomes			Movement
			2019/2020	2020/2021	2021/2022	
Xhariep District	1	Xhariep	Unqualified	Unqualified	Unqualified	Unchanged
	2	Kopanong	Disclaimer	Audit in progress	AFS outstanding	
	3	Letsemeng	Qualified	Qualified	Qualified	Unchanged
	4	Mohokare	Qualified	Qualified	Qualified	Unchanged
Lejweleputswa District	1	Lejweleputswa	Unqualified	Unqualified	Unqualified	Unchanged
	2	Masilanyana	Disclaimer	AFS outstanding	AFS outstanding	
	3	Matjhabeng	Qualified	Qualified	Qualified	Unchanged
	4	Nala	Qualified	Qualified	Qualified	Unchanged
	5	Tokologo	Qualified	Qualified	Audit outcome pending	Unchanged
	6	Tswelopele	Unqualified	Unqualified	Unqualified	Unchanged
Thabo Mofutsanyana District	1	Thabo Mofutsanyana	Qualified	Unqualified	Unqualified	Unchanged
	2	Ditlabeng	Qualified	Qualified	Qualified	Unchanged
	3	Maluti-A-Phofung	Disclaimer	Disclaimer	Audit in progress	
	4	Nkelepana	Disclaimer	Disclaimer	Audit in progress	
	5	Phumelela	Unqualified	Unqualified	Unqualified	Unchanged
	6	Setso	Qualified	Qualified	Unqualified	Improvement
	7	Mantsopa	Qualified	Qualified	Audit in progress	
Fezile Dabi District	1	Fezile Dabi	Qualified	Qualified	Qualified	Unchanged
	2	Malube	Qualified	Qualified	Audit in progress	
	3	Metsimaholo	Qualified	Qualified	Qualified	Unchanged
	4	Moghaka	Qualified	Qualified	Unqualified	Improvement
	5	Ngwalthe	Qualified	Qualified	Qualified	Unchanged
Municipal Entities	1	Centlec (Pty) Ltd	Unqualified	Unqualified	Unqualified	Unchanged
	2	Lejweleputswa Dev. Agency	Unqualified	Unqualified	Unqualified	Unchanged
	3	Maluti-A-Phofung Water (Pty) Ltd	Disclaimer	Disclaimer	Disclaimer	Unchanged

Summary	2019/2020	2020/2021	2021/2022
Adverse	0	0	0
Disclaimer	4	2	1
Qualified	14	13	8
Unqualified	6	7	9
Clean	0	0	0
Audit in progress	0	1	4
Audit Outcome pending	1	1	1
AFS outstanding	0	1	2
Total	25	25	25

The majority of Municipalities could sustain their audit opinions during the 2021/2022 MFMA audit. The Setsoto and Moqhaka Local Municipalities could improve their audit outcomes from Qualified to Unqualified.

The Audit outcomes of the following Municipalities were still outstanding as at 31 March 2023:

- **Kopanong Local Municipality**
2020/2021 Audit still in progress. The 2021/2022 Annual Financial Statements still outstanding. The anticipated date of submission was 31 March 2023.
- **Maluti a Phofung Local Municipality**
2021/2022 Annual Financial Statements were submitted to the AGSA on 04 December 2022 and the audit is currently in progress.
- **Mantsopa Local Municipality**
The Municipality submitted the 2021/2022 Annual Financial Statements to the AGSA on 31 January 2023. The audit is currently in progress.
- **Tokologo Local Municipality**
The Municipality only submitted the 2021/2022 Annual Financial Statements to the AGSA 07 November 2022. The audit was finalised during March 2023, but the Audit Report did not serve in Council as yet and the opinion cannot be disclosed.
- **Nketoana Local Municipality**
The Municipality submitted the 2021/2022 Annual Financial Statements to the AGSA on 30 December 2022. The audit is still in progress.
- **Mafube Local Municipality**
The 2021/2022 Annual Financial Statements were submitted to the AGSA on 10 October 2022 and the audit is still in progress.
- **Masilonyana Local Municipality**
The Municipality still have to submit the 2020/2021 and 2021/2022 Annual Financial Statements to the AGSA.

2.1 High level root causes for disclaimer and qualified opinions

- Leadership, Senior Management and officials failed to develop, implement and monitor effective systems and processes of internal control including corrective action.
- Leadership did not implement repeated recommendations and warnings of risks made by the Auditor General.
- Key officials lacking appropriate skills and competencies in financial reporting led to over-reliance on consultants and had a negative impact on financial planning, record keeping and reporting.
- Vacancies and instability in key positions slowed down systematic and disciplined improvements and affected the ability of Councils to hold individuals accountable.
- Inadequate implementation of action plans to address the previous year's external audit findings.
- Processes or monitoring tools were not developed, implemented, monitored or consistently applied to identify applicable legislation and changes to legislation including appropriate assessments of legislative requirements as well as to detect or prevent non-compliance.
- No or inadequate systems and processes to collate and report credible performance information.

2.2 Challenges and constraints

- Chief Financial Officers do not supervise finance staff daily and review transactions processed to ensure that these transactions are valid, accurate and complete.
- Chief Financial Officers are performing other duties that fall outside their core function.

- Agreements with Consultants are found not to be on standard which hampers performance monitoring and enforcement.
- Reliance on Consultants for day to day activities, instead of using them for their specialised expertise.
- Previous and current unauthorised, irregular and fruitless and wasteful expenditure is not always investigated timely and submitted to Council for consideration.
- Municipalities fail to report to the Mayor and Provincial Treasury in terms of the Key Control matrix.
- Critical positions in BTO, Internal Audit & Risk Management are not filled.
- IT systems and controls are not prioritised due to lack of leadership intervention, skills and financial resources.

2.3 Non-compliance with key legislation

Municipalities continues to blatantly disregard compliance with key local government legislation and the non-compliance was common in most of the following areas:

- Management of procurement and contracts
- Quality of Annual Financial Statements
- Prevention of unauthorized, irregular and fruitless and wasteful expenditure
- Effecting consequences
- Creditors not paid within 30 days
- Management of assets

The following are remedial actions required from municipalities:

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

3. Audit Committees and Internal Audit Units

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

AUDIT COMMITTEES: 2021/2022 AGSA ASSESSMENT

MUNICIPALITY	PROVIDED LIMITED / NO ASSURANCE	PROVIDED SOME ASSURANCE	PROVIDED ASSURANCE
Xhariep DM			
Letsemeng LM			
Kopanong LM		2021/2022 AFS outstanding	
Mohokare LM			
Lejweleputswa DM			
Masilonyana LM		2020/2021 and 2021/2022 AFS outstanding	
Tokologo LM		2021/2022 Audit in progress	
Tswelopele LM			
Majhabeng LM			
Nala LM			
Thabo Mofutsanyana DM			
Mantsopa LM		2021/2022 Audit to commence	
Setsoto LM			
Dihlabeng LM			
Nketoana LM		2021/2022 Audit in progress	
Phumelela LM			
Maluti A Phofung LM		2021/2022 Audit in progress	
Fezile Dabi DM			
Moqaka LM			
Ngwathe LM			
Metsimaholo LM			
Mafube LM		2021/2022 Audit in progress	

AGSA Management reports 2021/2022

The functionality of the Audit Committees for the current financial year (2022/2023) are displayed on the table below.

AUDIT COMMITTEE FUNCTIONALITY		
Municipality	Functional	Not Functional
Xhariep DM		
Letsemeng LM		
Kopanong LM		
Mohokare LM		
Lejweleputswa DM		
Masilonyana LM		
Tokologo LM		
Tswelopele LM		
Matjhabeng LM		
Nala LM		
Thabo Mofutsanyana DM		
Setsoho LM		
Dihlabeng LM		
Maluti a Phofung LM		
Nketoana LM		
Phumelela LM		
Mantsopa		
Fezile Dabi DM		
Moghaka LM		
Ngwathe LM		
Metsimaholo LM		
Mafube LM		
Total	17	5

INTERNAL AUDIT UNITS: 2021/2022 AGSA ASSESSMENT

MUNICIPALITY	PROVIDED LIMITED / NO ASSURANCE	PROVIDED SOME ASSURANCE	PROVIDED ASSURANCE
Xhariep DM			
Letsemeng LM			
Kopanong LM	2021/2022 AFS outstanding		
Mohokare LM			
Lejweleputswa DM			
Masilonyana LM	2020/2021 and 2021/2022 AFS outstanding		
Tokolologo LM	2021/2022 Audit in progress		
Tswelopele LM			
Matjhabeng LM			
Nala LM			
Thabo Mofutsanyana DM			
Mantsopa LM	2021/2022 Audit to commence		
Setsoto LM			
Dihlabeng LM			
Nketoana LM	2021/2022 Audit in progress		
Phumelela LM			
Maluti A Phofung LM	2021/2022 Audit in progress		
Fezile Dabi DM			
Moqaka LM			
Ngwathe LM			
Metsimaholo LM			
Mafube LM	2021/2022 Audit in progress		

AGSA Management reports 2021/2022

4. Municipal Public Accounts Committees (MPACs):

The functionality of MPAC's for the 2020/2021 financial year is summarised in the table below taking into consideration the assurance provided for the 2020/2021 financial year as reflected in the Management Letters of the respective Municipalities;

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEES (MPAC's):
2021/2022 AGSA ASSESSMENT**

MUNICIPALITY	PROVIDED LIMITED / NO ASSURANCE	PROVIDED SOME ASSURANCE	PROVIDED ASSURANCE
Xhariep DM			
Letsemeng LM			
Kopanong LM	2021/2022 AFS outstanding		
Mohokare LM			
Lejweleputswa DM			
Masilonyana LM	2020/2021 and 2021/2022 AFS outstanding		
Tokologo LM	2021/2022 Audit in progress		
Tswelopele LM			
Matjhabeng LM			
Nala LM			
Thabo Mofutsanyana DM			
Mantsopa LM	2021/2022 Audit to commence		
Setsoto LM			
Dihlabeng LM			
Nketoana LM	2021/2022 Audit in progress		
Phumelela LM			
Maluti A Phofung LM	2021/2022 Audit in progress		
Fezile Dabi DM			
Moqaka LM			
Ngwathe LM			
Metsimaholo LM			
Mafube LM	2021/2022 Audit in progress		

AGSA Management reports 2021/2022

Following the Local Government Elections, MPACs were established and subsequently inducted through the SALGA Induction Program for newly elected Councillors. The need arose to have further municipal specific engagements with Municipal Public Accounts Committees specifically on unauthorised, irregular and fruitless and wasteful expenditure. The induction was augmented with further engagements on the treatment of unauthorised, irregular and fruitless and wasteful expenditure for the period May 2022 to November 2022.

The following municipal specific engagements were conducted by the Strategic Partners namely COGTA, Treasury and SALGA, and were scheduled as follows:

Vote 8: Department of Cooperative Governance and Traditional Affairs

Province of Free State

Municipality	Date
Tokologo Local Municipality	02 – 03 August 2022
Mafube Local Municipality	06 September 2022
Thabo Mofutsanyana District Municipality	07 September 2022
Dihlabeng Local Municipality	07 September 2022
Mantsopa Local Municipality	07 September 2022
Setso Local Municipality	07 September 2022
Nketoana Local Municipality	07 September 2022
Maluti a Phofung Local Municipality	07 September 2022
Phumelela Local Municipality	07 September 2022
Metsimaholo Local Municipality	10 September 2022
Letsemeng Local Municipality	13 September 2022
Tswelopele Local Municipality	15 September 2022
Xhariep District Municipality	02 November 2022
Kopanong Local Municipality	02 November 2022
Mohokare Local Municipality	02 November 2022
Fezile Dabi District Municipality	08 November 2022
Ngwathe Local Municipality	08 November 2022
Lejweleputswa District Municipality	10 November 2022
Masilonyana Local Municipality	10 November 2022
Nala Local Municipality	10 November 2022

These engagements were aimed at providing practical training to the MPAC members and municipal officials on processing UIFW expenditure to expressly focus on amongst others the following stages of UIFW expenditure processing:

- What should happen with the UIFW expenditure before the MPAC meeting where the UIFW expenditure will be considered;
- What should happen with the UIFW expenditure at the MPAC meeting where the UIFW expenditure will be considered;
- What should happen with the UIFW expenditure after the MPAC meeting where the UIFW expenditure will be considered;
- What should happen with the UIFW expenditure after the MPAC meeting at the municipal council meeting;
- The municipality's UIFW expenditure balance with analysis of critical areas; assessment of the municipal UIFW expenditure reduction plan implementation; MPAC TORs;
- Impact of the amendments to the Municipal Structures Act and its implications for the MPAC; and
- UIFW expenditure processing training of specific examples in the municipality's UIFW expenditure register.

Technical support was provided to the MPAC of the Xhariep District Municipality where the Strategic Partners assisted the MPAC with the investigation of unauthorised, irregular, fruitless and wasteful expenditure as follows:

02 December 2022:

- Fruitless and wasteful expenditure for the period January 2022 to June 2022;
- Unauthorised expenditure for the 2019/20 financial year;
- Unauthorised expenditure for the 2020/21 financial year.

09 February 2023 / 15 & 17 March 2023:

- Evaluation of the 2021/22 Annual Report;
- Irregular expenditure for the 2017/18 financial year;
- Irregular expenditure for the 2018/19 financial year;
- Irregular expenditure for the 2019/20 financial year.

An Online monitoring tool was developed by DCOG and Municipal Representatives involved with the MPACs need to register as end users in order to assist with the challenges encountered by these Committees. All the Municipalities in the Province have registered with the exception of five; namely: Mangaung Metropolitan Municipality, Phumelela Local Municipality, Thabo Mofutsanyana District Municipality, Maluti-a-Phofung Local Municipality and Xhariep District Municipality. A total of 35 users have been registered in the Free State.

Quarterly meetings with DCOG and the rest of the Provinces are held quarterly. This platform creates a platform where best practices are shared as to how Provinces can support their MPACs to be more functional and effective. The main focus is to empower MPACs in such a way that favourable variances will be evident in the UIF&W expenditure and thus the implementation of debt reduction in all Municipalities is vital. At the last meeting held virtually on 09-10 March 2023 a resolution was taken that each Province should craft, with their Strategic Counterparts, a plan to assist Municipalities to improve their audit opinions as well as a support plan for MPACs to reduce their UIF&W expenditure.

The functionality of the Municipal Public Accounts Committees (MPACs) for the current financial year (2022/2023) are displayed on the table below.

MPAC FUNCTIONALITY		
Municipality	Functional	Not Functional
Xhariep DM		
Letsemeng LM		
Kopanong LM		
Mohokare LM		
Lejweleputswa DM		
Masilonyana LM		
Tokologo LM		
Tswelopele LM		
Matjhabeng LM		
Nala LM		
Thabo Mofutsanyana DM		
Setsoto LM		
Dihlabeng LM		
Maluti a Phofung LM		
Nketoana LM		
Phumelela LM		
Mantsopa		
Fezile Dabi DM		
Moghaka LM		
Ngwathe LM		
Metsimaholo LM		
Mafube LM		
Total	16	6

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

- No budget allocation, limited support staff e.g. researcher, office admin assistant etc. as well as limited resources
- Lack of training provided to the broader Council
- The guidelines for MPAC's are not legislated
- Political interference
- Lack of work ethic
- Lack of commitment amongst MPAC members
- Poor cooperation by officials in terms of logistics such as travel arrangements e.g. accommodation and claims

Vote 8: Department of Cooperative Governance and Traditional Affairs

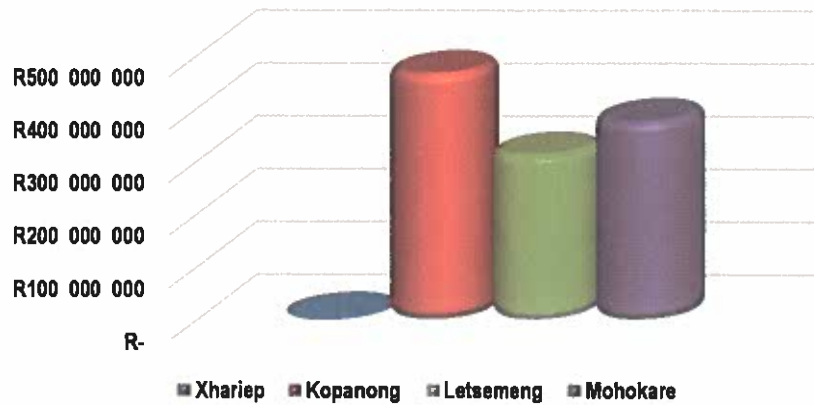
Province of Free State

5. Debtors

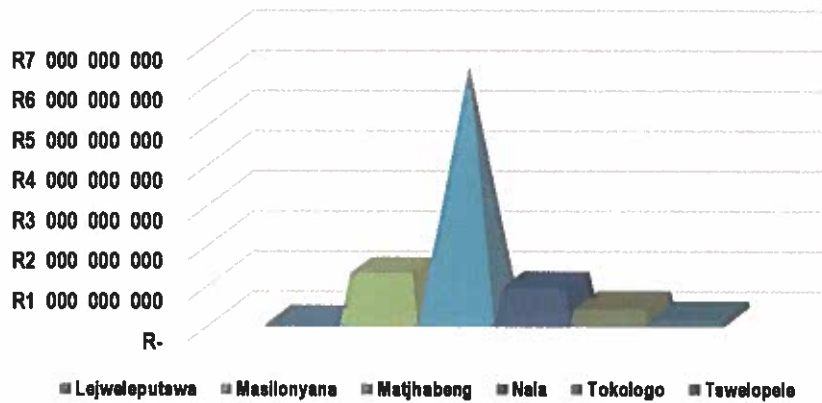
The outstanding debtors of Free State municipalities have reached alarming proportions as illustrated in the table below. The absence of cost reflective and economic tariffs combined with poor revenue-raising mechanisms and weak implementation of debt collection policies further compounds the problem.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

District	No	Municipality	Outstanding Debtors as at 28 February 2023				
			CURRENT	30 + DAYS	60 + DAYS	120 + DAYS	TOTAL
Xhariep District	1	Xhariep	R -	R -	R -	R 8 122 023	R 8 122 023
	2	Kopanong	R 10 536 000	R 10 208 000	R 10 453 000	R 436 256 000	R 467 453 000
	3	Letsemeng	R 7 510 000	R 6 415 000	R 6 307 000	R 294 050 000	R 314 282 000
	4	Mohokare	R 9 607 467	R 10 891 956	R 13 331 689	R 343 862 666	R 377 693 778
		Subtotal	R 27 653 467	R 27 514 956	R 30 091 689	R 1 082 290 689	R 1 167 550 801
Lejweleputswa District	1	Lejweleputswa	R -	R -	R -	R 30 798 601	R 30 798 601
	2	Masilonyana	R 14 338 000	R 11 937 000	R 12 225 000	R 1 245 283 000	R 1 283 783 000
	3	Matjhabeng	R 214 385 533	R 151 930 403	R 151 155 381	R 5 709 992 234	R 6 227 463 551
	4	Nala	R 25 448 000	R 58 785 000	R 19 190 000	R 812 260 000	R 915 683 000
	5	Toko'ogo	R 12 224 431	R 4 951 643	R 4 877 804	R 384 922 935	R 406 976 813
	6	Tswelopele	R 4 878 413	R 3 501 664	R 3 064 232	R 130 408 212	R 141 852 521
		Subtotal	R 271 274 377	R 231 105 710	R 190 512 417	R 8 313 664 982	R 9 006 557 486
Thabo Mofutsanyana District	1	Thabo Mofutsanyana	R -	R -	R -	R 4 172 848	R 4 172 848
	2	Dihlabeng	R 75 602 646	R 24 768 617	R 26 615 362	R 1 295 827 543	R 1 422 814 168
	3	Maluti-A-Phofung	R 30 982 362	R 35 383 372	R 25 743 151	R 2 173 026 516	R 2 265 135 401
	4	Nketoana	R 19 696 985	R 12 638 339	R 13 179 700	R 591 212 707	R 636 727 731
	5	Phumelela	R 2 037 452	R 5 947 982	R 6 517 179	R 421 301 722	R 435 804 335
	6	Setsoho	R 22 996 689	R 18 459 764	R 17 525 156	R 495 401 577	R 554 383 186
	7	Mantsopa	R 13 492 595	R 13 447 880	R 13 595 996	R 840 196 139	R 880 732 610
		Subtotal	R 164 808 729	R 110 645 954	R 103 176 544	R 5 821 139 052	R 6 199 770 279
Fezile Dabi District	1	Fezile Dabi	R -	R -	R -	R -	R -
	2	Matube	R -	R 12 246 530	R 12 793 047	R 700 393 281	R 725 432 858
	3	Metsimaholo	R 184 891 290	R 62 584 165	R 55 625 908	R 2 372 699 978	R 2 675 801 341
	4	Moghaka	R 40 882 061	R 23 747 318	R 23 246 335	R 733 462 662	R 821 338 376
	5	Ngwathe	R 94 402 908	R 22 037 327	R 847 684 938	R -	R 964 125 173
		Subtotal	R 320 176 259	R 120 615 340	R 939 350 228	R 3 806 555 921	R 5 186 697 748
		Grand Total	R 783 912 832	R 489 881 960	R 1 263 130 878	R 19 023 650 644	R 21 560 576 314

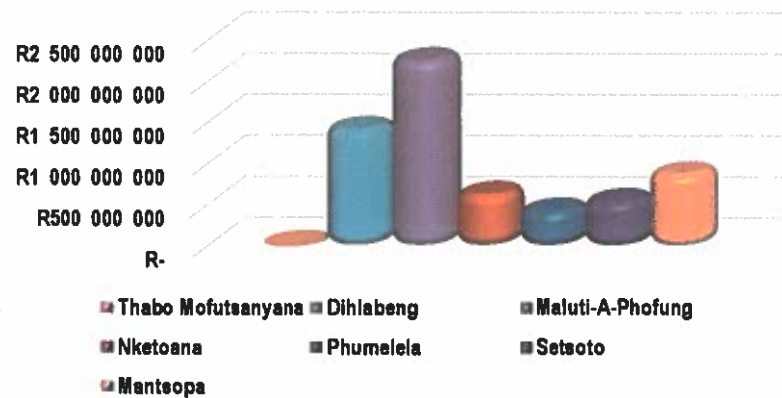
XHARIEP DISTRICT

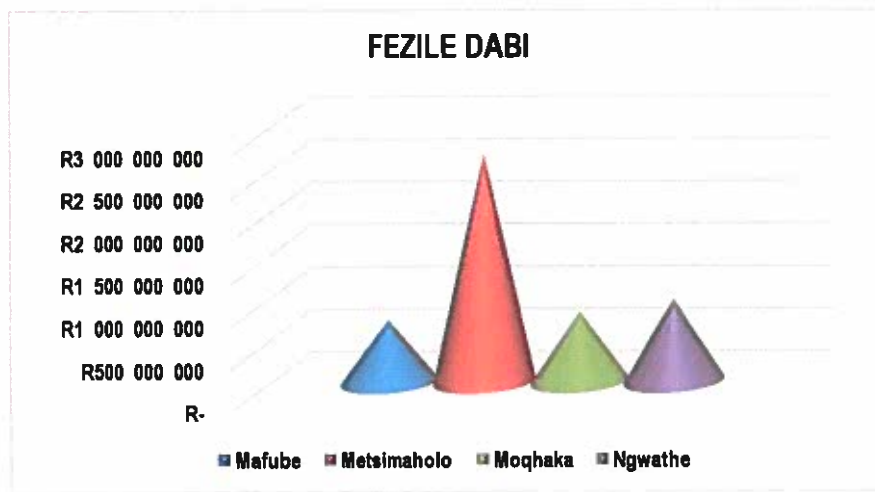


LEJWELEPUTSWA



THABO MOFUTSANYANA





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

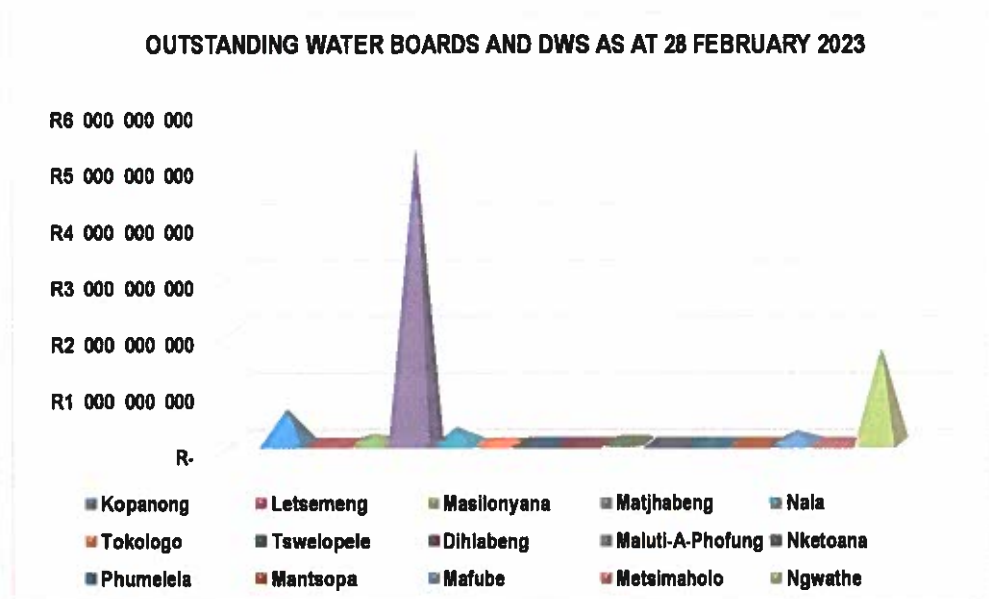
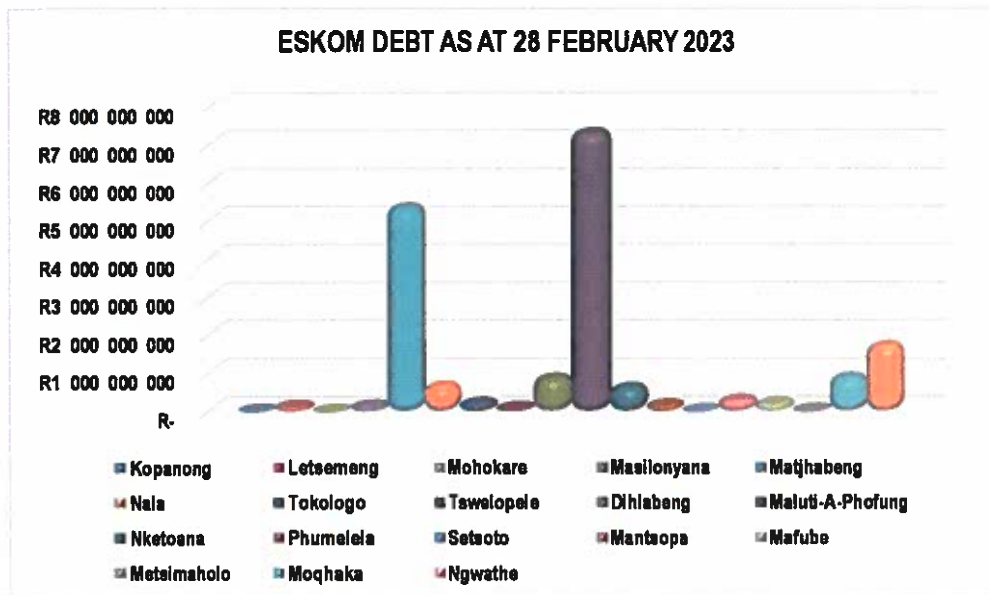
- Absence of, or restricted application of credit control
- Incorrect, incomplete, dormant information in consumer debtor data bases – Debtor data base verifications over due
- Incorrect, irregular meter readings and billing of consumers
- Failure by most Municipalities to apply the procedure determined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

Vote 8: Department of Cooperative Governance and Traditional Affairs

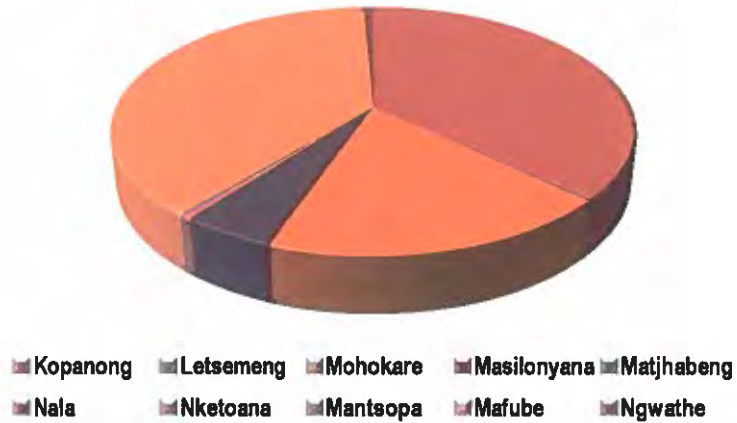
Province of Free State

6. Creditors

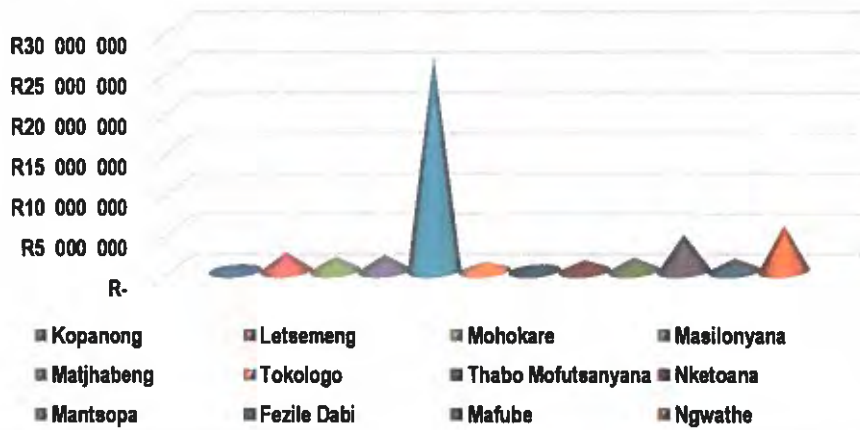
District	No	Municipality	ESKOM as at 28 February 2023	Water Boards as at 28 February 2023	Outstanding Pension Fund Contributions	Outstanding Other Salary 3rd Party payments	SARS	AGSA Fees	Trade Creditors	Total Creditors
Xhariep District	1	Xhariep			R -	R -	R -	R 3 276 985	R 8 822 856	R 12 099 841
	2	Kopanong	R 10 606 607	R 606 786 763	R 170 018 768	R 238 308	R 22 265 906	R 10 581 720	R 17 758 953	R 838 257 025
	3	Leisemeng	R 147 372 363	R 17 236 518	R 723 599	R 2 353 577	R 1 076 718	R 3 869 991	R -	R 172 632 766
	4	Mohokare	R 484 263	R -	R 85 011 328	R 1 799 911	R 1 324 804	R 16 249 751	R 25 011 100	R 129 881 157
		Subtotal	R 158 463 233	R 624 023 281	R 255 753 695	R 4 391 796	R 24 667 428	R 33 978 447	R 51 592 909	R 1 152 870 789
Lejweleputswa District	1	Lejweleputswa			R -	R -	R -	R 164 835	R 1 570 513	R 1 735 348
	2	Masilanyana	R 152 927 647	R 176 092 806	R 1 687 845	R 2 004 527	R 1 295 730	R 4 799 613	R 23 814 644	R 362 622 812
	3	Matjhabeng	R 5 353 062 241	R 5 288 991 330	R 21 468 037	R 26 430 006	R 11 292 523	R 6 398 593	R 391 002 140	R 11 098 644 870
	4	Nala	R 670 943 932	R 286 429 544	R 4 470	R -	R 968 000	R 2 445 738	R 35 531 000	R 996 322 684
	5	Tokologo	R 222 081 804	R 47 951 408	R -	R 1 191 822	R -	R 9 974 144	R 1 715 923	R 282 915 101
	6	Tswelopele	R 94 229 122	R 17 755 410	R -	R -	R -	R 759 319	R 13 650 232	R 126 394 083
		Subtotal	R 6 493 244 746	R 5 817 220 498	R 23 160 352	R 29 626 355	R 13 556 253	R 24 542 242	R 467 284 452	R 12 868 634 898
Thabo Mofutsanyana District	1	Thabo Mofutsanyana			R -	R 816 810	R -	R -		R 1 570 513
	2	Ditlabeng	R 870 122 305	R 54 489 668	R -	R -	R -	R 4 314 535	R 120 513 259	R 1 049 439 767
	3	Makufi-A-Phokung	R 7 329 472 865	R 57 770 000	R -	R -	R -	R 1 416 150	R 14 114 292	R 7 402 773 307
	4	Nkabetana	R 629 137 041	R 1 451 176	R 1 925 737	R 1 345 620	R 1 348 909	R 10 348 379	R 41 774 151	R 687 331 013
	5	Phumelela	R 175 613 894	R 98 248 471	R -	R -	R -	R 7 119 077	R -	R 280 981 442
	6	Setsob	R 12 379 691	R -	R -	R -	R -	R 2 574 589	R 6 455 786	R 21 410 066
	7	Manisopa	R 299 969 421	R 3 342 170	R 1 283 537	R 1 711 265	R -	R 12 118 227	R 278 156 117	R 596 580 737
		Subtotal	R 9 316 695 217	R 215 301 485	R 3 209 274	R 3 873 695	R 1 348 909	R 37 890 957	R 461 013 605	R 10 039 333 142
Fezile Dabi District	1	Fezile Dabi			R -	R 4 510 947	R -	R 582 253	R -	R 5 093 200
	2	Matlube	R 222 570 540	R 475 789 453	R 176 479 346	R 1 578 718	R 9 599 137	R 14 725 183	R 17 688 901	R 918 431 278
	3	Metsimaholo	R 24 108 844	R 42 340 794	R -	R -	R -	R 1 399 416	R 8 256 644	R 76 105 698
	4	Moghaka	R 888 983 036	R -	R -	R -	R -	R 4 183 527	R 38 913 817	R 932 080 380
	5	Ngwalhe	R 1 713 820 765	R 153 542 668	R 3 143 424	R 5 683 868	R 3 324 653	R 6 307 127	R 94 672 330	R 1 980 494 835
		Subtotal	R 2 849 483 185	R 671 672 915	R 179 622 770	R 11 773 533	R 12 923 790	R 27 197 506	R 159 531 692	R 3 912 205 391
		Grand Total	R 18 817 886 381	R 7 328 218 179	R 461 746 091	R 49 665 379	R 52 496 380	R 123 609 152	R 1 139 422 658	R 27 973 044 220



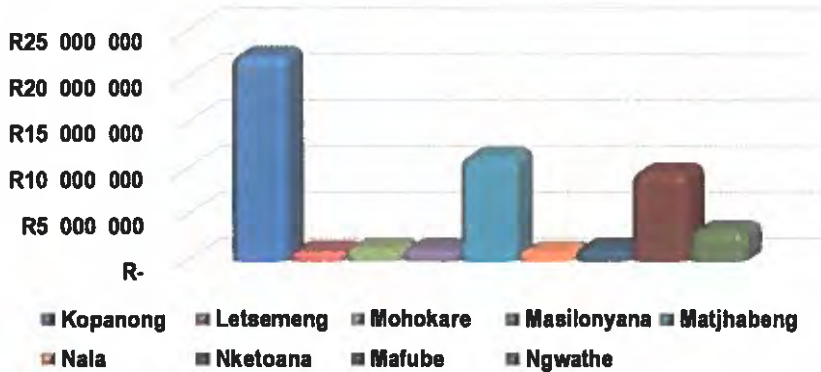
OUTSTANDING PENSION FUND CONTRIBUTIONS

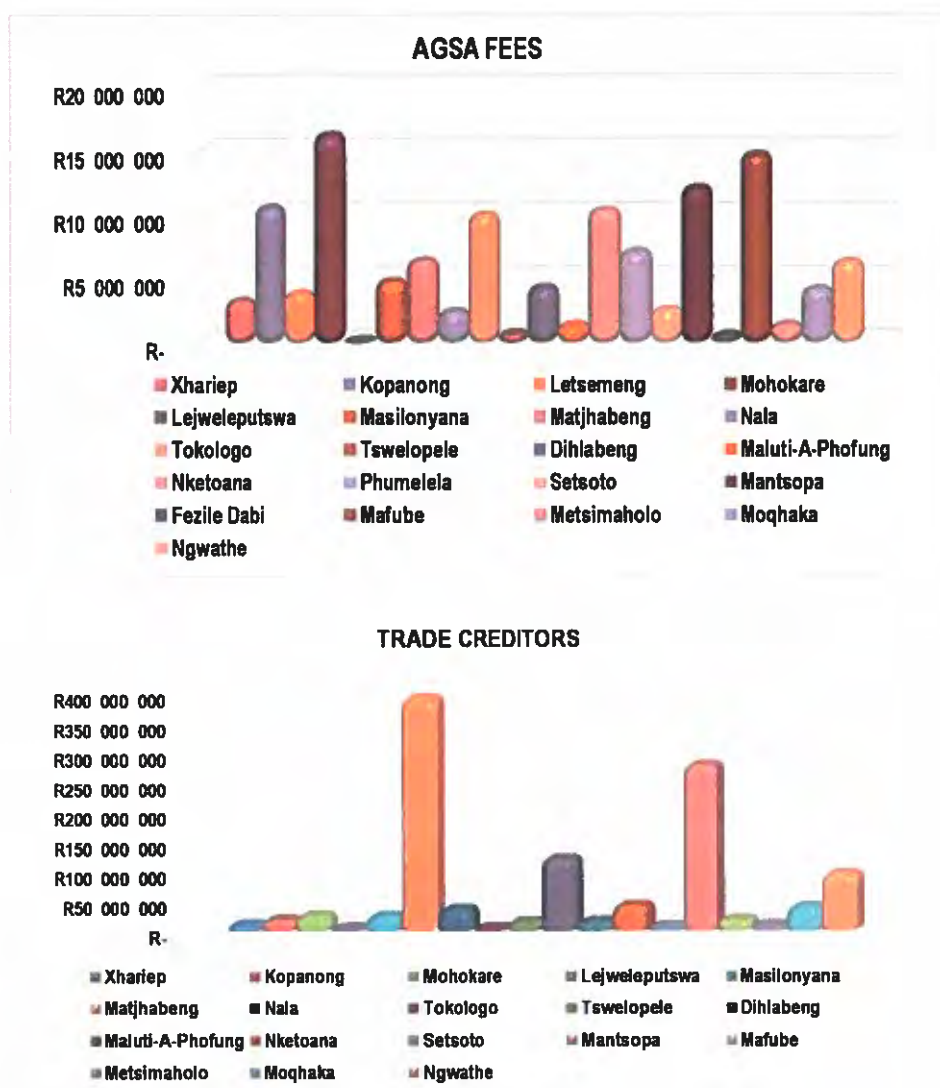


OUTSTANDING OTHER SALARY DEDUCTIONS



SARS





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

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

Pre-existing concerns over the financial position of Free State Municipalities aside, more and more Local Municipalities find it increasingly difficult to deliver electricity, water, and sanitation to communities. Some of the challenges that Local Municipalities face in executing regulations pertaining to expanded service delivery included the need to double if not triple the volume of water delivered to communities to maintain hygienic standards. Overall Free State Municipalities owed Bloem Water and Sedibeng Water Board the amount of R7, 328,218,179 as at 28 February 2023. The residents of some Municipalities experienced interruptions in water supply, often over several consecutive days. Electricity is anticipated to present a major challenge as electricity revenue is often used to cross-subsidise other non-revenue municipal functions. As at 28 February 2023, Free State Municipalities collectively owed ESKOM R18, 817,886,381.

It needs to be appreciated that it is not only the Department that supports Municipalities with improving their audit outcomes. Key stakeholders such as Provincial Treasury and SALGA do have dedicated units and programmes to achieve this objective. As such the Department would not entertain overlaps and duplications in support already granted to Municipalities. In the broader context the Free State Provincial Government does not have budget provisions to invest in turning-around the financial position and addressing other challenges in Municipalities placed under intervention. Although all other Sector Departments do provide their inputs in the compilation of the financial recovery plans at Municipalities this Department remains virtually the only stakeholder that contributes financially to achieving the desired outcomes in financial recovery plans.

Considering the advanced deterioration in the financial situation of most intervention Municipalities and the Department's own limited financial and human resources, skill and capacity it is not always possible to extent support of this nature to more than a few vulnerable and embattled Municipalities.

7. Monitoring compliance with the Municipal Property Rates Act (MPRA), 2004 (Act No. 6 of 2004), as amended

7.1 Valuation Appeal Boards

In terms of Section 60 of the Act, the term of office for members of the Valuation Appeal Board is four years, and members are eligible to be re-appointed. The approval for the appointment of the current Valuation Appeal Boards was granted during April 2022. Due to the financial difficulties experienced by Local Municipalities the Department are paying the sitting allowances, accommodation and travel expenses of the Valuation Appeal Boards for the Xhariep, Lejweleputswa, Thabo Mofutsanyana and Fezile Dabi Districts. To be able to settle the claims of these Valuation Appeal Board Members arrangements had to be made for the re-appointment of the Valuation Appeal Board Members on the Persal System and re-appointment could only take place during March 2023.

In terms of Section 57 of the Act, the functions of an Appeal Board are to hear and decide on appeals against the decisions of a Municipal Valuer concerning objections to matters reflected in, or omitted from, the valuation roll of a Municipality in the area for which it was established in terms of section 56; and to review decisions of a Municipal Valuer to it in terms of section 52 of the Act. The following Valuation Appeal Board Hearings were held during March 2023;

Mangaung Metropolitan Municipality: 06 to 08 February 2023

- The Valuation Appeal Board Hearing of 06 February 2023 was dedicated to the Appeal received on the valuation of the Tempe Military Base. The Hearing was postponed to a later date to be determined.
- The Valuation Appeal Board Hearing of 07 and 08 February 2023 handled ± 68 Objections (please see the attached certificate – Annexure B)

Mafube Local Municipality: 24 March 2023

The Valuation Appeal Board considered 27 Objections received by the Municipal Valuer. If any Appeals is received following the outcome of the Board Hearing of 24 March 2023 a new date will be determined.

The Valuation Appeal Board Hearings for the Maluti a Phofung, Matjhabeng and Phumelela Local Municipalities will be arranged in the 1st Quarter of the 2023/2024 financial year of the Department as the Chairperson and Members of the mentioned Valuation Appeal Boards were not available for Hearings during March 2023.

7.2 MPRA Implementation Matters

The current General Valuation Roll of the following Municipalities are expiring on 30 June 2023 and the Action Plans for these Municipalities were developed in order to assist with legislative compliance:

7.2.1 Letsemeng Local Municipality

The Municipality appointed TT Property Consultants (Pty) Ltd on 16 August 2022 as the Municipal Valuer and the Council determined 15 September 2022 as the date of valuation. The following time lines were set for the Municipal Valuer;

- Draft roll submission 15 December 2022
- Certified roll submission 31 January 2023

The Roll was submitted on 31 January 2023 and the Notice for inspection of the Roll was published in the Provincial Gazette on 03 March 2023. The Roll was open for inspection from 21 February 2023 to 28 April 2023. The closing date for Objections is 28 April 2023.

7.2.2 Mantsopa Local Municipality

Mantsopa Local Municipality did not comply fully with the provisions of the Act. In terms of the Condonation Framework, the MEC granted condonation for the late publication of the New Valuation Rolls. The Certified General Valuation Roll to be submitted on the 17 March 2023.

The late submission was caused by;

- a) The Municipality only appointed a new Municipal Valuer on the 17 August 2022 after finalising all the procurement processes, which is only four (4) months before the legislative compliance due date for submission of the certified Valuation Roll on 31 January 2023.
- b) Upon initial assessment based on information gathered by the Municipal Valuer it was noted that the current Valuation Roll may not have been adequately updated and maintained through regular Supplementary Rolls in line with section 8 of the MPRA.

In addition, the Municipal Valuer noted that to ensure that the Valuation Roll is compliant with the property categories as determined by the MPRA there is a need to update the Rates Policy and present it to Council for approval as part of the process of compiling the new Valuation Roll.

The Roll was submitted on 17 March 2023 and the Notice for inspection of the Roll was published in the Provincial Gazette on 06 April 2023. The Roll is open for inspection from 23 March 2023 to 12 May 2023. The closing date for Objections is 12 May 2023.

7.2.3 Setsoto Local Municipality

The Roll was submitted on 31 January 2023 and the Notice for inspection of the Roll was published in the Provincial Gazette on 24 February 2023. The Roll was open for inspection from 22 February 2023 to 31 March 2023. The closing date for Objections is 31 March 2023.

7.2.4 Compliance with the provisions of Section 14 of the Act

Section 14 of the Municipal Property Rates Act requires Municipalities to annually promulgate a resolution levying rates within 60 days of the date of the resolution, by publishing the resolution in the Provincial Gazette. The table below indicate the publication of these resolutions for the 2022/2023 financial year.

Municipality	Provincial Gazette No and Date 2022/2023	Comments
Mangaung Metro	Gazette 36 of 22 July 2022	Compliant
Xhariep District		
Letsemeng	Gazette 37 of 25 July 2022	Compliant
Kopanong	Gazette 36 of 22 July 2022	Compliant
Mohokare	Gazette 30 of 01 July 2022	Compliant
Lejweleputswa		
Masilonyana	Gazette 43 of 05 August 2022	Compliant
Tokologo	Gazette 66 of 28 October 2022	The first Notice published in Gazette 28 of 24 June 2022 was cancelled and replaced with the Notice in Gazette 66 of 28 October 2022
Tswelopele	Gazette 38 of 29 July 2022	The name of the Municipality do not appear on the 1st page of the Notice
Matjhabeng	Gazette 28 of 24 June 2022	Compliant
Nala	Gazette 34 of 08 July 2022	Compliant
Thabo Mofutsanyana District		
Setsoto	Gazette 34 of 08 July 2022	Compliant
Dihlabeng	Gazette 36 of 22 July 2022	Compliant
Nketoana	Gazette 28 of 24 June 2022	Compliant
Maluti a Phofung	Gazette 35 of 15 July 2022	Compliant
Phumelela	Gazette 24 of 15 June 2022	Compliant
Mantsopa	Gazette 45 of 19 August 2022	Compliant
Fezile Dabi District		
Moqhaka	Gazette 30 of 01 July 2022	Compliant
Ngwathe	Gazette 30 of 01 July 2022	Compliant
Metsimaholo	Gazette 55 of 23 September 2022	Compliant
Mafube	Gazette 30 of 01 July 2022	Compliant

8. Institutional challenges experienced in the Directorate Municipal Financial Support

The Directorate suffered the loss of the Director Municipal Financial Support and the Deputy Director for the Thabo Mofutsanyana District within 10 month from each other during the 2022/2023 financial year. The Directorate further experience the following challenges;

- Filling of vacant positions / promotion of officials currently in the Directorate;
- Valuation Appeal Board Sitzings;
- Sitting of the Valuation Appeal Boards (VAB) cannot be arranged before the Members of the VAB are reinstated on Persal.

- Unstable Network connections in the LT Trust Building;
- Unallocated support to Municipalities in terms of the Municipal Support Programme;
- Reporting on the functionality of other Committees of Council – the Directorate is responsible for the reporting on the functionality of MPACs, but DCoG also request information on other Committees of Council.
- Role clarification between the Intervention Unit, Municipal Finance and Municipal Administration and Legal Services in terms of Municipal Interventions.
- Involvement of other divisions in the Branch in the Municipal Audit Steering Committees of Municipalities with regard to predetermined objectives etc.
- Involvement of other divisions in the Branch in attending Audit Committee Meetings of Municipalities where other matters than Finance is discussed.

LOCAL ECONOMIC DEVELOPMENT

The Department monitor and support municipalities with the development of Local Economic Development Strategies (LED) that will address the economic challenges and create an enabling environment for business to grow. Credible LED strategies that will include issues such as rural development, Spatial Planning and Land Use Management Act, local procurement, informal economy and Green economy, that will form part of the IDP as a sector plan. The One Plan for the District Municipalities are also used during the development of the LED Strategies, in order to align with the District Development Model. The Department assisted following municipalities to have updated LED Strategies:

- Mohokare LM
- Masilonyana LM
- Fezile Dabi
- Moqhaka DM
- Tokologo LM
- Nala LM
- Letsemeng LM

The department is in the process the review the LED strategies of the following municipalities:

- Setsoto LM
- Dihlabeng LM
- Nketoana LM
- Phumelela LM
- Tswelopele LM
- Kopanong LM
- Xhariep DM
- Mafube LM
- Metsimaholo LM
- Ngwathe LM

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

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- Xhariep DM
- Lejweleputswa DM
- Fezile Dabi DM
- Phumelela DM
- Masilonyana DM
- Moqhaka LM
- Mantsopa LM
- Metsimaholo LM
- Thabo Mofutsanyana DM

The Department also arrange workshops to capacitate the LED officials within local and district municipalities on areas of local economic development.

The outbreak of the Corona virus in South Africa in December 2020 and the declaration of the national state of disaster and COVID-19 Regulations and Directives had a huge impact on the local economies of municipalities that need to be addressed. District and Metro Municipalities were requested by National Dept. of Cooperative Governance to develop District /Metro Economic Recovery Plans that will assess the situation with the impact of Covid 19 and to come up with recovery and implementation plans in order to achieve the goals as set in the Economic Reconstruction and Recovery Plan. The Department supported t District/Metro municipalities with the development of the Recovery Plans, in order to ensure alignment with the LED Strategies of municipalities.

SPATIAL PLANNING

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

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

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

All the municipalities in the province meet the requirements.

The table below depicts the compliance per municipality:

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

Land Use Schemes:

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

Fezile Dabi District

	PROGRESS
MAFUBE	LUS was compiled by Municipality. The Department was part of the process. Notice of final LUS was gazetted in Provincial Gazette No. 46 on 26 August 2022
METSIMAHOLO	COGTA is the process of assisting the Municipality. Draft LUS was sent to the Municipality
MOQHAKA	LUS was compiled by Municipality

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	Notice of final LUS gazetted in Provincial Gazette No. 92, 06 December 2019
NGWATHE	LUS was compiled by service provider appointed by DALRRD. The Department was part of the process. Notice of final LUS gazetted in Provincial Gazette No. 07, on 22 April 2022.

Mangaung Metro

	PROGRESS
MANGAUNG	LUS was compiled by service provider appointed by the Municipality. The Department was part of the process Notice of final LUS gazetted in Provincial Gazette No. 53, dated 9 September 2022

Thabo Mofutsanyana District

	PROGRESS
DIHLABENG	Draft LUS Regulations and draft Maps have been completed by the Department. It is in the public participation phase.
MALUTI-A-PHOFUNG	Draft LUS Regulations and draft Maps have been completed by the Department. Final LUS must be adopted by Council and notice must be gazetted
MANTSOPA	The Department compiled the LUS Regulations and LUS Maps. Notice of final LUS was gazette in Provincial Gazette No. 38, on 29 July 2022
NKETOANA	The Department compiled the LUS Regulations and LUS Maps. Notice of final LUS was gazetted in Provincial Gazette No. 28, on 24 June 2022
PHUMELELA	The Department compiled the LUS Regulations and LUS Maps. Notice of final LUS was gazette in Provincial Gazette No. 38, on 29 July 2022
SETSOTO	LUS was compiled by service provider appointed by DALRRD. The Department was part of the process. Notice of final LUS was gazette in Provincial Gazette No. 122, on 6 March 2020

Xhariep District

	PROGRESS
KOPANONG	The Department compiled the LUS Regulations and LUS Maps. Notice of Final LUS was gazetted in Provincial Gazette No. 44 on 19 August 2022
LETSEMENG	The Department compiled the LUS Regulations and LUS Maps. Notice of final LUS was gazette in Provincial Gazette No. 30, on 1 July 2022
MOHOKARE	The Department compiled the LUS Regulations and LUS Maps. Notice of final LUS was gazette in Provincial Gazette No. 28 on 24 June 2022

Lejweleputswa District

	PROGRESS
MASILONYANA	Final LUS was adopted by Council in 2019
MATJHABENG	LUS was compiled by service provider appointed by DALRRD. The Department was part of the process. Notice of final LUS was gazette in Provincial Gazette No. 104, on 11 March 2022
NALA	The Department compiled the LUS Regulations and LUS Maps. Final LUS must be adopted by Council and notice must be gazetted
TOKOLOGO	The Department compiled the LUS Regulations and LUS Maps.

	Public participation have not started yet..
TSWELOPELE	The Department compiled the LUS Regulations and LUS Maps. Council adopted final LUS. Notice must be gazetted.

Spatial Development Framework

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

Thabo Mofutsanyana District

PROGRESS	
THABO MOFUTSANYANA DISTRICT	The Final DSDF was only adopted by Council on 28/01/2022, but it was never gazetted. The Department will assist the Municipality with the review of the SDF in 2023/2024 financial year.
DIHLABENG	DALRRD appointed a service provider. The Department is part of the process. Draft SDF in the process of Public Participation
MALUTI-A-PHOFUNG	A 2019/2020 SDF was approved by Council. It was not Gazetted. The Department will assist the Municipality with the review of the SDF in 2023/2024 financial year.
MANTSOPA	The Department is assisting the municipality with the compilation of the SDF. Public Participation to start.
NKETOANA	The Department is assisting the municipality with review of the SDF. Draft SDF to be approved by Council for Public Participation
PHUMELELA	Final SDF to be adopted and gazette.
SETSOTO	Final SDF was gazetted in Provincial Gazette No. 38, on 29 July 2022.

Xhariep District

PROGRESS	
XHARIEP DISTRICT	DALRRD appointed a service provider. The Department is part of the process. Draft SDF in the process of Public Participation
KOPANONG	The Department is assisting the municipality with the review of the SDF from April 2021.
LETSEMENG	The Department is assisting the municipality with review of the SDF, started September 2021.
MOHOKARE	The Department is assisting the municipality with review of the SDF. Draft SDF to be approved by Council for Public Participation

Lejweleputswa District

PROGRESS	
LEJWELEPUTSWA DISTRICT	The Department is assisting the municipality with review of the SDF. Draft SDF to be approved by Council for Public Participation
MASILONYANA	The Department will assist the Municipality with the review of the SDF in 2023/2024 financial year.
MATJHABENG	Municipality is reviewing their SDF in-house.

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NALA	DALRRD appointed a service provider. The Department is part of the process. Draft SDF in the process of Public Participation
TOKOLOGO	The Department is assisting the municipality with review of the SDF. Draft SDF to be approved by Council for Public Participation
TSWELOPELE	The Department is assisting the municipality with review of the SDF. Draft SDF to be approved by Council for Public Participation

Fezile Dabi District

PROGRESS	
FEZILE DABI DISTRICT	The Draft SDF was approved for Council on 29 March 2023 for Public Participation.
NGWATHE	The Municipality requested the assistance of the DALRRD to appoint a service provider in the 2023/2024 financial year. The Department will be part of the process.
MAFUBE	The Municipality requested the assistance of the DALRRD to appoint a service provider in the 2023/2024 financial year. The Department will be part of the process.
METSIMAHOLO	The Department will assist the Municipality with the review of the SDF in 2023/2024 financial year.
MOQHAKA	DALRRD appointed a service provider. The Department is part of the process. Draft SDF in the process of Public Participation

GEOGRAPHIC INFORMATION SYSTEMS (GIS)

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

MUNICIPALITIES WITHOUT A FUNCTIONAL GIS

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

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

MUNICIPALITIES WITH A FUNCTIONAL GIS

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

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MUNICIPAL PERFORMANCE

Sections 56 and 57 of the Municipal Systems Act, No. 32 of 2000 (MSA) respectively outline the process to be followed before a person can be appointed as a municipal manager or a manager directly accountable to the municipal manager.

The MSA outlines the process to be followed before a person can be appointed as a municipal manager or a manager directly accountable to the municipal manager.

- 03 Municipalities have revised the staff establishment within 2 years of the election of the new councils.
- Municipalities have indicated that the structure is presented as part of IDP process.
- It is expected that all municipalities will have revised their staff establishments by the 30th June 2023 (Circular 12 of 2022), in line with legislative requirements.

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

	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other	Total
Total No. of posts	23	23	20	23	09	21	10	129
Total No. filled	08	11	13	10	04	08	02	56
Total No. Vacant	15	12	07	13	05	13	08	73
Total No. by female	03	01	03	01	02	04	01	15

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

	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir/Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Mangaung Metro	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant	05 Vacant	0/11	0%
Total Number of Posts	01	01	01	01	01	01	05	11	
Filled	0	0	0	0	0	0	0	0	0%
Vacant	01	01	01	01	01	01	05	11	100%
Total No. by female	0	0	0	0	0	0	0	0	0%

Total number of posts in Mangaung Metro is 11, with 0 post filled and 11 vacant. 0 posts are filled by women resulting in 0% representation.

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

	Municipal Manager	Chief Financial Officer	Dir/ Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Xhariep DM	Filled	Filled	N/A	Filled	N/A	Vacant	N/A	03/04	75%
Letsemeng LM	Vacant	Filled	Filled	Vacant	N/A	Vacant	N/A	02/05	40%
Kopanong LM	Vacant	Vacant	Vacant	Vacant	N/A	Vacant	N/A	00/05	0%
Mohokare LM	Filled	Filled	Filled	Vacant	N/A	Vacant	N/A	03/05	60%
Total Number of Posts	04	04	03	04	0	04	0	19	
Filled	02	03	02	01	0	0	0	08	42%
Vacant	02	01	01	03	0	04	0	11	58%
Total No. filled by female	01	0	01	0	0	0	0	02	25%
Total number of posts in Xhariep District is 19 with 08 posts filled and 11 Vacancies. 02/08 post is filled by women resulting in 25% representation.									

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

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Lejweleputswa DM	Vacant	Vacant	N/A	Vacant	Filled	Filled	N/A	02/05	40%
Masilonyana LM	Vacant	Vacant	Filled	Vacant	N/A	Filled	N/A	02/05	40%
Tokolologo LM	Vacant	Filled	Filled	Filled	N/A	N/A	N/A	03/04	75%
Tswelopele LM	Vacant	Filled	Vacant	Filled	N/A	Filled	N/A	03/05	60%
Matjhabeng LM	Filled	Vacant	Vacant	Filled	Filled	Filled	02 Filled	06/08	75%
Nala LM	Filled	Vacant	Filled	Vacant	N/A	Vacant	N/A	02/05	40%
Total Number of Posts	06	06	05	06	02	05	02	32	
Filled	02	02	03	03	02	04	02	18	56%
Vacant	04	04	02	03	0	01	0	14	44%
Total No. filled by female	0	0	01	0	01	02	01	05	23%
Total number of posts in Lejweleputswa District is 32 with 18 posts filled and 14 Vacancies. 05/18posts are filled by women resulting in 23% representation									

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

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Thabo Mofutsanyana DM	Filled	Vacant	Vacant	Vacant	N/A	Filled	N/A	02/05	40%
Dhlabeng LM	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant	N/A	00/06	0%
Setsotho LM	Filled	Filled	Filled	Filled	N/A	Vacant	N/A	04/05	80%
Nketoana LM	Filled	Filled	Filled	Vacant	Filled	Vacant	N/A	04/06	67%
Mantsopa LM	Vacant	Filled	Filled	Filled	N/A	Filled	N/A	04/05	80%
Phumelela LM	Vacant	Filled	Filled	Filled	N/A	N/A	N/A	03/04	75%
Maluti-a-Phofung LM	Vacant	Filled	Filled	Filled	Vacant	Filled	02 Vacant	04/08	50%
Total Number of Posts	07	07	07	07	03	06	02	39	
Filled	03	05	05	04	01	03	0	21	54%
Vacant	04	02	02	03	02	03	02	18	46%
Total No. filled by female	02	01	01	0	0	02	0	06	29%
Total number of posts in Thabo Mofutsanyana District is 39 with 21 posts filled and 18 Vacancies. 06/21 posts are filled by women resulting in 29% representation.									

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

Municipality	Municipal Manager	Chief Financial Officer	Dir/ Man Technical Services/ Engineering	Dir/ Man Corporate Services	Dir /Man Town/ Development Planning/ LED	Dir/Man Community Services	Other Director	Filled/ Total	% Filled
Fezile Dabi DM	Vacant	Vacant	N/A	Vacant	Vacant	Vacant	N/A	00/05	0%
Moghaka LM	Vacant	Vacant	Filled	Vacant	Vacant	Vacant	N/A	01/06	17%
Ngwathe LM	Vacant	Vacant	Filled	Filled	N/A	Vacant	01 Vacant	02/06	33%
Metsimaholo LM	Filled	Filled	Filled	Filled	Filled	Filled	N/A	06/06	100%
Mafube LM	Vacant	Vacant	Vacant	Vacant	N/A	Vacant	N/A	00/05	0%
Total Number of Posts	05	05	04	05	03	05	01	28	
Filled	01	01	03	02	01	01	0	09	32%
Vacant	04	04	01	03	02	04	01	19	68%
Total No. filled by female	0	0	0	01	01	0	0	02	22%
Total number of posts in Fezile Dabi District is 28 with 09 posts filled and 19 Vacancies. 02/09 posts are filled by women resulting in 22% representation.									

Submission of Employment Contracts and Performance Agreements

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

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

Based on the preceding legislative requirement, herewith the outstanding employment contracts and performance agreements as at 28 March 2023

Section 82 of the Municipal Structures Act, and section 54A of the Municipal Systems Amendment Act no 3 of 2022.

Appointments of Municipal Managers:

02 Employment Contracts outstanding: Mohokare, and Ngwathe (incumbent resigned with immediate effect March 2023) LMs

14 Performance Agreements outstanding: Xhariep; Lejweleputswa (Acting); Fezile Dabi (Acting) DMs and Kopanong (Acting); Letsemeng (Acting); Masilonyana (Acting); Tokologo (Acting); Nala; Mantsopa (Acting); Nketoana (Acting); Phumelela (Acting); Setsoto; Dihlabeng (Acting); Maluti-a-Phofung (Acting) LMs.

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11 Financial Disclosure Forms Outstanding: Xhariep; Lejweleputswa (Acting); Fezile Dabi (Acting) DMs and Kopanong (Acting); Letsemeng (Acting); Mantsopa (Acting); Nketoana; Phumelela (Acting); Setsoto (Acting); Dihlabeng (Acting); Maluti-a-Phofung (Acting) LMs.

Sections 56 and 57 appointments in line with the Municipal Systems Amendment Act no 3 of 2022

Appointments of managers directly accountable to municipal managers

03 Employment Contracts outstanding: 02 Letsemeng (Chief Financial Officer, and Dir. Technical Services); 01 Maluti-a-Phofung (Dir. Human Settlement).

1.1.1 Performance Management System (PMS) Functionality

PMS Functionality Assessments were conducted and based on presentations made and submissions as well as operational analysis by the Department, the assessment outcomes are as follows:

District	Municipality	PMS in Place	Adopted Framework	Is there human capacity to execute function	Capacity To Implement PMS
Metropolitan	Mangaung Metro	Yes	Yes	Yes	Yes
Xhariep	Xhariep DM	Yes	Yes	Yes	Yes
	Letsemeng LM	Yes	Yes	Yes	Yes
	Kopanong LM	Yes	Yes	Yes	Yes
	Mohokare LM	Yes	Yes	Yes	Yes
District	Municipality	PMS in Place	Adopted Framework	Is there human capacity to execute function	Capacity To Implement PMS
Lejweleputswa	Lejweleputswa DM	Yes	Yes	Yes	No
	Masilonyana LM	Yes	Yes	Yes	Yes
	Tokologo LM	No	Yes	No	No
	Tswelopele LM	Partially	Yes	No	No
	Nala LM	Yes	Yes; not yet implemented	Yes	Yes
	Matjhabeng LM	No	No	No	No
Thabo Mofutsanyana	Thabo Mofutsanyana DM	Yes	Yes	Yes	Yes
	Dihlabeng LM	Yes	Yes	Yes	Yes
	Setsoto LM	Yes	Yes	Yes	Yes
	Nketoana LM	Yes	Yes	Yes	Yes
	Mantsopa LM	Yes	Yes	Yes	Yes

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	Phumelela LM	Yes	Yes	Yes	Yes
	Maluti-a-Phofung LM	Yes	Yes	No	No
Fezile Dabi	Fezile Dabi DM	Yes	Yes	Yes	Yes
	Moqhaka LM	Yes	Yes	Yes	Yes
	Ngwathe LM	Yes	Yes	Yes	Yes
	Metsimaholo LM	Yes	Yes	Yes	Yes
	Mafube LM	Yes	Yes	Yes	Yes

Public Participation

Government is committed to a form of community participation which is genuinely empowering, and not token consultation or manipulation. This involves a range of activities including creating democratic representative structures (ward committees), assisting those structures to plan at a local level, through development of ward profiles, ward based database of community concerns, ward operational plans. To implement and monitor these plans using regular community report back meetings and compiling functionality reports.

National government adopted public participation programme (Izimbizo), which requires all the elected public representatives to plan and convene regular community meetings. As a result all municipalities have now developed and adopted their public participation policies, however, most municipalities have not yet developed their public participation plans or strategies. The finalisation of the plans will go a long way in strengthening the involvement of the vulnerable groups in core municipal processes and clarifying there processes and procedures for handling community concerns (complaints) in municipalities.

Complaints and Compliments Management System:

The South African Constitution, 1996, (Act No. 108 of 1996 as amended) provides for municipalities to encourage the involvement of communities and community organisations in matters of local government to ensure a democratic and accountable government.

Furthermore, The Local Government: Municipal Systems Act 32 of 2000 section 17 (2) provides that municipality must develop mechanisms, processes and procedures for the receipt, processing and consideration of petitions and complaints lodged by members of community.

This assertion is further emphasized through chapter 4 of the Local Government: Municipal Systems Act, 2000, (Act No. 32 of 2000) which provides for municipalities to develop a culture of community participation as well as mechanism, processes and procedures for community participation but more specifically the "receipt, processing and consideration of petitions and complaints lodged by community members".

The Department has developed guidelines and Standard Operating Procedures for handling community concerns and memorandums, with a view of trying to mitigate violent protests which often leads to the destruction of both private and public property. The biggest challenge has been to institutionalise the mechanisms at municipal level.

All the municipalities in the province *continue* to use manual systems to capture the complaints of the communities. Some municipalities use *complaints boxes* while others use *complaints registers*. The challenge here is that these manual complaints systems are never updated or effectively applied.

Introduction of GovChat

The GovChat community engagement platform is the world's first citizen engagement platform with inbuilt communication tools on the popular WhatsApp application. This community engagement platform comes as a result of partnership between GovChat and the Departments of Cooperative Governance and Traditional leadership at a national level.

Through this platform the communities are able to access their elected representatives (councillors). In order to improve accessibility the platform will use Unstructured Supplementary Service Data (USSD) channel which enable those outside the urban areas (those without smartphones) to communicate.

Inter-Governmental Relations:

The Department continuously supported all District IGR Forums to hold meetings, especially District Technical IGR Support Forums whose main mandate is to technically support the District Mayors in the coordination and strengthening of the service delivery machinery of government through the IGR system. The main challenges experienced are the lack of follow up on the implementation of resolutions taken during IGR Forum meetings and attendance of meetings by primary members. Both Technical and Political IGR Forums were established during the term under review at both Provincial and District level.

Ward Committees

All 319 ward committees were re-established. They have varied levels of functionality with respect to:

All ward committees were inducted to enable their functionality and *entrench* community participation at local level. It is through ward committees as the legislated structure that the government is brought closer to the people and communities are able to manage their affairs.

The Department also supported all municipalities to ensure that both ward committees and Public Participation Officers are included in the Workplace Skills Plan of the municipality.

Batho Pele.

Batho Pele as a change management process is aimed at inculcating a customer service oriented and performance culture, efficiency, excellence and accountability in Government. At the centre of implementing Batho Pele is respect and putting citizens first (Back to Basic pillar). The eight principles of Batho Pele are the foundation of our Government's approach to guide all interaction between Government institutions and the public. The National Department of DCOG has recently finalized the *Local Government Batho Pele Framework*. The document is aimed to guide implementation of Batho Pele Principles within local government sector. The document places special premium on the development of Service Standards and charters, as one of the MSA requirements. The Department continues to support municipalities to develop and implement Service Standards and charters.

FREE BASIC SERVICES

All municipalities in the province are providing Free Basic Services to qualifying households. The Department is currently monitoring municipalities on their implementation of Indigent policies and registers. The province has monitored municipalities in implementing their indigent policies and registers. This support and monitoring will be provided on a continuous basis in the 2022/23 financial year involving the 146 917 registered households in all the municipalities in the Free State. It is anticipated that this number will be increased to 150 000 registered households in the 2022/23 financial year.

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

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

The challenges facing municipalities generally are:

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

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

Municipality	Households N0	Indigents N0	FBW	FBE	FBSAN	FBRR
Maluti-a-Phofung	100228	12686	3819	6650	3819	3819
Setsoto	37 210	6980	6 980	9 680	6980	6980
Dihlabeng	46 857	4 615	4 615	4 615	4 615	4 615
Nketoana	16 634	4 603	4 340	4 255	4565	4 546
Phumelela	12531	1251	1251	1251	1251	1251
Mantsopa	16 951	1 134	1 134	1 134	1 134	1 134
Matjhabeng	385 685	51 892	51892	67163	51 892	51 892
Tokologo	127 407	21 545	21545	21 545	21545	21545
Tswelopele	8 698	1331	1331	1331	1331	1331
Nala	12 909	4 243	12909	4 838	4243	4243

Masilonyana	24 343	1 1268	11268	11 268	11268	11268
Mangaung	18 038	2936	3 203	170	2790	2705
Ngwathe	28655	12 098	11 215	12 098	12 000	12 098
Metsimaholo	48 996	10702	10418	10067	9531	9948
Letsemeng	13061	1969	11092	1735	13061	13061
Mohokare	13405	1555	1555	1555	1555	1555
Moqhaka	33 895	13 222	13 222	13 222	13 222	13 222
Mafube	18 701	3 134	18 701	18 701	18 701	18 701
Kopanong	13 527	2 290	2 290	2 290	2290	2 290
Total	977731	169454	192780	193568	185793	186204

Support on the implementation of the Community Work Programme to create job opportunities

The CWP is an initiative designed to provide an employment safety net by providing participants with a predictable number of days of work per month thus supplementing their existing livelihood strategies and affording them a basic level of income security through work. Currently participants are provided with a stipend of R105 per day working for two days per week. Supervisors are provided with R130 per week.

The programme is targeted at unemployed and/or underemployed people of working age, including those whose livelihood activities are insufficient to lift them out of poverty.

Through the programme 24 800 job opportunities have been created and implemented in all the 78 towns of the 19 municipalities of the Free State province. "It is anticipated that 25 000 job opportunities will be created in the 2022/2023"

MUNICIPAL INFRASTRUCTURE

MIG Annual Report: 2022/2023: March 2023

The Municipal Infrastructure Grant (MIG) continued to contribute towards municipal service delivery in the Province during the 2021/2022 MIG financial year (July 2021-June 2022) and the 2022/2023 MIG financial year (July 2022-March 2023) which overlapped with the Provincial financial years:

a) MIG Expenditure 2021/2022: June 2021 - July 2022

The Provincial MIG Expenditure target for the end of June 2022 was set at 100%. A total amount of R618, 607,634.73 (79%) out of a revised allocation of R779, 352,000.00 was spent as at 30 June 2022.

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June 2022	Provincial Expenditure Target: 100%				
Municipality	Expenditure vs MIG Allocation 2021/2022				Unspent 2020/2021 MIG Funds (All applications declined)
	Revised Allocation	Expenditure	%	Balance	
Letsemeng (FS161)	17 894 000.00	9 809 478.27	55%	8 084 521.73	3 267 352.79
Kopanong (FS162)	21 494 000.00	6 067 162.54	28%	15 426 837.46	5 684 807.42
Mohokare (FS163)	18 788 000.00	8 463 746.22	45%	10 324 253.78	-
Xhariep (DC16)				-	
Masilonyana (FS181)	24 552 000.00	14 550 773.97	59%	10 001 226.03	-
Tokologo (FS182)	17 262 000.00	17 262 000.00	100%	-	1 754 709.66
Tswelopele (FS183)	17 192 000.00	17 192 000.00	100%	-	3 260 242.64
Matjhabeng (FS184)	133 069 000.00	92 423 883.51	69%	40 645 116.49	83 616 843.58
Nala (FS185)	31 157 000.00	31 157 000.00	100%	-	469 974.49
Lejweleputswa (DC18)				-	
Setsotho (FS191)	49 792 000.00	35 189 122.01	71%	14 602 877.99	-
Dihlabeng (FS192)	40 712 000.00	18 789 414.60	46%	21 922 585.40	-
Nketoana (FS193)	26 621 000.00	26 621 000.00	100%	-	-
Maluti-a-Phofung (FS194)	182 445 000.00	181 622 162.07	99.5%	822 837.93	-
Phumelela (FS195)	20 309 000.00	20 309 000.00	100%	-	-
Mantsopa (FS173)	20 889 000.00	12 046 255.82	58%	8 842 744.18	3 371 498.05
Thabo Mofutsanyana (DC19)					
Moqhaka (FS201)	42 336 000.00	42 336 000.00	100%	-	-
Ngwathe (FS203)	44 240 000.00	35 995 473.11	81%	8 244 526.89	2 105 450.25
Metsimaholo (FS204)	47 085 000.00	37 208 272.57	79%	9 876 727.43	-
Mafube (FS205)	23 515 000.00	11 564 890.04	49%	11 950 109.96	-
Fezile Dabi (DC20)				-	
Provincial Total	779 352 000.00	618 607 634.73	79%	160 744 365.27	103 530 878.88
Cost Reimbursement Municipalities					

12 Municipalities namely Letsemeng, Kopanong, Mohokare, Masilonyana, Tokologo, Matjhabeng, Dihlabeng, Maluti-a-Phofung, Mantsopa, Ngwathe, Metsimaholo and Mafube were on a Cost Verification method whereby monthly claims will be verified by MISA before service providers can be paid.

National Treasury declined the rollover of unspent 2020/2021 MIG funds in all Municipalities namely: Kopanong (R5, 7m), Tokologo (R1,7m), Matjhabeng (R83, 6m), Nala (R0,7m), Mantsopa (R3,3m) and Ngwathe (2,1m). Letsemeng (R3, 2m) and Tswelopele (R3,2m) did not apply for a roll over. Reasons were insufficient funds in their bank accounts and the

non-submission of Annual Financial Statements. National Treasury also stopped R1, 724,000.00 in Phumelela LM in the 2021/2022 fin year due to the Municipality not reaching the December 2021 expenditure target against transferred funds.

The 2021/2022 MIG expenditure per Municipality can be categorized as follows:

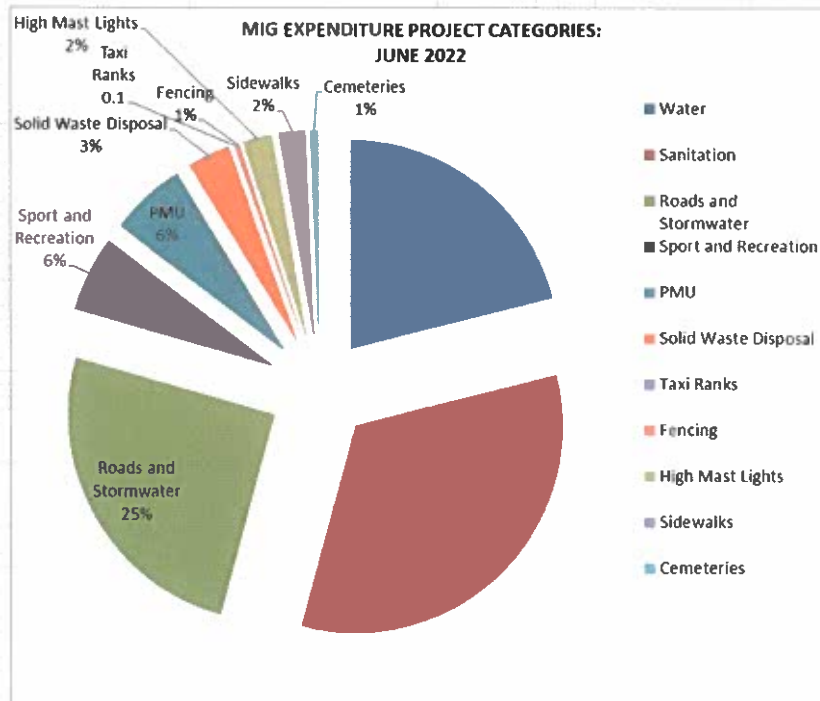
Six Municipalities namely Tokologo, Tswelopele, Nala, Nketoana, Phumelela and Moqhaka reached the Provincial Expenditure Target of 100%:

Twelve Municipalities did not spend 100% of their 2021/2022 MIG Allocation:

Municipality	Reasons for under expenditure forwarded by Municipalities
Letsemeng (55%)	Cost verification. The late implementation of projects by the Municipality resulted in the under expenditure.
Kopanong (28%)	Cost verification. Cash flow challenges prevented the Municipality paying service providers which resulted in the under expenditure.
Mohokare (45%)	Cost verification. Cash flow challenges prevented the Municipality paying service providers which resulted in the under expenditure.
Masilonyana (59%)	Cost verification. Late appointment of service providers as well as cash flow challenges resulted in the under expenditure.
Matjhabeng (69%)	Cost Verification. The late implementation of projects by the Municipality resulted in the under expenditure.
Setsotho (71%)	The late implementation of projects by the Municipality resulted in the under expenditure.
Dihlabeng (46%)	Cost verification. The late implementation of projects by the Municipality and further non-appointment of service providers resulted in the under expenditure.
Maluti-a-Phofung (99.5%)	Cost verification. Late appointment of service providers resulted in the under expenditure.
Mantsopa (58%)	Cost verification. Cash flow challenges resulted in the under expenditure.
Ngwathe (81%)	Cost Verification. Late appointment of service providers resulted in the under expenditure.
Metsimaholo (79%)	Cost Verification. Late appointment of service providers resulted in the under expenditure.
Mafube (49%)	Cost verification. Late appointment of service providers as well as cash flow challenges resulted in the under expenditure.

MIG Expenditure on Project Categories: 2021/2022

MIG EXPENDITURE CATEGORIES:2021/2022 MIG FINANCIAL YEAR: JUNE 2022						
Expenditure 2021/2022					Households Served	Reticulation
Water	R	130 268 387.29	21.1%		36 822	
Sanitation	R	205 141 736.21	33.2%		140 572	Tswelopele: Phahameng - 700; Setsoto Ficksburg - 100;Clocolan -340
Roads and Stormwater	R	155 896 067.29	25.2%			25,33 km Completed
Sport and Recreation	R	36 348 191.35	5.9%		138 091	
PMU	R	37 128 163.62	6.0%			
Solid Waste Disposal	R	20 546 587.97	3.3%		22 643	
Taxi Ranks	R	101 921.99	0.0%		10 770	
Fencing	R	2 188 193.45	0.4%			
High Mast Lights	R	14 097 438.33	2.3%		7 983	5 High Mast Lights in Matjhabeng: Thabong
Sidewalks	R	12 885 378.76	2.1%			
Cemeteries	R	4 005 568.47	0.6%			
Subtotal	R	618 607 634.73	100.0%		356 861	



356,861 Households were serviced and 25.33 km of roads and storm water were constructed during the 2021/2022 MIG financial year.

Temporary MIG Job Creation: 2021/2022

1839 (61%) Temporary MIG Jobs were created from the planned 3000 jobs by the end of June 2022 and specifically as follows:

- Adult Men: 552
- Adult Women: 241
- Young Men: 730
- Young Women: 310
- Disabled Men: 4
- Disabled Women: 2

Women jobs created: 30% (553) Women employed of the above total.

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The Temporary MIG job creation per Municipality from July 2021 until June 2022 is indicated underneath:

Municipality	Planned MIG Job creation (Persons) for the 2021/2022 MIG financial year only	Adult Men	Adult Women	Young Men	Young Women	PWD Men	PWD Women	Total
XHARIEP	214	13	5	46	16	0	0	80
LETSEMENG	30	1	1	9	9	0	0	20
KOPANONG	166	11	3	22	5	0	0	41
MOHOKARE	18	1	1	15	2	0	0	19
LEJWELEPUTSWA	759	191	75	262	75	1	1	605
MASILONYANA	217	43	23	68	17	0	0	151
TOKOLOGO	62	14	11	19	11	0	0	55
TSWELOPELE	121	38	3	43	6	0	0	90
MATJHABENG	306	77	35	114	35	1	1	263
NALA	53	19	3	18	6	0	0	46
THABO MOFUTSAN - YANA	1731	242	84	289	113	0	0	708
SETSOTO	103	17	8	14	12	0	0	51
DIHLABENG	273	27	27	35	31	0	0	120
NKETOANA	80	12	9	18	12	0	0	51
MALUTI A PHOFUNG	1 041	147	16	129	26	0	0	318
PHUMELELA	104	27	16	40	18	0	0	101
MANTSOPA	130	12	8	33	14	0	0	67
FEZILE DABI	476	106	77	153	108	3	1	446
MOQHAKA	149	34	27	70	32	2	0	165
NGWATHE	95	44	33	44	35	0	0	156
METSIMAHOLO	135	23	10	29	27	0	0	89
MAFUBE	97	5	7	10	12	1	1	36
TOTAL	3180	552	241	730	310	4	2	1839

MIG expenditure: 2022/2023: July 2022 - March 2023

The Provincial MIG Expenditure target for the end of March 2023 was set at 72%. A total amount of R397,515,211.48 (50%) out of a revised annual allocation of R788,051,000.00 was spent as at 31 March 2023. An amount of R29.3m was spent of the approved 2021/2022 MIG roll over to the amount of R62.8m.

National Treasury approved 2021/2022 Roll over applications for the following Municipalities: Matjhabeng (R48.8m), Setsoto (R8.9m) and Metsimaholo (R5.1m).

National Treasury declined the rollover of unspent 2021/2022 MIG funds in the following Municipalities: Letsemeng (R8m), Kopanong (R15.4m), Mohokare (R10.3m), Dihlabeng (R21.9m), Mantsopa (R8.8m), Ngwathe (R8.2m) and Mafube (R11.9m). Masilonyana (R10m) did not apply for a Roll Over. Reasons were the late submission of applications, insufficient funds in their bank accounts and the non-submission of Annual Financial Statements.

The following funds were stopped in Municipalities according to the government gazette no.48327 dated 29 March 2023, due to poor performance in the 2022/2023 financial year which lead to under expenditure: Letsemeng (R1.060m), Kopanong (R3,048m), Mohokare (R9m), Masilonyana (R4,6m), Tokologo (R2,476m), Matjhabeng (R36,976m), Dihlabeng (R4,5m), Ngwathe (R4,766m) and Mafube (R1,2m).

Tswelopele received an additional R10.8 million due to good performance and commitment.

Six Municipalities namely Tokologo, Dihlabeng, Maluti-a-Phofung, Mantsopa, Ngwathe and Metsimaholo were on a Cost Verification method whereby monthly claims were verified by MISA before service providers could be paid during the 2022/2023 MIG financial year.

Six Municipalities namely Letsemeng, Kopanong, Mohokare, Masilonyana, Matjhabeng and Mafube received MIG funds subject to a Cost Reimbursement intervention during the 2022/2023 MIG financial year. This implies that funds will only be transferred to the municipality once invoices have been submitted to the National MIG Administration Unit and have been verified as work completed.

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The MIG expenditure per Municipality as at 31 March 2023 is indicated underneath:

March 2023	Provincial Expenditure Target: 72%						
Municipality	Expenditure vs MIG Allocation 2022/2023			Unspent 2021/2022 MIG Funds	Roll Over (Approved)		
	Expenditure	%	Balance		2021/2022 Roll over Approval	Expenditure	Balance
Letsemeng (FS161)	7 223 862.48	40%	10 735 137.52	8 084 521.73	-		
Kopanong (FS162)	4 634 134.45	23%	15 249 865.55	15 426 837.46	-	-	
Mohokare (FS163)	2 927 065.51	27%	8 063 934.49	10 324 253.78	-	-	
Xhariep (DC16)					-		
Masilonyana (FS181)	5 897 400.94	25%	17 759 599.06	10 001 226.03	-	-	
Tokologo (FS182)	17 381 653.19	67%	8 474 346.81		-		
Tswelopele (FS183)	13 713 460.57	47%	15 342 539.43		-	-	
Matjhabeng (FS184)	20 869 623.68	21%	78 784 376.32	40 645 116.49	48 800 000.00	27 663 920.51	21 136 079.49
Nala (FS185)	22 177 712.97	66%	11 261 287.03		-	-	
Lejweleputswa (DC18)					-	-	
Setso (FS191)	40 520 001.19	75%	13 179 998.81	14 602 877.99	8 900 000.00	462 345.78	8 437 654.22
Dihlabeng (FS192)	16 264 531.24	41%	23 063 468.76	21 922 585.40	-		
Nketoana (FS193)	16 904 536.40	59%	11 603 463.60				
Maluti-a-Phofung (FS194)	126 929 550.32	68%	60 119 449.68	822 837.93	-		
Phumelela (FS195)	11 809 724.30	50%	11 709 275.70		-	-	
Mantsopa (FS173)	16 121 057.29	50%	16 153 942.71	8 842 744.18	-		
Thabo Mofutsanyana (DC19)							
Moqhaka (FS201)	30 062 610.75	66%	15 531 389.25				
Ngwathe (FS203)	5 259 198.51	12%	37 637 801.49	8 244 526.89	-		
Metsimaholo (FS204)	23 694 142.89	47%	27 061 857.11	9 876 727.43	5 100 000.00	1 208 775.27	3 891 224.73
Mafube (FS205)	15 124 944.80	63%	8 804 055.20	11 950 109.96			
Fezile Dabi (DC20)					-	-	
Provincial Total	397 515 211.48	50%	390 535 788.52	160 744 365.27	62 800 000.00	29 335 041.56	33 464 958.44
Cost Verification Municipalities (MISA)							
Cost Reimbursement Municipalities (MISA)							

The MIG expenditure per Municipality can be categorized as follows:

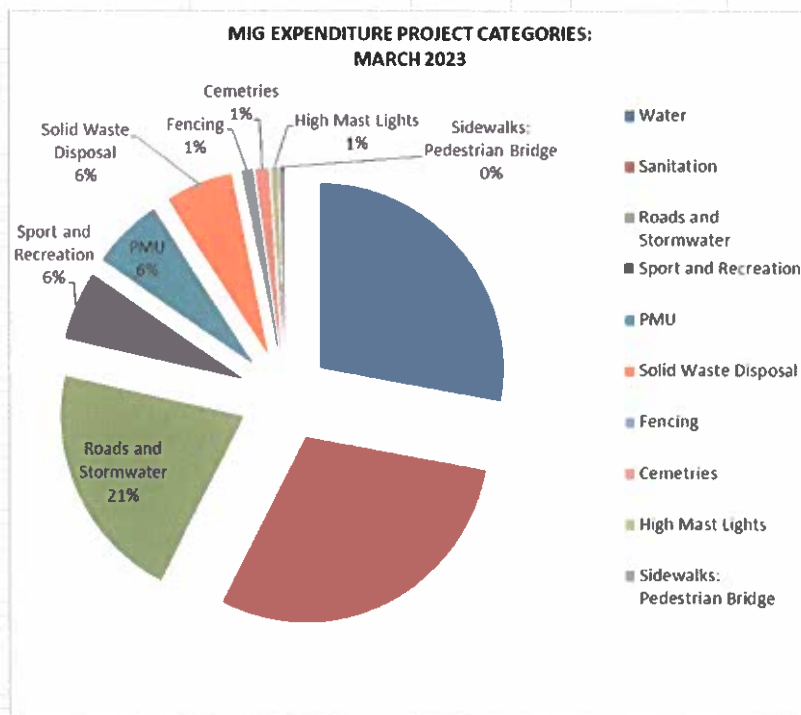
Municipalities have the opportunity to spend their 2022/2023 MIG allocation by the end of June 2023 when the 2022/2023 financial year will come to an end. The expenditure analysis from July 2022 until March 2023 are indicated below:

- On target: (72% and above): Setsoto (75%); Tswelopele (47%) (75% against original allocation).
- Municipalities that spend between 60% and 71% (Low to Medium Risk): Tokologo (67%), Nala (66%), Maluti-a-Phofung (68%), Moqhaka (66%) and Mafube (63%).

- Municipalities that spend between 50% and 59% (High Risk): Nketoana (59%), Phumelela (50%) and Mantsopa (50%).
- Municipalities that spend less than 50% (Critical Risk): Letsemeng (40%), Kopanong (23%), Mohokare (27%), Masilonyana (25%), Matjhabeng (21%), Dihlabeng (41%), Ngwathe (12%) and Metsimaholo (47%)

MIG Project Categories and Households serviced by the end of March 2023 are as follows:

MIG EXPENDITURE CATEGORIES:2022/2023 MIG FINANCIAL YEAR: MARCH 2023				
MARCH 2023: MIG Expenditure 2022/2023 (2021/2022 Roll Over incl)			Households Serviced	Reticulation
Water	R 119 017 512.36	27.9%	14 845	500- Maluti a Phofung 222 -Tswelopele
Sanitation	R 126 311 097.45	29.6%	12 758	3985 -Maluti a Phofung 10 -Selsoto 1047-Tswelopele
Roads and Stormwater	R 89 826 871.60	21.0%		6 06km
Sport and Recreation	R 25 837 900.64	6.1%	123 254	
PMU	R 27 039 659.32	6.3%		
Solid Waste Disposal	R 25 335 722.58	5.9%	12 145	
Fencing	R 4 166 063.31	1.0%	1 050	
Cemetries	R 4 894 655.24	1.1%	547	
High Mast Lights	R 2 644 283.82	0.6%	56 521	(8 High mast lighst)
Sidewalks: Pedestrian Bridge	R 1 776 486.72	0.4%		
Subtotal	R 426 850 253.04	100.0%	221 120	



Temporary MIG Job creation: July 2022-March 2023:

1474 (49%) Temporary MIG Jobs were created from the planned 3000 jobs by the end of March 2023 and specifically as follows:

- Adult Men: 437
- Adult Women: 192
- Young Men: 608
- Young Women: 219
- Disabled Men: 16
- Disabled Women: 2

Women jobs created:

28% (413) Women employed of the above total

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The Temporary MIG job creation per Municipality during March 2023 is indicated underneath:

Municipality	Planned MIG Job creation (Persons) for the 2022/2023	Adult Men	Adult Women	Young Men	Young Women	PWD Men	PWD Women	Total
XHARIEP	176	15	5	36	8	0	0	64
LETSEMENG	31	5	2	20	6	0	0	33
KOPANONG	106	10	3	16	2	0	0	31
MOHOKARE	39	0	0	0	0	0	0	0
LEJWELEPUTSWA	495	148	46	167	45	0	2	408
MASILONYANA	64	16	2	34	5	0	0	57
TOKOLOGO	105	16	8	36	10	0	0	70
TSWELOPELE	67	16	2	23	6	0	0	47
MATJHABENG	217	82	32	67	19	0	2	202
NALA	42	18	2	7	5	0	0	32
THABO MOFUTSANYANA	1977	179	73	245	83	2	0	582
SETSOTO	145	9	3	18	6	0	0	36
DIHLABENG	173	19	7	10	7	1	0	44
NKETOANA	40	8	3	19	3	0	0	33
MALUTI A PHOFUNG	1 333	92	31	109	27	1	0	260
PHUMELELA	154	16	18	59	30	0	0	123
MANTSOPA	132	35	11	30	10	0	0	86
FEZILE DABI	619	95	68	160	83	14	0	420
MOQHAKA	178	33	19	68	29	1	0	150
NGWATHE	239	31	29	31	27	0	0	118
METSIMAHOLO	123	29	20	49	20	13	0	131
MAFUBE	79	2	0	12	7	0	0	21
Total	3267	437	192	608	219	16	2	1474

221 120 Households were serviced and 6.06km of roads and storm water constructed from July 2022 until March 2023 through the implementation of MIG projects.

MIG SUPPORT AND STRATEGIC INTERVENTIONS: 2022/2023: April 2022 - March 2023:

18 Monthly DORA financial and non-financial reports were received and from Municipalities and submitted to DCOG for the months of March 2022 until March 2023 as part of the provincial monitoring process.

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30 Intervention meetings held with Dihlabeng (2), Masilonyana, Ngwathe (7), Phumelela (2), Kopanong (2), Letsemeng (3), Matjhabeng (6), Metsimaholo (2), Mafube (2), Nala, Tokologo and Mohokare to monitor project progress, under expenditure and remedial measures.

26 One to one meetings were held with Mantsopa, Maluti a Phofung (2), Mohokare, Matjhabeng, Nketoana (2), Setsoto (4), Kopanong (2), Metsimaholo (3), Masilonyana, Dihlabeng (4), Mafube (2), Ngwathe and Letsemeng (2) to monitor and assist in MIG project progress, implementation plan processes, expenditure and reporting challenges.

One to one training and information sessions were held with Ngwathe during March 2023 over a period of two days with regard to Infrastructure and PMU expenditure reporting as well as non-financial reporting.

MIG implementation sessions were held during July and August 2022 with all 18 Municipalities in the Fezile Dabi, Xhariep, Thabo Mofutsanyana and Xhariep District to confirm project planning for the 2022/2023 MIG financial year.

18 MIG Implementation Sessions were held during February and March 2023 with all Municipalities in preparation of project registrations and commitments for the 2023/2024 financial year.

1,240 Site Visits were received by 18 Municipalities from March 2022 until March 2023 as part of the provincial project monitoring.

During this reporting period the Department monitored 238 MIG projects:

- 67 Completed/Retention
- 100 Construction
- 43 Design and Tender
- 28 Pre-Implementation

1 Scheduled- and 11 Ad Hoc MIG Appraisal Meetings were held between the Department, Sector Departments and DCOG for the approval of projects to be implemented for the 2022/2023 and 2023/2024 MIG financial years. 18 PMU Budgets for the 2022/2023 financial year were approved by the MIG Appraisal Committee.

18 PMU evaluations conducted via electronic communication on the functionality of PMU's and recommendations were made to the respective Municipal Managers. All PMU's were functional. Challenges experienced were on Municipalities not making use of the CIDB website and as built and close out reports that were not available within all Municipalities.

16 Quarterly MIG forum meetings were held between the Department, DCOG, other Sector Departments and the 18 Municipalities to monitor progress on financial, non-financial and PMU progress and expenditure. Poor attendance by Sector Departments, CFO's and Municipal Managers from Municipalities remains a challenge.

The Department arranged the MIG MIS web base backlog training held by the National Department with Municipalities of Moqhaka, Setsoto, Maluti a Phofung, Matjhabeng, Tokologo, Phumelela, Nketoana, Tswelopele, Mohokare and Dihlabeng from 25-26 January 2023. The National MIG MIS Basic training was also arranged with the Municipalities of Matjhabeng, Tokologo, Ngwathe, Mafube, Maluti a Phofung, Mantsopa, Dihlabeng and Ngwathe from 13-17 February 2023. Furthermore the Department provided assistance in 12 Municipalities namely Letsemeng, Kopanong, Mohokare, Tokologo, Tswelopele, Dihlabeng, Nketoana, Mantsopa, Moqhaka, Ngwathe, Metsimaholo and Mafube on MIG MIS Backlog eradication.

Infrastructure Operation and Maintenance

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

- Skills capacity shortage within Infrastructure departments

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

Given all these limiting factors, municipalities find it difficult to achieve many of their infrastructure objectives. That are aimed at ensuring effective and efficient service delivery to communities.

Nevertheless, Cogta's Municipal Infrastructure Directorate has contributed in securing funding for the following projects within Municipalities during the reporting period. Although the projects are still within implementing phases, the planning phase thereof happened during 2022/2023 financial year.

- Phumelela LM – Outfall sewer line project (R 2 717 146)
- Tswelopele LM – Installation of smart prepaid electricity meters (R 3 000 000)
- Metsimaholo LM – Refurbishment of pump stations at Dennysville & Orangeville (R 2 282 854)
- Mafube LM – Construction of emergency ponds at Namahadi (R 5 000 000)

DISASTER MANAGEMENT

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

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

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

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

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

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

TERMINATION OF THE NATIONAL STATE OF DISASTER: COVID 19

Cabinet decided to end the national state of disaster with effect from midnight of the 04 April 2022. Some few transitional regulations remained in place and to be implemented by the Department of Health. The following is a brief report outlined by the President to the nation. The end of the National State of Disaster also meant that the Coronavirus Alert Levels no longer applied. The few transitional measures that remained were limited in scope, and allowed almost all social and

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economic activity to resume as normal.

They were essential to reduce the risk of a further COVID-19 wave and further disaster. They also ensure that people can continue to receive their special R350 Social Relief of Distress Grant. The management of the pandemic was appropriately dealt with by the Department Health Regulations. The end of the National State of Disaster was a firm statement of the government's determination to allow communities to live their lives and rebuild the country irrespective of the presence of the virus in our midst. It gave all of us the confidence to return to the lives we led before the pandemic, with a few simple adjustments to protect those around us. It also provided businesses with certainty that they can operate and invest without the prospect of further restrictions. Importantly, by ending the National State of Disaster we were all afforded individual responsibility for protecting our health and the health of others.

THE STATE OF DISASTER MANAGEMENT IN MUNICIPALITIES IS AS FOLLOWS

Municipality	Disaster Management Advisory forum	Disaster Management Centres	Disaster Management Plans	Disaster Management Personnel	DM Framework	DM Staff Establishment
Thabo Mofutsanyana	Yes	Yes	No	Yes	Yes (Draft)	2
Maluti-a-Phofung	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	0
Setsoto	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Mantsopa	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Nketoana	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	0
Phumelela	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	0

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Municipality	Disaster Management Advisory forum	Disaster Management Centres	Disaster Management Plans	Disaster Management Personnel	DM Framework	DM Staff Establishment
Dihlabeng	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Lejweleputswa	Yes	Yes	Yes	Yes	Yes	12
Matjhabeng	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Masilonyana	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Tswelopele	Yes	No	Yes	Yes	Yes (developed in collaboration with district)	1
Tokologo	No – participate in district forum	No	Yes	Yes	Yes (developed in collaboration with district)	1
Nala	No – participate in district forum	No	No	No	Yes (developed in collaboration with district)	1
Fezile Dabi	Yes	Yes	Yes	Yes	Yes	6
Metsimaholo	Yes	Yes	Yes	Yes	Yes (developed in collaboration with district)	1

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Municipality	Disaster Management Advisory forum	Disaster Management Centres	Disaster Management Plans	Disaster Management Personnel	DM Framework	DM Staff Establishment
Moqhaka	Yes	Yes	Yes	Yes	Yes (developed in collaboration with district)	1
Mafube	No	No	Yes (Draft)	No	Yes (developed in collaboration with district)	0
Ngwathe	No	No	No	No	Yes (developed in collaboration with district)	0
Mangaung	Yes	Yes	Yes	Yes	Yes	19

THE FREE STATE RISK PROFILE

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

Hazardous material transportation	High
Thunderstorms	Extremely High
Road accidents	High
Electricity disruptions (load shedding)	High
Mining	High
Rail transport hazards	Acceptable
Desertification	Acceptable
Soil erosion	Acceptable
Sinkholes	Low

THE STATE OF FIRE SERVICES IN THE FREE STATE

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

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

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

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NAME OF SERVICE	ESTABLISHED FIRE SERVICES	COMMENT
Mangaung Metropolitan Municipality Fire and Rescue Services	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5,6,and 6A of FBSA, operate 24/7
Fezile Dabi District Municipality	Yes	Established in terms of sec 3(1) of FBSA .The district is responsible for the fire services at Mafube LM.
Mafube Local Municipality	No	The district is responsible for the fire services at Mafube LM.
Metsimaholo Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA, operate 24/7
Ngwathe Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA, operate 24/7
Moqhaka Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA, operate 24/7
Thabo Mofutsanyana District Municipality	Yes	The district is responsible for the fire services in Phumelela LM. It complies with section 5 of FBSA, complied with sec 84(j) of SA, operates 8 hours a day
Dihlabeng Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of Structures Act, operate 24/7.
Maluti-a-Phofung Local Municipality	Yes	Established in terms of sec 3(1) of FBSA, complied with sec 5&6 of FBSA, complied with sec 85 of SA ,operate 24/7.
Mantsopa Local Municipality	Yes	Established in terms of sec 85 of SA, complied with sec 6A of FBSA, not operating 24/7
Phumelela Local Municipality	No	Service is provided by Thabo Mofutsanyana District Municipality in terms of Powers and functions
Setsoto Local Municipality	No	No established fire service
Nketoana Local Municipality	No	No established fire service
Lejweleputswa District Municipality	No	No established fire service
Matjhabeng Local Municipality	Yes	Established in terms of sec3(1) of FBSA, complied with sec5&6) of FBSA, complied with sec84(1)(j) of SA, operate 24/7

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Tswelopele Local Municipality	No	No established fire service; lack of resources; 14 Municipal Employees (on temporary/stand-by) are dealing with fire emergencies but not trained to fight structural and veldfires.
Tokologo Local Municipality	No	No established fire service
Masilonyana Local Municipality	No	No established fire service
Nala Local Municipality	No	No established fire service, serious lack of resources but six (6) fire fighters are appointed by the municipality to deal with fire emergencies.
Xhariep District Municipality	No	No established fire service
Letsemeng Local Municipality	No	No established fire service
Kopanong Local Municipality	No	No established fire service
Mohokare Local Municipality	No	No established fire service

TRADITIONAL AFFAIRS

There are five recognised traditional communities in the Free State province located within three municipal areas, namely Maluti A Phofung Local Municipality, Phumelela Local Municipality and Mangaung Metropolitan Municipality.

The traditional communities are as follows:

- (a) Bakoena ba Mopeli Principal Traditional Community, comprises of seven traditional communities in MAP;
- (b) Batlokoa ba Mota Principal Traditional Community comprises of three traditional communities in MAP;
- (c) Makhokoe Traditional Community in MAP.
- (d) Batlokoa ba Mokgalong Traditional Community, senior traditional leadership, located in Phumelela Local Municipality and
- (e) Barolong boo-Seleka Traditional Community, senior traditional leadership, located in the Mangaung Metropolitan Municipality.

The Traditional and Khoi-San Leadership Act, 2019 (Act No 3 of 2019), (TKLA) is the national legislation applicable to the Traditional and Khoi-San traditional leadership nationally. This Act seeks to, inter alia: provide for the recognition of traditional and Khoi-San communities, leadership positions and for the withdrawal of such recognition; provide for the establishment traditional and Khoi-San councils, principal traditional councils, local houses of traditional and Khoi-San leaders, and the provincial house of traditional and Khoi-San leaders.

In order to align the Free State legislation with the TKLA, amendments to the Free State Provincial and Local Houses of Traditional Leaders Act, 2017 (Act No 7 of 2017) have been tabled to the Provincial Legislature.

The Department, has amended the Free State Traditional Leadership and Governance Act, 2005 (No 8 of 2005) into the Free State Traditional Leadership and Governance Amendment Act, 2018 (Act No 4 of 2018), to make provision for establishment of Principal Traditional Councils.

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The term of office of traditional leadership institutions, i.e. traditional councils, principal traditional councils, kingship / queenship councils, local houses and provincial houses are aligned to the term of office of the National House of Traditional Leaders and the all these houses of traditional leaders' terms of office expires during May 2027.

In keeping with Section 16(2)(a) of the TKLA, the Minister of Cooperative Governance and Traditional Affairs has published in the government gazette, a formula for determination of number of members of Traditional Councils. All thirteen (13) Traditional Councils in the Province should be reconstituted by 31 March 2023.

Before the first reconstitution of traditional councils in 2007, there were 105 recognized traditional leadership positions. After the reconstitution process, the total number of traditional leaders and elected members of traditional councils totalled to 132, and are comprised as follows:

- 2 Principal Traditional Leaders
- 13 Senior Traditional Leaders. (2 thereof are Acting Senior Traditional Leaders)
- 117 Headmen

The two of acting Senior Traditional leaders in the Province, are Barolong Boo Seleka Senior Traditional Leader and Batlokoa ba Mota Senior Traditional leader, Phomolong Traditional Council.

Sections 11(1) and 35(3) of the Customary Initiation Act, 2021 (Act No. 2 of 2021) provides, for the establishment of the Provincial Initiation Coordinating Committee. The Premier has established this Committee, which is responsible for the coordination, oversight and control of all Initiation Schools, practices and activities and related matters in the Province;

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

- Batlokoa ba Mota Traditional Community, remains landless and cannot perform its mandatory legal mandate.
- There is no budget allocation for staff appointments and activities of Thabo Mofutsanyana and Mangaung Local Houses of Traditional and Khoi-San Leaders.
- There is no budget allocated for the implementation of the implementation of Customary Initiation Act, 2021 (Act No. 2 of 2021), including all activities and programs of the Provincial Initiation Coordinating Committee.
- The TKLA provides for the appointment of the Investigative Committee to deal with matters of traditional claims, disputes and successions, there is no budget allocation and no staff to perform this function..
- There is no provision made in the Departmental Organisational Structure for the support staff of the 2 Principal Traditional Leaders Offices and Principal Traditional Councils.
- There is no office accommodation, office equipment and tools of trade for newly established Local Houses of Traditional Leaders.
- There is no budget to implement Framework on Tools of Trade for Traditional Leadership in the Province.
- Eleven Traditional Council Office buildings are dilapidated, thereby putting the Senior Traditional Leaders, the Traditional Councils and staff in a very hazardous situation.
- Whereas the Framework on Tools of Trade provides that the Principal Traditional Leaders be provided with SPS VIP Protection according to their level of security exposure and static security, such a service is not available in the Province.
- There is a poor relationship between traditional leaders, councillors and ward committees, thereby undermining the participation of traditional leaders in the District Development Model program.
- The building of palaces for Marena a Maholo / Principal Traditional Leaders of Bakoena ba Mopeli and Batlokoa ba Mota is still outstanding.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

As per Circular 14 of 2022 and SDI directive of the National Department of Public Service and Administration, all Departments in the country have been on a 2 year break from compiling a Departmental Service Delivery Improvement Plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
To implement Citizens Complaints Management Services within all municipalities	Municipalities	The Service was achieved and an Annual report which served as the Close out Report was submitted to the Office of the Premier.	Annual report available upon request.	Annual report available upon request.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation		
There are consultative meetings that take place.	Monthly meetings with Municipalities regarding the implementation and challenges experience with Complaints Management System conducted by the Department.	Monthly and Quarterly meetings are convened with all municipalities and reports are compiled and submitted to Head of Department about progress and challenges.
Access		
- Written communication (e.g letters, memoranda, etc) - Electronic communication(email/fax) - Meetings	- Written communication (e.g. letters, memoranda, etc.) - Electronic communication (email / fax) - Meetings - Workshops	- Written communication (e.g. letters, memoranda, etc.) - Electronic communication (email / fax) - Meetings
Courtesy		
Telephonic enquiries will be responded to immediately.	Telephonic enquiries will be responded to immediately.	Achieved and on going
Written enquiries will be responded to within 14 working days	Written enquiries will be responded to within 5 working days	Achieved and on going

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Openness & Transparency		
Continuous coordination on municipal support and training on Complaints Management System	Well-coordinated municipal support and training on Complaints Management System	Monthly and quarterly meetings were convened with all municipalities however the CMS has been put on hold at National level
Information		
Annual publication of the Department's Annual Report reflecting amongst others the extent to which the Department has implemented / achieved its Service Delivery Improvement Plan	Annual publication of the Department's Annual Report reflecting amongst others the extent to which the Department has implemented / achieved its Service Delivery Improvement Plan Information and progress relating to municipal support and training on Complaints Management System within Municipalities placed on the Departmental Website bi-annually	Monthly and quarterly meetings were convened with all municipalities. Quarterly reports are compiled and submitted to head of department about progress and challenges.
Redress		
Enquiries are formally addressed within 14 working days.	Written enquiries and/or complaints from affected municipalities regarding municipal support initiatives / interventions to be formally responded to within 10 working days. Citizen Complaints and Compliments System partially functional, inclusive of monitoring the extent to which complaints have been followed-up / addressed within municipalities	Most complaints referred to the department were responded to within the timeframes. There is a team that respond to community complaints and concerns. A forum that speaks to community concerns was also established.

Service delivery information tool

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

Complaint's mechanism

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

2.3 Organisational environment

Salary level	No. of approved (filled and funded vacant) posts	No. of approved posts filled	No. of Funded approved Vacancies (variance)
1	0	0	0
2	35	33	2
3	141	133	8
4	3	2	1
5	28	26	2
6	25	12	13

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Salary level	No. of approved (filled and funded vacant) posts	No. of approved posts filled	No. of Funded approved Vacancies (variance)
7	95	88	7
8	37	29	8
9	37	33	4
10	5	4	1
11	30	29	1
12	18	17	1
13	23	19	4
14	15	8	7
15	3	2	1
16	1	1	0
MEC	1	1	0
TOTAL	497	437	60

As can be seen from the above, 364 (73%) of the 497 filled posts are production posts, e.g. posts from level 1 to level 8. 48(10%) of the 497 posts are on middle management level and 43 (9%) of the 497 posts are on senior management level (including the Head of Department and the MEC).

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

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

The Municipal Finance unit is also seriously under-sourced in terms of both human and capital resources, thereby not enabling the Department to optimally perform its functions as per our legal mandate. Free State Municipalities are currently

overwhelmed by a high volume of litigation matters; their capacity does not commensurate to the challenges they face, resulting in municipalities not being able to respond positively to such litigation. This placed a huge responsibility on the Department, who also experienced capacity constraints in this area of work, to assist municipalities optimally.

2.4 Key policy developments and legislative changes

2.4.1 Revisions to the Legislative and Other Mandates

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

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

- b) The Free State Provincial and Local House Act has been enacted, effected the following changes:
- i. The development of provincial legislation towards ensuring alignment to national legislation;
 - ii. Establishment of the local houses in Mangaung Metro and Thabo Mofutsanyana District Municipality
 - iii. Increased cost implications
 - iv. Tools of trade for newly recognized traditional communities and leaders.
- c) The Free State Traditional Leadership Governance Amendment Act, 2018 has affected the following changes:
- i. The recognition of Principal Traditional Leadership and establishment of Traditional Council
 - ii. Increased cost implications
- d) The Local Government: Municipal Structures Act Amendment Bill public hearings have been concluded in the Free State: The proposed changes in the Act will include amongst others:
- i. Election, functions and terms of Office of Chief whips
 - ii. Establishment of ward committees within 120 days after the election of municipal councils
 - iii. Establishment and functions of Municipal Public Accounts Committees
 - iv. Deletion of District Management Areas in the Act.
 - v. Abolishment of Plenary type of municipalities

3. Achievement of Institutional Impacts and Outcomes

The deployment of prior vetting and suitability check of municipal senior managers and Departmental participation at recruitment selection and appointment has led to improved employment of municipal personnel with requisite skills and expertise thus. And its impact can be attributed to increased submission of annual financial statements.

In realising the contribution to the 2019-24 Medium Term Strategic Framework, the Department was able to provide assistance to the Municipalities in the development of One Plans. Lejweleputswa, Xhariep and Thabo Mofutsanyana adopted the plans. Due to major policy imperatives the department was also able to re-constitute the Provincial House of Traditional and Khoisan Leaders and also the Thabo Mofutsanyana Local House of Traditional and Khoisan Leaders. The department was able to establish the Provincial Initiation Coordinating Committee.

4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

a) Purpose of the Programme:

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

b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

- i. Office of the MEC
- ii. Office of the HOD
- iii. Corporate Services
- iv. Finance and Supply Chain Management

c) Core services rendered by the Programme:

- i. Human Resources Management, including Personnel Provisioning, Personnel Utilization and Employee Relations
- ii. Human Resources Planning and Information
- iii. Employee Health and Wellness
- iv. Special Programmes related to gender equality, people with disabilities, youth and women empowerment.
- v. Human Resources Skills Development
- vi. Employee Performance Management
- vii. Structural Designing, including job evaluation, change management / transformation and the rendering of technical support on job descriptions
- viii. Service Delivery Planning and Improvement
- ix. Strategic Planning, Monitoring and Evaluation
- x. Risk Management
- xi. Corporate Communication
- xii. Information Technology
- xiii. Auxiliary Services, including occupational health and safety, record management, executive committee support services, etc.
- xiv. Support to the HoD (Office of the HoD)
- xv. Support to the MEC (Office of the MEC)
- xvi. Internal Audit
- xvii. Security Management and Anti-Corruption
- xviii. Budget Management
- xix. Financial Management
- xx. Supply Chain Management, including Asset Management

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Outcomes, outputs, output indicators, targets and actual achievements

PROGRAMME 1: ADMINISTRATION									
Outcome	Output	Output indicator	Audited actual performance 20/21	Audited actual performance 21/22	Planned Target 22/23	Actual achievement 22/23	Deviation from planned target to actual achievement 22/23	Reasons for deviation	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Outcome: Improved institutional capacity	Reports produced on the performance information	Number of performance reviews conducted against its Annual Performance Plan	4	4	4	4	0	None	Indicator changed from: Reports produced on performance of the Department against its Annual Performance Plan Refer to Footnote *
	Information sessions facilitated	Number of Information sessions conducted to Middle and lower levels officials on SDIP	3	2	2	2	0	None	None
	Reports on the filling of vacancies	Monitor and report on the filling of funded vacancies	4	4	4	3	-1	The Department was awaiting for approval of the submission on availability of funds linked to identify funded and critical posts from Provincial Treasury.	None
	Reports produced on PMDS implemented	Monitor and report on the extent to which the Performance and Development Management System is implemented in the Department	2	2	2	2	0	None	None
	Reports on the implementation of OMF	Monitor and report on the extent to which the National Operations and Methodology Framework is implemented in the Department	2	2	2	2	0	None	None
	Report on the internal	No. of reports reflecting the	-	4	4	4	0	None	None

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	control reduced	percentage completion of the approved Risk-Based Internal Audit Plan							
	Reports on budget spending versus cash flow projection	Monitor and report on budget spending versus cash flow projections	12	12	12	12	0	None	None
	Report on payment of suppliers within 30 days	Percentage of valid invoices paid within 30 days	-	-	100%	100%	0	None	Indicator was Changed from number to Percentage 100% Refer to Footnote *
	Irregular, unauthorised and wasteful expenditure	Report on irregular, unauthorised and wasteful expenditure	11	11	11	11	0	None	None
	Department compliance on KCM	Report on compliance with Key Control Matrix (KCM) standards	4	4	4	4	0	None	None
	Progress report on gender and disability mainstreaming	Report produced on the gender mainstreaming and disability focal point	-	2	2	0	-2	No reports were submitted	None
	Progress report on all issues related to wellness	Monitor and report on the implementation of programme of Employee Wellness in the Department	-	-	2	2	0	None	None

***The Department made changes to the Annual Performance Plan indicators in order to follow an 'impact based' approach, in its support to the Municipalities.**

Strategy to overcome areas of under performance

This Programme performed exceptionally very well against planned targets although didn't achieve one of the planned targets due to human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2022/2023 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 148,812 million (or 90 %) against the allocated budget of R 164,667 million, which resulted in an under-spending of R 15,855 million. The underspending mainly relates lower spending on Computer Services.

Sub-programme expenditure

Sub- Programme Name	2022/2023			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	12 429	11 166	1 263	9 223	8 719	504
Corporate Services	152 238	137 646	14 592	145 995	137 099	8 896
Total	164 667	148 812	15 855	155 218	145 818	9 400

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

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

b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

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

c) Core services rendered by the Programme:

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

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

The Department exercises its mandate in respect of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), in partnership with the Free State Provincial Treasury. The Act entrusts Provincial Treasury and the Department with specific roles and responsibilities that are discharged independently, but in consultation with one another. The Act also provides that the Provincial Treasury and the Department exercise certain responsibilities jointly. A Memorandum of Understanding to this effect had been entered into between the parties. The Provincial Treasury and the Department jointly

convenes the MFMA Chief Financial Officer forum on a quarterly basis, where areas of mutual interest are discussed and best practices shared.

PROGRAMME 2: MUNICIPAL INTER-GOVERNMENTAL SUPPORT AND CAPACITATION									
Outcome	Output	Output indicator	Audited actual performance 20/21	Audited actual performance 21/22	Planned Target 22/23	Actual achievement 22/23	Deviation from planned target to actual achievement 22/23	Reasons for deviation	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved municipal and traditional institutional capacity	Anti-corruption measures are implemented	Number of municipalities monitored on the extent to which anti-corruption measures are implemented	22	22	22	22	0	None	None
	Customised municipal by-laws adopted	No. of municipalities assisted and supported towards customizing, review and/or adopting municipal by-laws	8	11	11	11	0	None	Annual Target changed from 8 to 11 Refer to Footnote *
	Municipal by-laws implemented	No. of municipalities supported on the implementation of municipal by-laws	8	11	11	11	0	None	Annual Target changed from 8 to 11 Refer to Footnote *
	filled vacant posts of wards councillors through by-elections	Report on support provided towards filling vacant positions of wards councillors through by-elections	-	1	1	1	0	None	None
	Developed policies	Report on support provided towards the development and/or review of policies	1	1	1	1	0	None	Indicator changed from No. of municipalities supported towards the development of policies Refer to Footnote *
	Removal and reinterment of mortal remains processed	Percentage of applications on removal and reinterment of mortal remains processed	-	100% processed	100% processed	100% processed	0	None	None
	Litigation management	No of municipalities	2	2	2	2	0	None	None

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	processed.	supported towards litigation management							
Improved coordination of service delivery	Municipalities complying with MSA Regulations	No. of municipalities supported to comply with MSA Regulations on the appointment of senior managers	10	16	23	23	0	None	None
	Municipalities supported with Performance Management Systems	No. of municipalities supported to institutionalize the Performance Management System (PMS)	5	14	14	23	+9	With the promulgation of the Municipal Staff Regulations the MEC needs to monitor implementation and support municipalities where there are challenges with implementation.	None
	Municipal Performance Report Compiled	No. of Section 47 reports compiled as prescribed by the MSA.	1	1	1	0	-1	Municipalities didn't submit sec 47 reports and those who submitted, the quality was low resulting in additional information been requested thus delaying the completion of the report	None
	Municipalities with senior managers post filled	Monitor the extent to which the Senior Managers posts are filled within municipalities.	4	4	4	4	0	None	None
	Municipalities with institutionalisation of PMS	Monitor the institutionalisation of the Performance Management System within municipalities	4	4	4	4	0	None	None
	Section 57 manager's Employment contracts signed	Monitor the extent to which Section 57 managers have signed employment contracts and performance agreements	4	4	4	4	0	None	None

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		within due dates							
	Municipal Performance Report Compiled	No. of workshops held towards supporting municipalities on the development of their annual performance reports in terms of Section 46 of the MSA	-	1	1	1	0	None	None
	Employment contracts and performance agreements of Section 57 Managers signed.	No. of workshops held towards supporting municipalities on the development and signing of employment contracts and performance agreements of Section 57 Managers	1	1	1	1	0	None	None
Improved municipal and traditional institutional capacity	Municipalities complied with Municipal Property Rates Act	No. of municipalities guided to comply with MPRA	3	3	8	5	-3	The Department couldn't achieve the target due to human resource constraint	Annual Target changed from 3 to 8 Refer to Footnote *
	Reduction of unauthorised, wasteful and fruitless expenditure	No. of municipalities supported to reduce unauthorised irregular wasteful and fruitless expenditure	-	4	22	22	0	None	Annual Target changed from 4 to 22 Refer to Footnote *
	Municipal functional audit committees	Report on the functionality of audit committees in municipalities	-	1	1	1	0	None	Indicator changed from Assess the functionality of audit committees in municipalities Refer to Footnote *
	Municipalities complied with Municipal Property Rates Act	Monitor the extent to which Municipalities are MPRA Compliant	1	1	1	1	0	None	Indicator changed from Monitor compliance with the MPRA within municipalities Refer to Footnote *
	Report on the revenue management	Number of reports on revenue management	4	4	4	0	-4	The responsible unit did monitor revenue and debt collection in	Indicator changed from Monitor revenue management and

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	and debt collection	and debt collection within Municipalities						Municipalities but couldn't provide support due to limited resources (non-financial)	debt collection within municipalities Refer to Footnote *
	Financial turn-around plans implementation in Municipalities	No. of municipalities monitored to implement financial turn-around plans	2	3	1	0	-1	National Treasury, Financial Recovery Services couldn't finalise the turnaround plan for Mafube	Annual Target changed from 3 to 1 Refer to Footnote *
	Functional ward committees.	Number of municipalities supported to maintain functional ward committees	19	19	19	19	0	None	None
	Implementation of GBVF responsive programmes in municipalities	No of municipalities monitored on the implementation of GBVF responsive programmes	-	4	23	23	0	None	Annual Target changed from 4 to 23 Refer to Footnote *
	Community involvement in local governance processes	Number of municipalities supported to promote participation in community based local governance processes	4	23	23*	23	0	None	Annual Target changed from 4 to 23 Refer to Footnote *
	Municipal respond to community concerns.	Number of municipalities supported to resolve community concerns	19	19	19*	16	-3	Mangaung, Nala and Kopanong could not be fully supported	Target for Q1 was changed from 4 to 6 Refer to Footnote *
	Ward committees capacitated.	No. of Municipalities supported with training of Ward Committees	-	1	19	18	-1	Matjhabeng was achieved in the previous financial year	Annual Target changed from 12 to 19 and the indicator changed from Number of municipalities assisted with trainings of ward committees. Refer to Footnote *
	Functionality of District IGR structures	Monitor the functionality of District IGR structures	4	4	4	4	0	None	None
	Municipalities implementing the	Monitor the extent to which municipalities	4	4	4	4	0	None	None

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	Batho Pele Service Standards Framework.	successfully implement the Batho Pele Service Standards Framework for Local Government							
	Capacity Building interventions developed and conducted	No. of capacity building interventions conducted in municipalities:	4	4	15	8	-7	Capacity building intervention were planned for all the dysfunctional municipalities, however due to compensation of employee budget that was under pressure, the following municipalities could not be supported, Tswelopele, Maluti a Phofung, Kopanong. The planned intervention was for quarter 2 and 3. The department projected an overspending of R4 million on compensation of employees	None
Improved municipal and traditional institutional capacity	Consolidated Assessment Report	The development of an assessment report for the Districts and Metro Municipalities	-	-	1	1	0	None	None

***The planned targets on the MTEF and the Annual Targets were captured incorrectly, on the APP.**

***The Department made changes to the Annual Performance Plan indicators in order to follow an 'impact based' approach, in its support to the Municipalities.**

Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2022/2023 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 79,470 million (or 80 %) against the allocated budget of R 99,596 million, which resulted in an under-spending of R 20,126 million. The underspending is attributable to few physical meetings held outside headquarters as majority of departmental meetings are held virtually.

Sub-programme expenditure

Sub- Programme Name	2022/2023			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	19 890	19 256	634	19 666	18 705	961
Municipal Finance	21 169	14 395	6 774	43 356	42 058	1 298
Public Participation	12 656	10 458	2 198	11 958	9 324	2 634
Capacity Development	36 606	27 635	8 971	27 321	26 283	1 038
Municipal Performance Monitoring, Reporting and Evaluation	9 275	7 726	1 549	8 258	7 006	1 252
Total	99 596	79 470	20 126	110 559	103 376	7 183

4.3 Programme 3: Development and Planning**a) Purpose of the Programme:**

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

b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

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

c) Core services rendered by the Programme:

This Programme provides the following services within the Department:

- (i) Promoting integrated and sustainable planning and development at local government sphere and the successful drafting, review and implementation of SDFs
- (ii) Supporting municipalities on matters related to sustainable spatial planning in terms of Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA)

- (iii) Ensuring the effective land use management in the Free State Province
- (iv) Assisting and/or supporting municipalities on the promotion of local economic development
- (v) Promoting, monitoring and supporting the successful implementation of the Municipal Infrastructure Programme within all municipalities
- (vi) Assisting, supporting and monitoring municipalities towards providing free basic services to indigent people within the Free State Province
- (vii) Managing, coordinating and supporting disaster prevention, -mitigation, -response and -recovery
- (viii) Supporting municipalities with the development and implementation of credible municipal Integrated Development Plans (IDPs) towards integrated service delivery
- (ix) Preventing, mitigating the impact of disasters and developing programmes aimed at disaster response and recovery.

Other stakeholders involved in the above services include:

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

PROGRAMME 3: DEVELOPMENT AND PLANNING									
Outcome	Output	Output indicator	Audited actual performance 20/21	Audited actual performance 21/22	Planned Target 22/23	Actual achievement 22/23	Deviation from planned target to actual achievement 22/23	Reasons for deviation	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved coordination of service delivery	One Plan Developed	Number of Districts/Metro monitored on the implementation of One Plans	-	1	1	1	0	None	Annual Target changed from 2 to 1 Refer to Footnote *
	Consolidated minutes of meetings with municipalities.	No. of municipalities supported with the implementation of SPLUMA	6	6	12	12	0	None	None
	Consolidated minutes of meetings with municipalities.	No. of municipalities supported on the development and/or maintenance of a Geographical	4	3	3	3	0	None	None

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		Information System (GIS)							
	Consolidated minutes of meetings with municipalities	No. of municipalities supported with the updating of their Spatial Development Frameworks in line with SPLUMA	4	4	4	4	0	None	None
	Consolidated minutes of meetings with municipalities	No. of meetings held by the Provincial Planning and GIS Forum	2	2	2	2	0	None	Indicator changed from No. of meetings held by the Provincial Planning Forum Refer to Footnote *
	Report on support provided to municipalities	No. of municipalities with legally compliant IDP's	-	23	23	23	0	None	None
Improved coordination of service delivery	Consolidated report on the submission of the Municipal IDP adopted.	No. of municipalities monitored on the adoption of their IDPs: • Metro • District • Local	1 4 18	1 4 18	1 4 18	1 4 18	0	None	None
	Signed off minutes or presentations made in the meeting or workshop	No. of support initiatives implemented and sustained towards improving municipal IDPs: • Provincial IDP Managers Forum with quarterly meetings • Annual Provincial IDP Assessment Sessions • Municipal Engagement IDP Support Session • Bi-Annual Provincial IDP Support Team Meetings • Bi-Annual Capacity	4 1 1 2 2	4 1 1 2 2	4 1 1 2 2	4 1 1 2 2	0	None	None

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		Building Sessions							
	Signed off report of meetings held with municipalities on matters related to LED Strategies	No of municipalities supported on the development of LED Strategies	22 (all mun's excluding the Mangaung Metro)	22 (all mun's excluding the Mangaung Metro)	22 (all mun's excluding the Mangaung Metro)	20	-2	The department could not achieve the indicator as the municipality did not honour the request for the meeting	None
Improved coordination of service delivery	Signed off report of meetings held with municipalities on matters related to LED units	No of municipalities supported on functional LED Units	22	22	22	20	-2	The department could not achieve the indicator as the municipality did not honour the request for the meeting	None
	Signed off report of meetings held with municipalities on matters related to development forums.	No. of municipalities supported on the establishment of business development forums	22 (all mun's excluding the Mangaung Metro)	22 (all mun's excluding the Mangaung Metro)	22 (all mun's excluding the Mangaung Metro)	20	-2	The department could not achieve the indicator as the municipality did not honour the request for the meeting	None
	Consolidated report on the temporary jobs created through MIG	No of reports submitted towards monitoring the number of temporary jobs created through MIG	4	4	4	4	0	None	None
	Job created on CWP	No of work opportunities reported through the Community Works Programme	-	24605	24800	27137	+2337	Reason for deviation is due to the fact that the Province was allocated an additional participants than targeted for.	Annual Target changed from 28 500 to 24 800 Refer to Footnote *
	Report detailed on the LED Strategies, units and forums.	No. of reports produced towards monitoring the following in municipalities: • The extent to which LED strategies are updated • Functionality of LED units	4	4	4	4	0	None	None

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		• Functionality of Business Development Forums							
	Convened LED meeting convened with municipalities	No. of provincial LED meetings held	2	3	3	2	-1	The Provincial LED meeting was combined with the Provincial LED Forum, however, only 6 municipalities attended and due to poor attendance the meeting was postponed	None
	Convened LED meeting convened with municipalities, stakeholders and related Departments.	No of provincial local economic development forum meetings held	-	4	4	3	-1	The Provincial LED meeting was combined with the Provincial LED Forum, however, only 6 municipalities attended and due to poor attendance the meeting was postponed	None
	Consolidated signed off minutes on the implementation of infrastructure delivery programmes	Number of municipalities monitored on the implementation of infrastructure delivery programmes: • Implementation of MIG projects	18	18	18	18	0	None	None
Improved coordination of service delivery	Departmental Signed-off report	No. of municipalities monitored on the implementation of indigent policies	19	19	19	19	0	None	None
	Signed off Report	No of districts monitored on the spending of national grants	-	4	4	4	0	None	None
	Provincial evaluation template and letter of recommendation to	No. of Project Management Units (PMU) in Municipalities monitored in	18	18	18	17	-1	Dihlabeng did not give their full cooperation and did not submit the	None

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Municipalities	terms of their functionality.						documents that were requested.	
Report on indigent register for the provision of the Free Basic to qualifying households.	No. of municipalities monitored on the implementation indigent register for the provision of the Free Basic to qualifying households.	17	19	19	19	0	None	None
Consolidated financial and non-financial DORA reports for MIG	No. of municipalities monitored in terms of their: * Non-Financial Performance * Financial Performance	18	18	18	18	0	None	None
Signed-off reports reflecting the technical capacity of municipalities	Monitor the extent to which technical posts in municipalities are filled with competent persons towards improving infrastructure delivery	1	1	1	1	0	None	None
Signed off reports held with municipalities towards ensuring alignment and implementation to indigent registers	Monitor and report on the extent to which municipalities implement updated indigent register.	2	4	1	1	0	None	None
Signed off report from the Municipality's progress	Monitor the extent to which existing infrastructure is maintained (operation and maintenance).	4	4	4	4	0	None	None
Reports on municipalities supported towards ensuring functional Disaster Management Centres	No. of municipalities supported to maintain functional Disaster Management Centres District Mun Metro Mun	4 1	4 1	4 1	4 1	0	None	None

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	Signed off progress report	No. of municipalities supported on fire brigade services.	4	4	4	4	0	None	None
Improved coordination of service delivery	Signed off quarterly report of meetings of the Provincial DM Advisory Forums	No. of the Provincial DM Advisory Forum convened.	2	4	4	4	0	None	None
	Signed off quarterly report of meetings of the Provincial Fire Services Advisory Committee	No. of Provincial Fire Services Advisory Committees convened	2	4	4	3	-1	Due to commitment of Municipal Chief Fire Officers in their other areas of work the meeting couldn't not be held in quarter 3	None
	Signed off reports	Monitor and report on the following:							None
		Adverse and disaster incidents in the Province	3 3 3	4 4 4	4 4 4	4 4 4	0	None	
		The state of Municipal and designated fire services in the Province	3 3	4 4	4 4	4 4			
		The functionality of the District DM Advisory Forum							
		Functionality of Municipal Disaster Management Centre & Advisory Forums							
		Functional Municipal & Sector Disaster Risk Management Plans							
	Suitable state of municipalities in the Province	No of reports produced towards the implementation of covid-19 mitigation and response	-	4	4	3	-1	Due to the relaxing of the Covid 19 regulations the implementation of the Covid19 mitigation and	Annual Target changed from 1 to 4 and the indicator changed from Number of municipalities supported on the implementation of

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		programmes in municipalities						response programmes have largely been residing with the Department of Health thus limiting COGTA's active role	Covid - 19 mitigation and response programmes Refer to Footnote *
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***The Department made changes to the Annual Performance Plan indicators in order to follow an 'impact based' approach, in its support to the Municipalities.**

Strategy to overcome areas of under performance

This Programme under-performed against planned targets and could not achieve eight of the planned targets. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme meetings. The implementation capacity of the Programme was also taken into account during the development of the 2022/2023 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 48,223 million (or 74 %) against the allocated budget of R 64,804 million, which resulted in an under-spending of R 16,581 million. The underspending mainly relates lower spending on Transfers to Municipalities.

Sub-programme expenditure

Sub- Programme Name	2022/2023			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
Spatial Planning	18 560	15 939	2 621	18 426	17 922	504
Local Economic Planning/Development and Planning	6 352	5 335	1 017	5 529	4 474	1 055
Municipal Infrastructure	28 811	16 703	12 108	27 390	24 604	2 786
Disaster Management	11 081	10 246	835	10 745	9 181	1 564
Total	64 804	48 223	16 581	62 090	56 181	5 909

4.4 Programme 4: Traditional Institutional Management

a) Purpose of the Programme:

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

b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

- (i) Traditional Institutional Administration

c) Core services rendered by the Programme:

The following services are rendered through this Programme:

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

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT									
Outcome	Output	Output indicator	Audited actual performance 20/21	Audited actual performance 21/22	Planned Target 22/23	Actual achievement 22/23	Deviation from planned target to actual achievement 22/23	Reasons for deviation	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved municipal and traditional institutional capacity	Signed off report on the performance of the Traditional Councils.	Number of Traditional Councils supported to perform their functions	12	12	13	13	0	None	None
	Signed off report on succession claims and disputes processed	Percentage of Traditional Leadership succession disputes processed	100% of claims/disputes investigated	100% of claims/disputes investigated	100% of claims/disputes investigated	0	-100% of claims/disputes investigated	No succession disputes were received for processing in the 22/23 financial year	None
	Capacitated Traditional leadership	No of anti GBVF intervention/ campaigns for traditional leadership	2	2	4	4	0	None	None

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	Progress report signed	No. of Traditional Councils supported towards reducing audit findings	13	13	13	13	0	None	None
	Consolidated Performance reports	Monitor and report on the performance of Traditional Councils	2	2	2	2	0	None	None
	Signed off report	No. of culture and heritage awareness sessions/celebrations held	1	1	1	1	0	None	None
	Presentation of capacity building initiatives implemented or conducted for TL	No. of Capacity building initiatives implemented for Traditional Leaders	-	1	2	2	0	None	None

Strategy to overcome areas of under performance

This Programme performed exceptionally well against planned targets although didn't achieve one planned target which was out of their control. However human resources constraints remains a stumbling block to excel. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2022/2023 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 48,933 million (or 94, %) against the allocated budget of R 52,222 million, which resulted in an under-spending of R 3,289 million. The under spending mainly relates to compensation of employees.

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Traditional Institutional Administration	52 222	48 933	3 289	54 296	48 562	5 734
Total	52 222	48 933	3 289	54 296	48 562	5 734

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

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

b) Brief description of the Programme

This Programme consists of the following Sub-Programmes:

- (i) Administration of House of Traditional Leaders

c) Core services rendered by the Programme

The following services are rendered through this Programme:

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

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

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

PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS									
Outcome	Output	Output indicator	Audited actual performance 20/21	Audited actual performance 21/22	Planned Target 22/23	Actual achievement 22/23	Deviation from planned target to actual achievement 22/23	Reasons for deviation	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved municipal and traditional Institutions	Signed-off Memorandum of understanding (MoUs)	No. of MoUs facilitated to enable the House to perform their	0	1	1	0	-1	This target could not be achieved as Salga and other stakeholders were not available	None

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I capacity		oversight functions						to finalize the MoU.	
	Sign-off reports detailed on outreach and empowerment programmes facilitated	No. of outreach and empowerment programmes facilitated and participated in with regards to community development and empowerment	2	2	2	2	0	None	None
	Signed off reports capacity building programmes implemented towards capacitating members of the House	No. of capacity building programmes implemented towards capacitating members of the House	2	1	2	2	0	None	None
	Signed-off reports to the House on progress made by traditional councils towards implementing decisions of the House	No. of constituency and progress meetings held with traditional councils towards ensuring the implementation of decisions of the House of Traditional Leaders.	5	5	10	10	0	None	None
	Provincial house activity plan.	No. of Provincial House activity reports submitted to the MEC	-	-	4	4	0	None	None
	Engagements sessions convened towards discussing matters relating to traditional affairs, customary law, traditions or customs of traditional communities	No. of engagements convened with the Legislature towards discussing matters relating to traditional affairs, customary law, traditions or customs of traditional communities	-	-	1	0	-1	The engagement with the Legislature could not be achieved due to the unavailability of the Legislature.	None

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Engagements convened with the Premier of the Province advancing the interest of traditional communities	No. of engagements convened with the Premier towards advancing the interest of traditional communities	-	-	2	2	2	None	None
Sessions convened with Local Houses of traditional leaders and Marena a Moholo/Principal Traditional Leaders towards advancing the interest of traditional communities	No. of meetings held with Local Houses of traditional leaders towards advancing the interest of traditional communities	-	-	2	2	2	None	None
Sessions convened with Local Houses of traditional leaders and Marena a Moholo/Principal Traditional Leaders towards advancing the interest of traditional communities	No. of meetings held with Marena a Moholo/Principal Traditional Leaders towards advancing the interest of traditional communities	-	-	2	2	2	None	None

Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme meetings. The implementation capacity of the Programme was also taken into account during the development of the 2022/2023 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 14,841 million (or 86%) against the allocated budget of R 17,272 million, which resulted in a under spending of R 2,430 million.

Sub-programme expenditure

Sub- Programme Name	2022/2023			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 of House of Traditional Leaders	17 272	14 842	2 430	13 135	11 790	1 345
Total	17 272	14 842	2 430	13 135	11 790	1 345

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

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

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

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023:

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Unspent funds by the entity (R'000)	Reasons for the funds unspent by the entity
Xhariep DM	District Municipality	Financial Support	N/A	9 366	907	8 459	Funds transferred in February 2023 to the Municipality and it was not possible to implement all planned projects by the end of March 2023. Only R'907 was spent at the end of the reporting period.
Phumelela LM	Local Municipality	Financial Support	N/A	1 748	0	1 748	Funds transferred in March 2023 to the Municipality and the municipality incurred the expenditure in April 2023.
Metsimaholo LM	Local Municipality	Financial Support	N/A	912	0	912	The transfer of the funds made late in the financial year.
Traditional Institutional Management	Traditional Councils	Support	N/A	663	663	0	-
Employee Social Benefits	Officials	Leave Gratuity	N/A	1 472	1 472	0	-
Employee Social Benefits	Officials	Injury on Duty	N/A	5	5	0	-

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Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Unspent funds by the entity (R'000)	Reasons for the funds unspent by the entity
Employee Social Benefits	GEPP	Early retirement penalty	N/A	2 567	2 567	0	-
Donations	Traditional Council	Donations	N/A	90	90	0	-

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

6 CONDITIONAL GRANTS

6.1 Earmarked funds paid

The Department did not have any conditional grants for 2022/23 financial year. The following earmarked funds were however allocated by Provincial Treasury and paid out:

Earmarked Allocation	Original Budget (R'000)	Movement (R'000)	Final Budget (R'000)	Expenditure 31 March 2023 (R'000)	Unspent funds (R'000)
Operation Clean Audit: Financial Management	26 560	(25 560)	0	0	0
Municipal Intervention Sec 139	4 328	2 100	6 428	6 457	(29)
Municipal Support Programme	20 000	(4 100)	15 900	10 814	5 086
Water Laboratory Support	2 500	(2 500)	0	0	0
Fire Fighting Equipment: Disaster Funding	5 000	(5 000)	0	0	0

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

Municipal Support Programme: Funds had been utilised for payment of remuneration of officials appointed on contract basis and deployed to various municipalities in the Province in order to provide support and strengthen their capacity in terms of section 154 of the Constitution of the Republic of South Africa, 1996.

7 DONOR FUNDS

7.1 Donor Funds Received

No donor funds were received during the reporting period.

8. Capital Investment

8.1 Capital investment, maintenance and asset management plan

No capital investment, maintenance and asset management plan during the reporting period.

PART C: GOVERNANCE

1. INTRODUCTION

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

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

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

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

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	h) To consider the effectiveness of the organisation's system of internal control, including information technology security and control. i) Review the Annual Financial Statements and consider whether they are fairly presented, complete and reflect appropriate accounting principles. j) Review the Annual Report (including non-financial performance information) to verify accuracy and completeness of information. k) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
Risk Management Committee	a) Review the risk management implementation plan, policy, strategy and recommend for approval by the Accounting Officer; b) Review the risk appetite and tolerance developed by management and recommend for approval by the Accounting Officer; c) Develop the Charter for the Committee for approval by the Accounting Officer and oversee the performance of the risk management function; d) Review the Department's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register; e) Evaluate the effectiveness of mitigating strategies to address the material risks of the Department; f) Report to the Accounting Officer any material changes to the risk profile of the Department; g) Review the fraud prevention policy and recommend for approval by the Accounting Officer; h) Evaluate the effectiveness of the implementation of the fraud prevention policy; i) Review any material findings and recommendations by assurance providers on the system of risk management and monitor that audit action plans is implemented to address the identified weaknesses; j) Develop key performance indicators to measure the effectiveness of the risk management performance. k) Interact with the Audit Committee to share information relating to material risks of the institution. l) Provide timely and useful reports to the Accounting Officer on the state of Risk management. m) Dictate the need for the Risk Management Committee to work through sub-committees.
Loss Control Committee	a) To manage and control losses and claims for/or against the Department in line with the provisions contained in Chapter 12 of the Treasury Regulations

	b) To exercise control over losses and claims for/or against the Department in that all such losses and claims must be referred to this Committee and be dealt with accordingly c) Assess all losses and claims referred to the Committee and make recommendations to the Chief Financial Officer and Head of the Department
Asset Disposal Committee	To dispose of the redundant and unserviceable item through selling by quotation or donating and transferring.

2. RISK MANAGEMENT

The Department has an approved Risk Management Framework (Inclusive of a risk management policy, strategy, fraud risk management and annual implementation plan) for the 2022/2023 Financial year. The Risk Management Strategy is inclusive of risk tolerance and appetite levels, these levels are both qualitative and quantitative and are updated annually in order to keep up with developments and or recent practices. The Accounting Officer has approved the Risk Management Committee Charter for 2022/2023 financial year which states the Terms of Reference as well as the roles and responsibilities of Members of the Risk Management Committee. The committee is a representative mixture of Executive Managers, Senior Managers, and Risk Champions per invitation of the Committee (i.e. identified officials on salary levels 1 – 12 within the Department).

The Department continued to conduct strategic risk assessments during Strategic Planning Sessions, for the final draft Annual Performance Plan in March 2022 to outline the top risks and have since updated the strategic risk register to align itself with these changes with a view that the risks identified needed to be aligned to the dynamic nature of the Departments business and to also accommodate the strategic direction the Department is headed in. In order to strengthen the management efforts of the strategic risks, the Risk Management Unit has implemented a strategic risk analysis tool. The tool aims to bring closer the gap of mitigation plans and early warning signals of risks by visibly showing risk tolerance and appetite levels. The Risk Management Unit continues to monitor the updated risk management register (operational and strategic) and mitigation plan processes to identify new and emerging risks per quarter and make recommendations presented in management meetings and the Risk Management Committee.

The Risk Management Committee was chaired by an external chairperson. It should be noted that the contract of the independent chairperson comes to an end on the 31 May 2023. It is the intention of the Department to fill this position in line with the Departments norm of nominating a member(s) from the Audit Committee. In order to encourage and or enforce continuity and enhance deliberations of monitoring and mitigation of risks, the Department is planning to appoint two independent members from the Audit Committee. The committee convened three out of four statutory quarterly meetings, apart from quarter four, which had to be delayed due to other strategic risk assessments and management commitments.

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

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

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

3. FRAUD AND CORRUPTION

The Department is complying with the implementation of the Public Service Anti-Corruption Strategy and to develop a fraud prevention capacity that complies with and exceeds the Minimum Anti-Corruption Capacity (MACC) guidelines.

The following are some of our successes to date:

- Continuously focused on and analyzed corruption risks as per PFMA's risk assessment guidelines.
- Implemented fraud that address corruption risk, as required by the PFMA.
- Verified the previous employment, qualifications, citizenship and criminal record of all people before they are employed by the Department.
- Established an information system that records all allegations and provides minimum information to designated national departments. The system however needs to be reviewed during the 2023/2024 financial year.
- Ensured that the employees responsible for the minimum Anti-Corruption functions have positive security clearances, RWOPS and disclose financial interests annually. All officials that had been identified by SSA had been issued with Z 204 forms for completion and subsequent vetting.

The departmental whistle-blowing policy is in place will be reviewed in 2025 and disclosures are handled in line with Protected Disclosures Act (PDA) (No 26 of 2000) and the Protection of Personal Information Act (POPIA)

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

4. MINIMISING CONFLICT OF INTEREST

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

5. CODE OF CONDUCT

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

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

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

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

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

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

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

In promoting awareness on chronic illnesses and awareness on other health issues like Sexually Transmitted Infections (STI), Tuberculosis (TB), HIV/ AIDS and most importantly, Covid19, the Department researched and compiled information pamphlets on the importance of the dangers of these diseases as well as ensuring adherence to the Covid19 protocols.

The Department of Cooperative Governance and Traditional Affairs acknowledges its responsibility to prevent or minimize occurrences of occupational injuries and promote healthy lifestyle.

In terms of the Occupational Health and Safety Act No.85 of 1993, General Safety Regulations 3, states that:

An employer shall take reasonable steps that are necessary under the circumstances, to ensure that persons at work receive prompt first aid treatment in case of injury or emergency". It further states that, "Where more than 10 employees are employed at a workplace of up to 50 employees, at least one person must be in possession of a valid certificate of competency in First Aid"

Section 17 (1) of the Occupational Health and Safety Act stipulates that:

"Every employer who has more than 20 employees in his employment at any workplace, shall, within four months after the commencement of this Act or after commencing business, or from such time as the number of employees exceeds 20, as the case may be, designate in writing for a specified period Health and Safety Representatives for such workplace, or for different sections thereof".

The Act further states in Section (8), subsection (1) that:

In an attempt to comply with the strategic objective of the SHERQ pillar, which is to anticipate, evaluate, educate and control health hazards in the department, to protect employee's health and wellbeing as well as to safeguard clients, the Employee Health and Wellness Sub-directorate is responsible to amongst others for the following:

- To improve occupational health and safety by controlling health hazards in the workplace.
- To have a health and safe public service environment that is safe for both Departmental officials and the community at large
- To have a Department that can identify and manage risks and improve quality of services;
- To guide the Department on how to manage occupational risks, eliminate illness, diseases and accidents; and
- Spearhead and implement all COVID-19 related functions in the department.

Section 19 (4) states that, A health and safety committee shall hold meetings as often as may be necessary, but at least once every three months, at a time and place determined by the committee: Provided that an inspector may notice in writing direct the members of a health and safety committee to hold a meeting at a time and place determined by him: Provided further that, if more than 10 percent of the employees at a specific workplace has handed a written request to an inspector, the inspector may by written notice direct that such a meeting be held.

In order to comply with the above requirements, the department was obligated to appoint the Occupational Health and Safety Committee, hereinafter called the Wellness Committee in terms of the approved Terms and Reference as well as the First Aid Committee. Both committees have been appointed for a term of three (3) years by the Head of Department as directed by the OHS Act. As per the approved Terms of Reference of Employee Health and Wellness, committee members are required to perform the duties as specified in Occupational Health and Safety Act and also undergo appropriate training in accordance with the requirement of the committees in order to achieve their objectives. It should be mentioned that the inception of COVID-19 regulations and protocols, certain restrictions being imposed on society as well as workplaces, meaning that special or ad hoc committee meetings become in order for the department to comply with updated regulations.

The committees each comprise of 39 representatives respectively, they represent all CoGTA buildings around Bloemfontein (OR Tambo, LT&LM Trust, Sanlam & MANCOFS buildings), QwaQwa (12 Traditional Councils), Thabo Nchu (Barolong Boo Seleka office & Thaba Community hall), Vrede and Tshiame Traditional Councils. Ongoing training and development is therefore required in order for the committee to meet the expected objectives in the department. It should be noted that since the committees represent the department at various offices in the province, meetings are likely to rotate and be held at various venues depending on the requirements.

7. PORTFOLIO COMMITTEES

The Portfolio committee meetings for the 2022/2023 financial year were held on the following dates:

1st Quarter Non-Financial Performance: 15 November 2022

Annual Reports 2021/2022: 15 November 2022

2nd Quarter Non-Financial Performance: 06 December 2022

3rd Quarter Non-Financial Performance: 28 March 2023

Matters raised by the Portfolio Committee and how has the department addressed these matters

The state of the Municipalities in the Province:

The department has intensified the support that it provides to municipalities and where necessary has intervened by implementing Sections 106, 139 and 154 in respective municipalities.

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
13/2020	Filling of critical vacant posts	Filling the position Head of DPPM (Departmental Planning and Performance Monitoring) as it has long been vacant	In Progress	Yes (90%)

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None

10. INTERNAL CONTROL UNIT

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

- Verification of all payments before processing them for compliance in terms of various requirements.
- Checking and verifying all journal transactions for accuracy and completeness.
- Checking and verifying all Subsistence and Transport claims for accuracy and completeness.
- Final authorisation of payments on BAS and LOGIS.
- Retaining all financial records in relation to payments and journals.
- Maintaining registers in terms of unwanted expenditure (Unauthorised, Irregular and Fruitless and Wasteful Expenditure).
- Assessing, determining and investigating cases of unwanted expenditure.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

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

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

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

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

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

The Internal Audit Activity achieved a Generally Conforms rating for the External Quality Assurance Review. This implies that the Internal Audit Activity has policies and processes that are in accordance with the Standards. Opportunities for enhancement may exist.

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

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

The Audit Committee members were appointed by the Member of Executive Council: Free State Department of Cooperative Governance and Traditional Affairs with effect from 01 August 2021 to 31 July 2024 for a period of three years.

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

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

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	END OF TERM	NO. OF MEETINGS ATTENDED
Adv. Derick Block	Baccalaureus Legum Baccalaureus Jurisprudentiae	External	N.A.	01 August 2021	31 July 2024	06
Mr. Sipiwe Ngwenya, CA (SA)	Magister in Business Administration	External	N.A.	01 August 2021	31 July 2024	06
Ms. Portia Chilwane	Baccalaureus Procuratoris	External	N.A.	01 August 2021	31 July 2024	06
Mr. Suren Maharaj, CA (SA)	Honours Bachelor of Accounting Science	External	N.A.	01 August 2021	31 July 2024	05
Mr. Lebina Tsotetsi	Master of Management	External	N.A.	01 August 2021	31 July 2024	04

12. AUDIT COMMITTEE REPORT:**Free State Department of Cooperative Governance and Traditional Affairs**

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee and Attendance

The Audit Committee consists of the external members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Audit Committee Charter, six (6) meetings were held during the 2022/23 financial year. There were two special meetings held for the review of the unaudited Annual Financial Statements and discussion of the AGSA Audit Report.

Audit Committee Members

Name of Member	Number of Meetings attended
Adv. Derick Block (Chairperson)	06
Mr. Sipiwe Ngwenya	06
Ms. Porcia Prudence Chilwane	06
Mr. Suren Maharaj	05
Mr. Lebina Daniel Tsotetsi	04

Executive Members

The former Accounting Officer, whose contract ended in August 2022 attended three (3) out of the six (06) scheduled Audit Committee meetings. The new HOD, joined the Department in September 2022, attended two (2) meetings.

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-camera meetings were held to discuss and address control weaknesses and deviations within the Department.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter (Charter). The Charter was duly approved by the Executive Authority. The Audit Committee has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

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

The Audit Committee has observed that the overall control environment of the Department was not satisfactory during the year under review. Management did not define and implement an ICT Strategy that is aligned to Departmental objectives. There is also a lack of oversight from management to prioritize the submission of risk optimization information as requested for audit. IT controls pertaining to security management and user access management are still not effectively designed and implemented due to the delay in the deployment of Microsoft which the Committee will continuously monitor to ensure that it is expedited. The deficiencies in the system of internal control and deviations were reported in the External Audit Reports and the Audit Committee remains committed in overseeing its implementation.

The Department also remains non-compliant in the development of a readiness plan to implement a compliance framework based on the Protection of Personal Information Act 4 of 2013 (POPIA), with a risk of con-compliance with POPIA carrying criminal sanction and a penalty regime.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, consulting and follow-up audits.

The Internal Audit Activity assessed the adequacy and effectiveness of the controls during assurance reviews throughout the year and as at 31 March 2023.

The Committee expressed a concern with regards to the lack of cooperation by management in the audit process., as well as the slow implementation of Internal Audit recommendations. Thus impacting on the value creation of Internal Audit.

The Committee has requested the Accounting Officer to address the capacity constraints in the Internal Audit Activity, as it has a negative impact on the completion of the Internal Audit Plan.

Risk Management

Risk management processes requires urgent attention to ensure effective combined assurance, especially in relation to internal audit. The Committee had identified this as a serious concern in order for the Committee to effectively exercise its oversight function and the readiness of the Department to effectively mitigate any risks impeding it from delivering on its mandate.

Combined Assurance

The Audit Committee is satisfied with the progress made with Combined Assurance. A combined Assurance policy has been duly approved. In line with the Policy Internal Audit will continue to verify implementation of the recommendations

from the reports of other assurance providers. The Committee, however, noticed a decline in co-operation by management which results in long audit turn-around times, which may lead to a regression in the level of assurance provided by Management

Predetermined Objectives

The Committee is concerned that AGSA raised material findings and material misstatement on predetermined objectives, which ultimately caused a regression on the audit outcome.

Forensic Investigations

There were no forensic investigations into alleged financial irregularities, financial misconduct and fraud during the year under review. Investigations for irregular expenditure were still in progress. The Committee recommended that the Department institute consequence management on the irregular expenditure cases.

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

The Audit Committee noted the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the annual report, with the Auditor General – General and the Accounting Officer.
- Reviewed the Auditor – General's management report and management's response there to.
- Reviewed changes in accounting policies and practices;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed the information on predetermined objectives to be included in the annual report.
- Reviewed significant adjustments resulting from the audit.
- Reviewed the quality and timeliness of financial information availed to the audit committee for oversight purposes during the year. (ie: interim financial statements).

In – Camera Meeting with the Accounting Officer

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

In – Camera Meeting with the Executive Authority

The committee has met with the former Executive Authority for the Department to appraise the Member of the Executive Council on the performance of the Department. The Committee believes that the frequency of these interactions would be more beneficial to the Executive Authority. The committee submits quarterly reports to the Executive Authority and highlight matters that need interventions by his office.

External Audit

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues. The Department will have to implement more stringent controls to address AGSA findings and improve the audit outcome.



Advocate Derick Block

Chairperson of the Audit Committee

Date: 31 August 2023

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The criteria is not applicable to the Department
Developing and implementing a preferential procurement policy?	Yes	The Department has developed a criteria in the SCM policy specific to the implementation of preferential procurement policy: For contracts with a Rand value above R50 million, a maximum of 10 points are allocated for specific goals and a maximum of 90 points are allocated for price. For contracts with a Rand value equal to or below R50 million, a maximum of 20 points may be allocated for specific goals and a maximum of 80 points allocated for price.
Determining qualification criteria for the sale of state-owned enterprises?	No	The criteria is not applicable to the Department
Developing criteria for entering into partnerships with the private sector?	No	The criteria is not applicable to the Department
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The criteria is not applicable to the Department

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

2. OVERVIEW OF HUMAN RESOURCES

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

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

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

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

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

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

HIV& AIDS, TB AND STI management

Health and Productivity management

Safety, health, environment, risk and quality (SHERQ) management; and

Wellness (EAP) management

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

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

3. HUMAN RESOURCES OVERSIGHT STATISTICS**3.1 Personnel related expenditure**

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

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	148,812.00	107,728.00	0,00	0,00	72,39	419,00
Local Governance	79,470.00	61,932.00	0,00	0,00	77.93	765.00
Development and Planning	48,223.00	39,377.00	0,00	0,00	81.66	716,00
Traditional Institutional Management	48,933.00	45,125.00	0,00	0,00	77,90	225.00
House of Traditional Leaders	14,842.00	8,987.00	0,00	0,00	92,22	562.00
Total	340,280.00	263,149.00	0,00	0,00	77,33	431,00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	6 670,00	2,50	33,00	202 121,00
02 Skilled (Levels 3-5)	40 732,00	15,00	159,00	256 176,00
03 Highly skilled production (Levels 6-8)	74 242,00	27,30	236,00	314 585,00
04 Highly skilled supervision (Levels 9-12)	71 395,00	26,30	87,00	820 632,00
05 Senior management (Levels >= 13)	39 038,00	14,40	26,00	1 501 462,00
10 Contract (Levels 1-2)	649,00	0,20	3,00	216 333,00
11 Contract (Levels 3-5)	2 065,00	0,80	9,00	229 444,00
12 Contract (Levels 6-8)	3 486,00	1,30	21,00	166 000,00
13 Contract (Levels 9-12)	5 591,00	2,10	7,00	798 714,00
14 Contract (Levels >= 13)	20 930,00	7,70	18,00	1 162 778,00
18 Contract Other	132,00	0,00	0,00	0,00
19 Periodical Remuneration	445,00	0,20	9,00	49 444,00
TOTAL	265 375,00	97,60	610,00	435 041,00

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Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

PROGRAMME	SALARIES		OVERTIME		HOMEOWNERS ALLOWANCE (HOA)		MEDICAL ASSISTANCE	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COST	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COST	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COST	AMOUNT (R'000)	MED ASST AS % OF PERSONNEL COST
1.ADMINISTRATION PROGRAMME 1	87 701	79,60	241,00	0,20	3 332,00	3,00	7 988	7,30
2.LOCAL GOVERNANCE PROGRAMME 2	33 968	81,90	6,00	0,00	589,00	1,40	1 419	3,40
3.DEVELOPMENT AND PLANNING PROGRAMME 3	6 883,00	85,50	0,00	0,00	150,00	1,90	275	3,40
4.TRADITIONAL INSTITUTIONAL MANAGEMENT PROGRAMME 4	55 687	85,00	96,00	0,10	694,00	1,10	1 425	2,20
5.HOUSE OF TRADITIONAL LEADERS PROGRAMME 5	40 054	85,80	0,00	0,00	1 418,00	3,00	2 592	5,60
TOTAL	224 293	82,50	343,00	0,10	6 182,00	2,30	13 700	5,00

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	4 551,00	68,20	0,00	0,00	577,00	8,70	999,00	15,00
02 Skilled (Levels 3-5)	28 832,00	70,60	40,00	0,10	2 344,00	5,70	6 260,00	15,30
03 Highly skilled production (Levels 6-8)	61 557,00	82,60	196,00	0,30	2 230,00	3,00	4 595,00	6,20

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04 Highly skilled supervision (Levels 9-12)	62 239,00	84,20	101,00	0,10	806,00	1,10	1 674,00	2,30
05 Senior management (Levels >= 13)	34 924,00	84,00	0,00	0,00	222,00	0,50	152,00	0,40
10 Contract (Levels 1-2)	648,00	99,80	0,00	0,00	0,00	0,00	0,00	0,00
11 Contract (Levels 3-5)	2 018,00	97,50	0,00	0,00	3,00	0,10	20,00	1,00
12 Contract (Levels 6-8)	3 446,00	97,60	0,00	0,00	0,00	0,00	0,00	0,00
13 Contract (Levels 9-12)	5 365,00	92,50	6,00	0,10	0,00	0,00	0,00	0,00
14 Contract (Levels >= 13)	20 554,00	94,80	0,00	0,00	0,00	0,00	0,00	0,00
18 Contract Other	132,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00
19 Periodical Remuneration	28,00	6,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	224 293,00	82,50	343,00	0,10	6 182,00	2,30	13 700,00	5,00

3.2 Employment and Vacancies

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION PROGRAMME 1	341,00	251,00	26,40	13,00
LOCAL GOVERNMENT PROGRAMME 2	70,00	55,00	21,40	3,00
DEVELOPMENT AND PLANNING PROGRAMME 3	26,00	16,00	38,50	2,00
TRADITIONAL INSTITUTIONAL DEVELOPMENT PROGRAMME 4	100,00	79,00	21,00	17,00
HOUSE TRADITIONAL LEADERS PROGRAMME 5	226,00	200,00	11,50	122,00
Total	763,00	601,00	21,20	157,00

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Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	39,00	33,00	15,40	0,00
02 Skilled (Levels 3-5), Permanent	201,00	159,00	20,90	0,00
03 Highly Skilled Production (Levels 6-8), Permanent	295,00	236,00	20,00	109,00
04 Highly Skilled Supervision (Levels 9-12), Permanent	130,00	87,00	33,10	4,00
05 Senior Management (Levels >= 13), Permanent	38,00	26,00	31,60	3,00
09 Other, Permanent	2,00	2,00	0,00	2,00
10 Contract (Levels 1-2), Permanent	3,00	3,00	0,00	2,00
11 Contract (Levels 3-5), Permanent	9,00	9,00	0,00	6,00
12 Contract (Levels 6-8), Permanent	21,00	21,00	0,00	19,00
13 Contract (Levels 9-12), Permanent	7,00	7,00	0,00	3,00
14 Contract (Levels >= 13), Permanent	18,00	18,00	0,00	9,00
TOTAL	763,00	601,00	21,20	157,00

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
OSD – ENGINEERING RELATED	40	15	37.5	0
OSD – LEGAL PROFESSIONS	6	3	50	0
TOTAL	46	18	39.13	0

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	5	5	100	0	0
Salary Level 13	24	18	75	6	25
Total	33	27	81.8	6	18.2

Table 3.3.2 SMS post information as on 30 September 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	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	5	5	100	0	0
Salary Level 13	24	18	75	6	25
Total	33	27	81.8	6	18.2

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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

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Salary Level 13	0	0	0
Total	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
The department was in process of reorganizing the structure and subsequently determining critical vacant posts to be filled. A Strategic Planning Session is scheduled where the whole Executive will discuss and agree on the restructuring exercise and in line with this process funds will be re-prioritized for the identifying and filling of critical vacancies.

Reasons for vacancies not filled within twelve months
The department was in process of reorganizing the structure and subsequently determining critical vacant posts to be filled. A Strategic Planning Session is scheduled where the whole Executive will discuss and agree on the restructuring exercise and in line with this process funds will be re-prioritized for the identifying and filling of critical vacancies.

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

3.4 Job Evaluation

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	42	0	0	0	0	0	0
Skilled (Levels 3-5)	173	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	340	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	133	0	0	0	0	0	0
Senior Management Service Band A	23	0	0	0	0	0	0
Senior Management Service Band B	16	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Total	732	0	0	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	2	0	0	6	10
Male	6	0	0	0	6
Total	8	0	0	6	16
Employees with a disability	0	0	0	0	0

*Reminder – Official that qualifies for accelerated grade progression after a certain period salary levels are higher than the determined post level

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	33,00	0,00	0,00	0,00
Skilled (Levels 3-5) Permanent	161,00	0,00	2,00	1,20
Highly Skilled Production (Levels 6-8) Permanent	249,00	0,00	12,00	4,80
Highly Skilled Supervision (Levels 9-12) Permanent	93,00	0,00	6,00	6,50
Senior Management Service Band A Permanent	19,00	0,00	0,00	0,00
Senior Management Service Band B Permanent	4,00	0,00	1,00	25,00
Senior Management Service Band C Permanent	3,00	0,00	0,00	0,00

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Senior Management Service Band D Permanent	2,00	1,00	2,00	100,00
Other Permanent	1,00	6,00	6,00	600,00
Contract (Levels 1-2) Permanent	4,00	0,00	1,00	25,00
Contract (Levels 3-5) Permanent	8,00	1,00	0,00	0,00
Contract (Levels 6-8) Permanent	8,00	15,00	1,00	12,50
Contract (Levels 9-12) Permanent	7,00	0,00	0,00	0,00
Contract Band A Permanent	4,00	1,00	0,00	0,00
Contract Band B Permanent	12,00	1,00	1,00	8,30
Contract Band D Permanent	0,00	1,00	0,00	0,00
TOTAL	608,00	26,00	32,00	5,30

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
OSD – ENGINEERING RELATED	40	15	0	37,5
OSD – LEGAL PROFESSIONS	6	3	0	50
TOTAL	46	16	0	39,13

Table 3.5.3 Reasons why staff left the department for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death, Permanent	7,00	21,90
Resignation, Permanent	9,00	28,10
Expiry of contract, Permanent	10,00	31,30
Retirement, Permanent	6,00	18,80
TOTAL	32,00	100,00

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
OSD – ENGINEERING RELATED	0	0	0	0	0

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OSD – LEGAL PROFESSIONS	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	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
01 Lower Skilled (Levels 1-2), Permanent	33,00	0,00	0,00	1,00	3,00
02 Skilled (Levels 3-5), Permanent	161,00	0,00	0,00	49,00	30,40
03 Highly Skilled Production (Levels 6-8), Permanent	249,00	2,00	0,80	111,00	44,60
04 Highly Skilled Supervision (Levels 9-12), Permanent	93,00	5,00	5,40	60,00	64,50
05 Senior Management (Levels >= 13), Permanent	28,00	0,00	0,00	16,00	57,10
09 Other, Permanent	1,00	0,00	0,00	0,00	0,00
10 Contract (Levels 1-2), Permanent	4,00	0,00	0,00	3,00	75,00
11 Contract (Levels 3-5), Permanent	8,00	0,00	0,00	2,00	25,00
12 Contract (Levels 6-8), Permanent	8,00	0,00	0,00	4,00	50,00
13 Contract (Levels 9-12), Permanent	7,00	0,00	0,00	1,00	14,30
14 Contract (Levels >= 13), Permanent	16,00	0,00	0,00	0,00	0,00
TOTAL	608,00	7,00	1,20	247,00	40,60

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3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
MEC	1	0	0	0	0	0	0	0	1
SENIOR OFFICIALS AND MANAGERS	27,00	1,00	0,00	1,00	8,00	0,00	0,00	0,00	37,00
PROFESSIONALS	8,00	2,00	0,00	3,00	14,00	0,00	0,00	2,00	29,00
TECHNICIANS AND ASSOCIATE PROFESSIONALS	70,00	0,00	0,00	3,00	64,00	1,00	0,00	15,00	153,00
04 - CLERKS	18,00	1,00	0,00	1,00	58,00	1,00	1,00	4,00	84,00
SERVICE SHOP AND MARKET SALES WORKERS	18,00	0,00	0,00	0,00	5,00	0,00	0,00	0,00	23,00
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	8,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	10,00
LABOURERS AND RELATED WORKERS	145,00	0,00	0,00	0,00	118,00	0,00	0,00	0,00	263,00
UNKNOWN	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
TOTAL	296,00	4,00	0,00	8,00				21,00	601,00

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
MEC	1	0	0	0	1	0	0	0	1
Top Management	1	0	0	0	1	0	0	0	1
Senior Management, Permanent	14,00	1,00	0,00	1,00	6,00	0,00	0,00	0,00	22,00
Professionally qualified and experienced specialists and mid-management, Permanent	44,00	1,00	0,00	3,00	30,00	1,00	0,00	8,00	87,00
Skilled technical and academically qualified workers, junior management,	125,00	1,00	0,00	4,00	92,00	0,00	1,00	13,00	236,00

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supervisors, foremen, Permanent									
Semi-skilled and discretionary decision making, Permanent	73,00	1,00	0,00	0,00	85,00	0,00	0,00	0,00	159,00
Unskilled and defined decision making, Permanent	6,00	0,00	0,00	0,00	27,00	0,00	0,00	0,00	33,00
Not Available, Permanent	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
Contract (Top Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Contract (Senior Management), Permanent	15,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	17,00
Contract (Professionally Qualified), Permanent	2,00	0,00	0,00	0,00	5,00	0,00	0,00	0,00	7,00
11 Contract (Skilled Technical), Permanent	6,00	0,00	0,00	0,00	15,00	0,00	0,00	0,00	21,00
12 Contract (Semi-Skilled), Permanent	6,00	0,00	0,00	0,00	2,00	1,00	0,00	0,00	9,00
13 Contract (Unskilled), Permanent	0,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	3,00
TOTAL	296,00	4,00	0,00	8,00	269,00	2,00	1,00	21,00	601,00

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Not Available, Permanent	2,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	6,00
Contract (Top Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Contract (Senior Management), Permanent	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
Contract (Skilled technical), Permanent	6,00	0,00	0,00	0,00	9,00	0,00	0,00	0,00	15,00
Contract (Semi-skilled), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00

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TOTAL	13,00	0,00	0,00	0,00	13,00	0,00	0,00	0,00	26,00
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Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

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, Permanent	9,00	1,00	0,00	0,00	5,00	0,00	0,00	0,00	15,00
Professionally qualified and experienced specialists and mid-management, Permanent	33,00	0,00	0,00	1,00	27,00	1,00	0,00	3,00	65,00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	37,00	0,00	0,00	4,00	62,00	0,00	1,00	9,00	113,00
Semi-skilled and discretionary decision making, Permanent	30,00	1,00	0,00	0,00	18,00	0,00	0,00	0,00	49,00
Unskilled and defined decision making, Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Contract (Professionally qualified), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Contract (Skilled technical), Permanent	0,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	4,00
Contract (Semi-skilled), Permanent	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
Contract (Unskilled), Permanent	0,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	3,00
TOTAL	113,00	2,00	0,00	5,00	120,00	1,00	1,00	12,00	254,00

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
Senior Management	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Professionally qualified and experienced specialists and mid-management	1,00	0,00	0,00	0,00	4,00	0,00	0,00	1,00	6,00

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Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6,00	0,00	0,00	0,00	5,00	0,00	0,00	1,00	12,00
Semi-skilled and discretionary decision making	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
07 Not Available, Permanent	2,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	6,00
Contract (Senior Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Contract (Skilled technical), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Contract (Unskilled), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
TOTAL	15,00	0,00	0,00	0,00	15,00	0,00	0,00	2,00	32,00

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	0	0	0	1	0	0	1	5

Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	55	0	0	3	58	1	0	2	118
Professionals	28	1	0	2	50	1	1	1	83
Technicians and associate professionals	4	0	0	0	45	0	0	1	50
Clerks	0	0	0	0	2	0	0	0	2
Service and sales workers	37	1	0	0	65	0	0	0	103
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	1	0	0	0	1
Elementary occupations	0	0	0	0	0	0	0	0	0
Employees with disabilities	1	0	0	0	1	0	0	0	2
Total	171	2	0	5	222	2	1	4	359

3.7 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 here.

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	0	0	0	0
Salary Level 15	3	3	3	100%
Salary Level 14	5	15	8	53%
Salary Level 13	24	21	21	100%
Total	33	40	33	82.5%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
Delay in the signing of appointment contracts for administrators

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
SMS members forfeited any claim to performance incentives including pay progression

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3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 and 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	1,00	267,00	0,40	9,78	9 784,00
African, Male	0,00	294,00	0,00	0,00	0,00
Asian, Female	0,00	1,00	0,00	0,00	0,00
Asian, Male	0,00	0,00	0,00	0,00	0,00
Coloured, Female	0,00	2,00	0,00	0,00	0,00
Coloured, Male	0,00	3,00	0,00	0,00	0,00
Total Blacks, Female	1,00	270,00	0,40	9,78	9 784,00
Total Blacks, Male	0,00	297,00	0,00	0,00	0,00
White, Female	0,00	21,00	0,00	0,00	0,00
White, Male	0,00	7,00	0,00	0,00	0,00
Employees with a disability	0,00	6,00	0,00	0,00	0,00
TOTAL	1,00	601,00	0,20	9,78	9 784,00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 and 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
01 Lower Skilled (Levels 1-2)	0,00	33,00	0,00	0,00	0,00	0,00
02 Skilled (Levels 3-5)	0,00	159,00	0,00	0,00	0,00	0,00
03 Highly Skilled Production (Levels 6-8)	0,00	236,00	0,00	0,00	0,00	0,00
04 Highly Skilled Supervision (Levels 9-12)	1,00	87,00	1,10	9,78	9 784,00	1,10

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09 Other	0,00	2,00	0,00	0,00	0,00	0,00
10 Contract (Levels 1-2)	0,00	3,00	0,00	0,00	0,00	0,00
11 Contract (Levels 3-5)	0,00	9,00	0,00	0,00	0,00	0,00
12 Contract (Levels 6-8)	0,00	21,00	0,00	0,00	0,00	0,00
13 Contract (Levels 9-12)	0,00	7,00	0,00	0,00	0,00	0,00
TOTAL	1,00	557,00	0,20	9,78	9 784,00	0,20

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	0,00	12,00	0,00	0,00	0,00
HUMAN RESOURCES CLERKS	0,00	5,00	0,00	0,00	0,00
SECURITY OFFICERS	0,00	1,00	0,00	0,00	0,00
MESSENGERS PORTERS AND DELIVERERS	0,00	13,00	0,00	0,00	0,00
RISK MANAGEMENT AND SECURITY SERVICES	0,00	1,00	0,00	0,00	0,00
FINANCE AND ECONOMICS RELATED	0,00	1,00	0,00	0,00	0,00
LOGISTICAL SUPPORT PERSONNEL	0,00	3,00	0,00	0,00	0,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	0,00	33,00	0,00	0,00	0,00
OTHER OCCUPATIONS	0,00	215,00	0,00	0,00	0,00
LEGAL RELATED	0,00	1,00	0,00	0,00	0,00
FINANCIAL AND RELATED PROFESSIONALS	0,00	4,00	0,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS	0,00	1,00	0,00	0,00	0,00
ARCHITECTS TOWN AND TRAFFIC PLANNERS	0,00	6,00	0,00	0,00	0,00
ADMINISTRATIVE RELATED	1,00	69,00	1,40	9,78	9 784,00

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SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	0,00	29,00	0,00	0,00	0,00
LIBRARY MAIL AND RELATED CLERKS	0,00	3,00	0,00	0,00	0,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	0,00	36,00	0,00	0,00	0,00
HUMAN RESOURCES RELATED	0,00	1,00	0,00	0,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	0,00	1,00	0,00	0,00	0,00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	0,00	2,00	0,00	0,00	0,00
MATERIAL-RECORDING AND TRANSPORT CLERKS	0,00	2,00	0,00	0,00	0,00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	0,00	79,00	0,00	0,00	0,00
BUS AND HEAVY VEHICLE DRIVERS	0,00	8,00	0,00	0,00	0,00
SENIOR MANAGERS	0,00	37,00	0,00	0,00	0,00
ENGINEERS AND RELATED PROFESSIONALS	0,00	2,00	0,00	0,00	0,00
OTHER INFORMATION TECHNOLOGY PERSONNEL.	0,00	13,00	0,00	0,00	0,00
LIGHT VEHICLE DRIVERS	0,00	2,00	0,00	0,00	0,00
SECURITY GUARDS	0,00	21,00	0,00	0,00	0,00
TOTAL	1,00	601,00	0,20	9,78	9 784,00

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 and 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A-D	0	44	0	0	63 278,65	0.07
Total	0	44	0	0	63 278,65	0.07

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3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

3.10 Leave Utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022

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)
Contract (Levels 13-16)	10,00	100,00	2,00	0,70	5,00	63,00

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Contract (Levels 3-5)	24,00	91,70	3,00	1,00	8,00	22,00
Contract (Levels 6-8)	14,00	78,60	3,00	1,00	5,00	19,00
Contract (Levels 9-12)	1,00	0,00	1,00	0,30	1,00	2,00
Contract Other	1,00	0,00	1,00	0,30	1,00	0,00
Highly skilled production (Levels 6-8)	883,00	86,20	92,00	31,00	10,00	1 438,00
Highly skilled supervision (Levels 9-12)	520,00	88,30	59,00	19,90	9,00	1 416,00
Lower skilled (Levels 1-2)	90,00	87,80	16,00	5,40	6,00	50,00
Senior management (Levels 13-16)	103,00	93,20	15,00	5,10	7,00	505,00
Skilled (Levels 3-5)	956,00	93,60	105,00	35,40	9,00	683,00
TOTAL	2 602,00	89,70	297,00	100,00	9,00	4 199,00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	16,00	100,00	1,00	100,00	16,00	10,00
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	16,00	100,00	1,00	100,00	16,00	10,00

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 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 1-2)	25,00	2,00	13,00
Contract (Levels 13-16)	115,00	6,00	19,00
Contract (Levels 3-5)	109,00	5,00	22,00
Contract (Levels 6-8)	50,00	6,00	8,00
Contract (Levels 9-12)	31,00	2,00	16,00
Contract Other	8,00	3,00	3,00
Highly skilled production (Levels 6-8)	3 288,50	127,00	26,00
Highly skilled supervision (Levels 9-12)	2 007,00	81,00	25,00

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Lower skilled (Levels 1-2)	454,00	29,00	16,00
Senior management (Levels 13-16)	547,00	24,00	23,00
Skilled (Levels 3-5)	3 154,00	154,00	20,00
TOTAL	9 788,50	439,00	22,00

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Contract (Levels 1-2)	0,00	0,00	0,00	0,00
Contract (Levels 13-16)	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	0,00	0,00	0,00	0,00
Contract Other	0,00	0,00	0,00	0,00
Highly skilled production (Levels 6-8)	0,00	0,00	0,00	36,00
Highly skilled supervision (Levels 9-12)	0,00	0,00	0,00	25,00
Lower skilled (Levels 1-2)	0,00	0,00	0,00	0,00
Senior management (Levels 13-16)	4,00	1,00	4,00	12,00
Skilled (Levels 3-5)	0,00	0,00	0,00	62,00
TOTAL	4,00	1,00	4,00	30,00

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

Table 3.10.5 Leave pay-outs for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	570,00	9,00	63 333,00
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORK DAYS)	316,00	5,00	63 200,00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	544,00	9,00	60 444,00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	265,00	6,00	44 167,00
TOTAL	1 695,00		

3.11 HIV/AIDS & Health Promotion Programmes**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**

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

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

QUESTION	YES	NO	DETAILS IF YES
1. HAS THE DEPARTMENT DESIGNATED A MEMBER OF THE SMS TO IMPLEMENT THE PROVISIONS CONTAINED IN PART D VI OF CHAPTER 1 OF THE PSR, 2001? IF SO, PROVIDE HER/HIS NAME AND POSITION		X	The department has not formally appointed a designated SMS member to be responsible for Health Promotion and HIV/AIDS programmes. This function has been carried out by the Director: Human Resources and Development.
2. DOES THE DEPARTMENT HAVE A DESIGNATED UNIT OR HAS IT DESIGNATED SPECIFIC STAFF MEMBERS TO PROMOTE THE HEALTH AND WELL BEING OF YOUR EMPLOYEES? IF SO, INDICATE THE NUMBER OF EMPLOYEES WHO ARE INVOLVED IN THIS TASK AND THE ANNUAL BUDGET THAT IS AVAILABLE FOR THIS PURPOSE	X		Currently 3 permanent employees in the Unit of which 1 employee being dysfunctional, absent without leave for a long time and 3 of them are temporarily assisting as support staff. The Unit operates with an estimated budget of R2 000 000.00
3. HAS THE DEPARTMENT INTRODUCED AN EMPLOYEE ASSISTANCE OR HEALTH PROMOTION PROGRAMME FOR YOUR EMPLOYEES? IF SO, INDICATE THE KEY ELEMENTS/SERVICES OF THIS PROGRAMME	X		The Employee Health and Wellness Sub-directorate has 4 functional pillars, they are structured as follows: 1. HIV & AIDS AND TB MANAGEMENT PILLAR To mitigate the impact of HIV & AIDS and TB epidemic and improvement of the department's service delivery to reduce the number of infections and impact on individual employees. Key Performance areas. To implement programmes on: • Prevention; • Treatment, care and support; • Human rights and access to justice; • Research, monitoring and evaluation. 2. HEALTH AND PRODUCTIVITY MANAGEMENT PILLAR To manage communicable and non-communicable diseases, mental health/ psychosomatic illnesses, injury on duty and incapacity due to ill-health and occupational health education in order to enhance productivity

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QUESTION	YES	NO	DETAILS IF YES																																							
			Key performance areas. To implement programmes on: • Disease management and chronic illnesses; • Mental health/psychological illness • Injury on duty and incapacity due to ill-health • Occupational health and education promotion 3. SAFETY, HEALTH, ENVIRONMENT, RISK AND QUALITY (SHERQ) MANAGEMENT PILLAR To anticipate, evaluate, educate and control health hazards in the departments to protect employee's health and wellbeing as well as to safeguard the community at large.(clients) Key performance areas. Implement programmes on: • Occupational health and safety; • Environmental management; • Risk and quality management. 4. WELLNESS MANAGEMENT PILLAR To provide individual wellness and organisational wellness to improve work-life balance Key performance areas. Implement programmes on: • Individual wellness (physical) • Individual wellness (Psychosocial wellness) counselling and referrals • Organisational wellness • Work-life balance																																							
4. HAS THE DEPARTMENT ESTABLISHED COMMITTEES AS CONTEMPLATED IN PART VI E.5 (E) OF CHAPTER 1 OF THE PSR 2001? IF SO, PLEASE PROVIDE THE NAMES OF THE MEMBERS OF THE COMMITTEES AND THE STAKEHOLDER/S THAT THEY REPRESENT			COMMITTEE REPRESENTATIVE DATABASE PER COGTA BUILDING O.R Tambo House Building <table border="1"> <thead> <tr> <th>NAME</th><th>UNIT</th><th>FLOOR</th></tr> </thead> <tbody> <tr> <td>Mr M. Sethuntsa</td><td>Transport</td><td>6th floor</td></tr> <tr> <td>Mr S. Nyaredi</td><td>Finance</td><td>7th floor</td></tr> <tr> <td>Mr. M. Mokgeseng</td><td>Supply Chain Management</td><td>7th floor</td></tr> <tr> <td>Ms M. Khabo</td><td>HRM</td><td>9th floor</td></tr> <tr> <td>Mr S. Sello</td><td>Auxiliary</td><td>10th floor</td></tr> <tr> <td>Mr V. Maxatshwa</td><td>IT Unit</td><td>11th floor</td></tr> <tr> <td>Mr. M. Mokhele</td><td>Skills Development</td><td>12th floor</td></tr> </tbody> </table> CoGTA in the L.M Trust building (Charlotte Maxeke Street) <table border="1"> <thead> <tr> <th>Name</th><th>Unit</th><th>Floor</th></tr> </thead> <tbody> <tr> <td>Ms Z. Magagula</td><td>Municipal Intergovernmental Relations</td><td>1st floor</td></tr> <tr> <td>Ms N. Mbolekwa</td><td>Spatial Planning</td><td>2nd floor</td></tr> <tr> <td>Mr F. Mosia</td><td>Spatial Planning</td><td>3rd floor</td></tr> <tr> <td>Mr R. Sekwe</td><td>Spatial Planning</td><td>4th floor 5th floor</td></tr> </tbody> </table> CoGTA in the L.T Trust building (Elizabeth Street)	NAME	UNIT	FLOOR	Mr M. Sethuntsa	Transport	6 th floor	Mr S. Nyaredi	Finance	7 th floor	Mr. M. Mokgeseng	Supply Chain Management	7 th floor	Ms M. Khabo	HRM	9 th floor	Mr S. Sello	Auxiliary	10 th floor	Mr V. Maxatshwa	IT Unit	11 th floor	Mr. M. Mokhele	Skills Development	12 th floor	Name	Unit	Floor	Ms Z. Magagula	Municipal Intergovernmental Relations	1 st floor	Ms N. Mbolekwa	Spatial Planning	2 nd floor	Mr F. Mosia	Spatial Planning	3 rd floor	Mr R. Sekwe	Spatial Planning	4 th floor 5 th floor
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QUESTION	YES	NO	DETAILS IF YES		
			Name	Unit	Floor
			Mr T. Mofokeng	Traditional Affairs	1 st floor
			Ms M. Lempetje	Free Basic	2 nd floor
			Ms M. Lekhoehla	Municipal Performance Monitoring	4 th floor
			Ms R. Makaudi	Municipal Planning & Development	3 th floor 5 th floor
			Representative for CoGTA in the Old SANLAM building		
			Name	Unit	Floor
			Mr. S. Maduna	Free State House of Traditional Leaders	3 rd floor
			Representative for CoGTA in the Thaba Nchu office		
			Name	Unit	Floor
			Mr. K.G Lepogo	Barolong Hall	Ground floor
			Ms N. Shuping	Barolong Boo Seleka Office	Ground floor
			Representatives for CoGTA in the Disaster Management Directorate		
			Name	Department	Floor
			Mr C. Mokete	Disaster Management	Ground floor
			REPRESENTATIVES FOR COGTA IN TRIBAL COUNCILS		
			Name	Unit	
			Mr. M. Moloko	Thibella Traditional Council	
			Mr. B. Nchabeng	Monontsha Traditional Council	
			Ms M. Lebatla	Bolata Traditional Council	
			Mr. S. Mopeli	Mabolela Traditional Council	
			Ms D. Buthelezi	Namahali Traditional Council	
			Mr. K. Mohlaping	Public Works Offices	
			Mr. B. Gumbi	Kgolokweng Traditional Council	
			Mr. S. Molefe	Dinkoeng Traditional Council	
			Mr. T. Mofokeng	Thaba Bosiu Traditional Council	
			Ms S. Khanye	Batlkoa Ba Mokgalong Traditional Council	
			Ms L. Mopeli	Morena E Moholo – Bakoena	
			Mr N. Mobu	Thaba Tsoeu Traditional Council	
			Ms T. Tsosane	Matsieng Traditional Council	
			Mr. M.S. Moji	Phomolong Traditional Council	
5. HAS THE DEPARTMENT REVIEWED ITS EMPLOYMENT POLICIES AND PRACTICES TO ENSURE THAT THESE DO NOT UNFAIRLY DISCRIMINATE AGAINST	X		HIV/AIDS, STI AND TB Policy is in place as approved by the Head of Department.		

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QUESTION	YES	NO	DETAILS IF YES
EMPLOYEES ON THE BASIS OF THEIR HIV STATUS? IF SO LIST THE EMPLOYMENT POLICIES/PRACTICES SO REVIEWED			
6. HAS THE DEPARTMENT INTRODUCED MEASURES TO PROTECT HIV – POSITIVE EMPLOYEES OR THOSE RECEIVED TO BE HIV – POSITIVE FROM DISCRIMINATION? IF SO, LIST THE KEY ELEMENTS OF THESE MEASURES	X		Issues of discrimination against people living with HIV are covered by the HIV/AIDS, STI and TB Policy. An annual operation plan signed by the Head of Department is also in place, this is to guide the implementation of the policy.
7. DOES THE DEPARTMENT ENCOURAGE ITS EMPLOYEES TO UNDERGO VOLUNTARY COUNSELLING AND TESTING? IF SO, LIST THE RESULTS THAT YOU HAVE ACHIEVED	X		The Unit embarks on quarterly Wellness days to facilitate for HIV Counselling and Testing (HCT) campaigns in order to ensure that employees are tested. Apart from that, the Unit embarks on ongoing mitigation strategies that seeks to promote healthy living.
8. HAS THE DEPARTMENT DEVELOPED MEASURES/INDICATORS TO MONITOR AND EVALUATE THE IMPACT OF ITS HEALTH PROMOTION PROGRAMME? IF SO, LIST THESE MEASURES/INDICATORS	X		The indicators include, supervisor feedback and sick leave records. No particular system has been introduced.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter	Date
None for the period in question	None

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0

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Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	1	100%
Total	1	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
FRAUD	0	0
CODE OF CONDUCT / CORRUPTION	0	0
ABUSE OF GOVERNMENT PROPERTY	0	0
ABSENTEEISM, INSUBORDINATION, DERAGATORY LANGUAGE, CARRYING A FIREARM AT WORK, MISREPRESENTATION OF FACTS, ABANDONING A POST	5	100%
TOTAL	5	100%

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	3	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	3	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	1	34%
Number of disputes dismissed	2	66%
Total number of disputes lodged	3	100%

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

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

3.13 Skills Development

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

Table 3.13.1 Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	P	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
				Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers		Female	67	Executive Development Programme	Financial Management		67
		Male	79		Computer Skills Integrated Development Plans Public Service Ethics Project Management Conflict Management Public Management Public Participation Operational Management Local Government Management Microsoft Excel Monitoring and Evaluation Management Leadership Facilities/Property Management Advance Records Management Municipal Finance Monitoring and Evaluation	OHS /EAPA Conference IIA-SA conference/forums HRDC/NSA/PSTF Forum	79

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					Report Writing Minutes Taking Financial Management Occupational Health and Safety Office Management Project Management Emotional Intelligence Basic IT Auditing Certified Information System for Auditors Strategic Management Risk Management Contract Management First Aid Data Analytics for Internal Auditors SCOA Financial Auditing for Internal Auditors		
Professionals		Female	102	Management Leadership	Business Continuity Management		102
		Male	55		Risk Tolerance and Appetite Record Management Fraud Prevention and Detection Minutes Taking Advance Excel for Internal Auditors First Aid Report Writing Control Adequacy Evaluation Occupational Health and Safety Web design and development Microsoft SharePoint and Administration	IIA-SA conference/forums ACFE conference HRDC/NSA/PSTF Forum GovTech conference HIV/TB conference	55

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					Professional Internal Auditor Internal Audit Technician Certified Internal Auditor Risk Management Financial Management Batho Pele SCOA BAS&PERSAL Microsoft Excel Basic IT for Internal Auditors Data Analytic for Internal Auditors Diversity Management Employee Awareness Programme Skills Audit and Facilitation ICT Internal Auditor Windows Server Web Design and Development A+N+/CCNA/MCA/MCSE Server 2016 Server Security ITIL, COBIT Foundation Business and System Analyst		
Technicians and associate professionals		Female	55	Management Leadership	Knowledge Management		55
		Male	9		Management Leadership Supply Chain Management Contract Management Performance Management		9

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					Asset Management Transport Management Cisco CCNcd1,2 ComptTIA N Microsoft Excel Record Management Supply Chain Management Work Study Public Participation Human Resource Management Web Design and Development Social Media Conflict Management Monitoring and Evaluation LOGIS&BAS Advance Records Management Microsoft Excel Batho Pele Basic Accounting System Project Management Work Study		
Clerks		Female	19		Social Media		19
		Male	25		Government Communication and Marketing Web Design and Development Computer Literacy Conflict Management Report Writing Microsoft Excel Project Management		25

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					Report Writing Facilitation Skills LOGIS Management Leadership Performance Management Monitoring and Evaluation Assessor Public Management Minutes Taking Record Management First Aid Public Service Ethics Occupational Health and Safety Human Resource		
Service and sales workers		Female	198		Conflict Management		198
		Male	108		Customer Care Security Training Equipment		108
Skilled agriculture and fishery workers		Female	0	-	-	-	0
		Male	0	-	-	-	0
Craft and related trades workers		Female	0	-	-	-	0
		Male	0	-	-	-	0
Plant and machine operators and assemblers		Female	0		Computer Literacy		0
		Male	2		Record Management		2
Elementary occupations		Female	85		Batho Pele		85
		Male	10		Safety Measures for Chemical Hazard		10

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					Customer Care First Aid Occupational Hygiene	
Sub Total		Female	526			526
		Male	288			288
Total			814			814

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	12		Basic of Information Technology Auditing	The Institute of Internal Auditors SA summit	12
	Male	9		Revised-Non IT Officials Managing and Drafting of ICT contracts Economic Governance Certified Internal Auditor Supply Chain Management Public Service Coaching for Leadership Development Fruitless and Wasteful Expenditure	The Institute of Internal Auditors SA Public Sector Forum Association of Certified Fraud Examiners 12 Annual Africa conference Human Resource Summit	9
Professionals	Female	9		Basic of Information Technology Auditing	The Institute of Internal	9
	Male	7				7

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				Revised-Non IT Officials Certified Internal Auditor Training of the trainer CIP 4-5 Supply Chain Management Public Service Citizen Centered Service Delivery Fruitless and Wasteful Expenditure	Auditors SA Virtual summit Association of Certified Fraud Examiners 12 Annual Africa conference	
Technicians and associate professionals	Female	8		Managing and Drafting of ICT contracts		8
	Male	3				3
				Supply Chain Management Public Service Fruitless and Wasteful Expenditure		
Clerks	Female	0		First Aid		0
	Male	0				0
Service and sales workers	Female	50		Customer Care Conflict Management		50
	Male	38				38
Plant and machine operators and assemblers	Female	5				5
	Male	4				4
Elementary occupations	Female	0				0
	Male	0				0
Sub Total	Female	84				84
	Male	61				61
Total		145				145

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

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

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Thandile Health Risk Manager	1	365	As per rates
Gijima A Holdings	1	5	n/a
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

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

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Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2022 and 31 March 2023

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

PART E: PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES**1.1. Irregular expenditure****a) Reconciliation of irregular expenditure**

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	78 561	70 641
Prior Period Errors	-	-
As Restated	78 561	70 641
Add: Irregular expenditure confirmed	548	8 078
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(9)	(158)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	79 100	78 561

During the 2022/2023 financial year, an amount of R3 934 000 was confirmed to be irregular expenditure. This expenditure was incurred in the 2020/2021 financial year. The 2021/2022 irregular expenditure confirmed balance was restated to include the R3 934 000.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/2022	-	3 934
Irregular expenditure that relates to 2021/2022 and identified in 2022/2023	-	-
Irregular expenditure for the current year	548	4 144
Total	548	8 078

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

Description ¹	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	3 934
Irregular expenditure under determination	4 482	4 144
Irregular expenditure under investigation	-	-
Total	4 482	8 078

Included in the amount of R4 482 000 for cases under determination is an amount of R3 934 000 relating to previous financial year which was under assessment.

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	(9)	(158)
Total	(9)	(158)

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

¹ Group similar items

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None
Total

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

Description	2022/2023	2021/2022
	R'000	R'000
None	-	-
Total	-	-

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Avanti Security – Letters of intention to charge were issued to two officials.
Fezi Auditors and Consultants – A letter of intention to charge was issued to the official.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	6

Prior Period Errors	-	-
As Restated	-	6
Add: Fruitless and wasteful expenditure confirmed	38	1
Less: Fruitless and wasteful expenditure written off	(29)	(6)
Less: Fruitless and wasteful expenditure recoverable	(4)	(1)
Closing balance	5	-

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/2022 and identified in 2022/2023	-	-
Fruitless and wasteful expenditure for the current year	38	1
Total	38	1

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

Description ²	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	38	1
Fruitless and wasteful expenditure under investigation	-	-
Total³	38	1

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	(4)	(1)
Total	(4)	(1)

² Group similar items³ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	(29)	(6)
Total	(29)	(6)

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

Disciplinary steps taken
None
Total

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off ⁴	-	-
Closing balance	-	-

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/2022	-	-

⁴ This amount may only be written off against available savings

Unauthorised expenditure that relates to 2021/22 and identified in 2022/2023	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

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

Description ⁵	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total⁶	-	-

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) & (iii))

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	34	109
Other material losses	37	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	71	109

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)		
Loss of laptop	37	-
Total	37	-

⁵ Group similar items

⁶ Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

The loss of a laptop classified under other material losses refers to a laptop that was lost as a result of the disaster that happened at Jagersfontein on 11 September 2022.

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)		
None	-	-
Total	-	-

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)		
None	-	-
Total	-	-

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	839	33 023
Invoices paid within 30 days or agreed period	837	33 004
Invoices paid after 30 days or agreed period	2	19
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	102	434

A total of 102 invoices for Nexus Travel are currently in dispute. The Department requested intervention of the Provincial Treasury in resolving the dispute. At the end of the reporting period, the matter had not been resolved.

3. SUPPLY CHAIN MANAGEMENT**3.1. Procurement by other means**

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Attendance of training	The Institute of risk Management	Procurement by other means: Sole supplier	CG-220150	2
Psychological and medical examination	Dr SD Mvundle	Procurement by other means: Single source	CG-220418	293
Membership Fee	ACFE	Procurement by other means: Sole supplier	CG-220363	17
Membership Fee	The Institute of internal auditors	Procurement by other means: Sole supplier	CG-220322	30
Attendance of training	The Institute of internal auditors	Procurement by other means: Sole supplier	CG-220299	18
Travelling Management	President Hotel	Procurement by other means: Single source	CG-220486	61
Travelling Management	President Hotel	Procurement by other means: Single source	CG-220487	235
Travelling Management	President Hotel	Procurement by other means: Single source	CG-220488	19
Travelling Management	President Hotel	Procurement by other means: Single source	CG-220492	157
Attendance of a conference event	The Institute of internal auditors	Procurement by other means: Sole supplier	CG-220515	53
Attendance of training	The Institute of internal auditors	Procurement by other means: Single source	CG-220812	19
Attendance of a conference event	Robert Edwin Conferences	Procurement by other means: Sole supplier	CG-220030	29

Attendance of training	Knowledge for Africa International	Procurement by other means: Sole supplier	CG-220812	32
Total				965

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Labour Saving Devices	Gerox Trading	Expansion	RFA1818-2018	5 764	-	766
Total				5 764	-	766

PART F: FINANCIAL INFORMATION

Report of the auditor-general to Free State Provincial Legislature on vote no. 8: Department of Cooperative and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Cooperative and Traditional Affairs set out on pages 184 to 194, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative and Traditional Affairs as at 31 March 2023 and financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matters

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

Material underspending of the budget

7. As disclosed in the appropriation statement, the department materially underspent the budget by R58 281 000. This was mainly due to the underspending of the local governance by R20 126 000 and development and planning by R16 581 000 as disclosed in note 4.1 to the appropriation statement.

Contingent liabilities

8. With reference to note 16.1 to the financial statements, the department is the defendant in various legal claims. The department is opposing these claims. The ultimate outcome of these

matters could not be determined and no provision for any liabilities that may result was made in the financial statements.

Other matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 244 to 254 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.

National Treasury Instruction Note 4 of 2022-2023: PFMA Compliance and Reporting Framework

11. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 21 to the financial statements of the department. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

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

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

14. 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.

15. 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

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected those indicators that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purposes
Local governance	99-104	Establishing, monitoring, regulating, strengthening, supporting and capacitating municipalities in terms of the Constitution of the Republic of South Africa 108 of 1996. To facilitate the creation of accountable and sustainable local governance through effective collaboration with all stakeholders
Development and planning	105-112	Facilitate and render support towards integrated planning and development on local government level.
Traditional institutional management	112-114	The strategic goal is the creation of viable and sustainable traditional institutions through achieving the strategic objective of; "Effective administration of traditional leadership institutions".

18. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery of its mandate and objectives.
19. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives

- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

21. The material findings on the performance information of the selected programme are as follows:

Local governance

Various indicators

22. The definitions, method of calculation, reporting cycles and/or desired performance determined in the department's technical indicator descriptions in their annual performance plan for the indicators listed below did not agree to the standardised definitions, method of calculation reporting cycles and/or desired performance determined by the national department.

Standardised Indicators	Targets	Reported achievements
Number of municipalities monitored on the extent to which anti-corruption measures are implemented	22	22
Number of section 47 reports compiled as prescribed by the MSA	1	0
Number of municipalities supported to comply with MSA regulations on the appointment of senior managers.	23	23

Various indicators

23. The targets included in the annual performance plan for the indicators listed below did not agree to the targets reported in the annual performance report.

Standardised indicators	Targets as per the annual performance plan	Targets as per the annual performance report	Reported achievements
Number of municipalities supported to promote participation in community based local governance processes	19	23	23
Number of municipalities supported to resolve community concerns	23	19	16

Development and planning

Various indicators

24. The definitions, method of calculation, reporting cycles and/or desired performance determined in the department's technical indicator descriptions in their annual performance plan for the indicators listed below did not agree to the standardised definitions, method of calculation reporting cycles and/or desired performance determined by the national department.

Standardised indicators	Targets	Reported achievements
Number of municipalities supported on fire brigade services	4	4
Number of municipalities supported to maintain functional disaster management centres: • District municipality's • Metropolitan municipality's	5	5
Number of municipalities monitored on the implementation of infrastructure delivery programmes: • Implementation of MIG projects	18	18

Traditional institutional management

Various indicators

25. The definitions, method of calculation and/or reporting cycles determined in the department's technical indicator descriptions in their annual performance plan for the indicators listed below did not agree to the standardised definitions, method of calculation and/or reporting cycles determined by the national department.

Standardised indicators	Targets	Reported achievements
Number of traditional councils supported to perform their functions.	13	13
No of anti GBVF intervention/campaigns for traditional leadership.	4	4

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for local governance, development and planning and traditional institutional management. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

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

Strategic planning

33. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

Other information in the annual report

34. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report.
35. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
36. My responsibility is to read this other information and, in doing so, consider whether it 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.
37. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2023.
38. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
39. When I do receive and read the annual report of outstanding information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

42. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance reporting.
43. Management did not prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information.

Auditor General

Bloemfontein

31 July 2023



AUDITOR GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. 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 material performance indicators and on the department's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

4. 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.
5. 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.

Compliance with legislation – selected legislative requirements

1. The selected legislative requirements are as follows:

Legislation and regulations	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 1; 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(ii) Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b) Sections 40(1)(c)(i); 43(4); 44; 44(1) & (2); 45(b); 50(3); 50(3)(a)
Treasury Regulations	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulations 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b) Regulations 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a) Regulations 10.1.2; 12.5.1; 15.10.1.2(c) Regulations 16A 6.1; 16A 6.2(a), (b) & (e); 16A 6.3(a) Regulations 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e) Regulations 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1 Regulations 16A 7.3; 16A 7.6; 16A 7.7; 16A 8.2(1) & (2) Regulations 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1 Regulations 16A 9.1(b)(ii); 16A 9.1(c); 16A 9.1(d); 16A 9.1(e) Regulations 16A 9.2; 16A 9.2(a)(ii) & (iii); 16A 9.1(f) Regulations 17.1.1; 18.2; 19.8.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations	Regulations 18; 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6 Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; 9.1; 9.2; 12.1; 12.2
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraphs 1; 2
National Treasury SCM Instruction Note 3 of 2021-22	Paragraphs 4.3; 4.4; 4.4(a); 4.4(c) & (d)
National Treasury SCM Instruction Note 11 of 2020-21	Paragraphs 3.1; 3.4(b); 3.9
National Treasury SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2

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

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

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DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per programme									
	2022/23					2021/22			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	165 202	-	(535)	164 667	148 812	15 855	90.4%	155 218	145 818
2. Local Governance	99 464	-	132	99 596	79 470	20 126	79.8%	110 559	103 376
3. Development and Planning	65 751	-	(947)	64 804	48 223	16 581	74.4%	62 090	56 181
4. Traditional Institutional Management	52 149	-	73	52 222	48 933	3 289	93.7%	54 296	48 562
5. House of Traditional Leaders	15 995	-	1 277	17 272	14 842	2 430	85.9%	13 135	11 790
TOTAL	398 561	-	-	398 561	340 280	58 281	85.4%	395 298	365 727
Reconciliation with statement of financial performance									
Actual amounts per statement of financial performance (total revenue)								395 298	
Actual amounts per statement of financial performance (total expenditure)					340 280				365 727

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23					2021/22			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	355 941	(635)	-	355 306	317 312	37 994	89.3%	340 763	312 699
Compensation of employees	279 656	-	-	279 656	283 149	16 507	94.1%	265 584	262 090
Goods and services	76 275	(635)	-	75 640	54 163	21 477	71.6%	75 179	50 609
Interest and rent on land	10	-	-	10	-	10	-	-	-
Transfers and subsidies	32 422	198	-	32 620	16 830	15 790	51.6%	46 375	46 496
Provinces and municipalities	27 355	-	-	27 355	12 026	15 329	44.0%	44 256	44 256
Departmental agencies and accounts	10	-	-	10	7	3	70.0%	19	7
Non-profit institutions	715	-	-	715	663	52	92.7%	444	374
Households	4 342	198	-	4 540	4 134	406	91.1%	1 656	1 859
Payments for capital assets	10 198	437	-	10 635	5 938	4 697	55.8%	8 160	6 110
Buildings and other fixed structures	-	-	-	-	-	-	-	1 480	827
Machinery and equipment	10 198	437	-	10 635	5 938	4 697	55.8%	6 680	5 283
Payments for financial assets	-	-	-	-	200	(200)	-	-	422
TOTAL	398 561	-	-	398 561	340 280	58 281	85.4%	395 298	365 727

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
	2022/23					2021/22			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	11 073	409	947	12 429	11 166	1 263	89.8%	9 223	8 719
2. CORPORATE SERVICES	154 129	(409)	(1 482)	152 238	137 646	14 592	90.4%	145 995	137 099
Total for sub programmes	165 202	-	(535)	164 667	148 812	15 855	90.4%	155 218	145 818
Economic classification									
Current payments	155 294	(48)	(403)	154 843	143 396	11 447	92.6%	148 502	139 925
Compensation of employees	106 936	-	947	107 883	107 728	155	99.9%	104 142	103 770
Goods and services	48 348	(48)	(1 350)	46 950	35 668	11 282	76.0%	44 360	36 155
Interest and rent on land	10	-	-	10	-	10	-	-	-
Transfers and subsidies	1 922	-	-	1 922	1 614	308	84.0%	441	393
Departmental agencies and accounts	10	-	-	10	7	3	70.0%	19	7
Households	1 912	-	-	1 912	1 607	305	84.0%	422	386
Payments for capital assets	7 986	48	(132)	7 902	3 797	4 105	48.1%	6 275	5 083
Machinery and equipment	7 986	48	(132)	7 902	3 797	4 105	48.1%	6 275	5 083
Payments for financial assets	-	-	-	-	5	(5)	-	-	417
Total	165 202	-	(535)	164 667	148 812	15 855	90.4%	155 218	145 818

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 2: LOCAL GOVERNANCE									
	2022/23					2021/22			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MUNICIPAL ADMINISTRATION	19 890	-	-	19 890	19 256	634	96.8%	19 666	18 705
2. MUNICIPAL FINANCE	21 169	-	-	21 169	14 395	6 774	68.0%	43 356	42 058
3. PUBLIC PARTICIPATION	12 956	(300)	-	12 656	10 458	2 198	82.6%	11 958	9 324
4. CAPACITY DEVELOPMENT	37 126	(652)	132	36 606	27 635	8 971	75.5%	27 321	26 283
5. MUNICIPAL PERFORM. MON. REP. EVALUATION	8 323	952	-	9 275	7 726	1 549	83.3%	8 258	7 006
Total for sub programmes	99 464	-	132	99 596	79 470	20 126	79.8%	110 559	103 376
Economic classification									
Current payments	83 791	(538)	-	83 253	68 185	15 068	81.9%	74 101	67 052
Compensation of employees	73 872	-	-	73 872	61 932	11 940	83.8%	63 232	62 650
Goods and services	9 919	(538)	-	9 381	6 253	3 128	66.7%	10 869	4 402
Transfers and subsidies	14 815	167	-	14 982	9 980	5 002	66.6%	36 397	36 324
Provinces and municipalities	14 355	-	-	14 355	9 365	4 990	65.2%	36 256	36 256
Households	460	167	-	627	615	12	98.1%	141	88
Payments for capital assets	858	371	132	1 361	1 158	203	85.1%	61	-
Machinery and equipment	858	371	132	1 361	1 158	203	85.1%	61	-
Payments for financial assets	-	-	-	-	147	(147)	-	-	-
Total	99 464	-	132	99 596	79 470	20 126	79.8%	110 559	103 376

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 3: DEVELOPMENT AND PLANNING									
	2022/23					2021/22			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. SPATIAL PLANNING	19 548	(41)	(947)	18 560	15 939	2 621	85.9%	18 426	17 922
2. LOCAL ECONOMIC DEVELOPMENT	6 352	-	-	6 352	5 335	1 017	84.0%	5 529	4 474
3. MUNICIPAL INFRASTRUCTURE	28 441	370	-	28 811	16 703	12 108	58.0%	27 390	24 604
4. DISASTER MANAGEMENT	11 410	(329)	-	11 081	10 246	835	92.5%	10 745	9 181
Total for sub programmes	65 751	-	(947)	64 804	48 223	16 581	74.4%	62 090	56 181
Economic classification									
Current payments	50 217	(49)	(947)	49 221	43 027	6 194	87.4%	52 023	46 546
Compensation of employees	42 235	-	(947)	41 288	39 377	1 911	95.4%	42 850	41 770
Goods and services	7 982	(49)	-	7 933	3 650	4 283	46.0%	9 173	4 776
Transfers and subsidies	14 588	31	-	14 619	4 278	10 341	29.3%	8 387	8 699
Provinces and municipalities	13 000	-	-	13 000	2 661	10 339	20.5%	8 000	8 000
Households	1 588	31	-	1 619	1 617	2	99.9%	387	699
Payments for capital assets	946	18	-	964	905	59	93.9%	1 680	936
Buildings and other fixed structures	-	-	-	-	-	-	-	1 480	827
Machinery and equipment	946	18	-	964	905	59	93.9%	200	109
Payments for financial assets	-	-	-	-	13	(13)	-	-	-
Total	65 751	-	(947)	64 804	48 223	16 581	74.4%	62 090	56 181

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 4: TRADITIONAL INSTITUTIONAL MANAGEMENT									
	2022/23					2021/22			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. TRADITIONAL INSTITUT.ADMIN.	52 149	-	73	52 222	48 933	3 289	93.7%	54 296	48 562
Total for sub programmes	52 149	-	73	52 222	48 933	3 289	93.7%	54 296	48 562
Economic classification									
Current payments	50 713	-	75	50 788	47 923	2 865	94.4%	53 146	47 477
Compensation of employees	47 920	-	(325)	47 595	45 125	2 470	94.8%	46 660	45 390
Goods and services	2 793	-	400	3 193	2 798	395	87.6%	6 486	2 087
Transfers and subsidies	1 097	-	(2)	1 095	957	138	87.4%	1 150	1 080
Non-profit institutions	715	-	-	715	663	52	92.7%	444	374
Households	382	-	(2)	380	294	86	77.4%	706	706
Payments for capital assets	339	-	-	339	22	317	6.5%	-	-
Machinery and equipment	339	-	-	339	22	317	6.5%	-	-
Payments for financial assets	-	-	-	-	31	(31)	-	-	5
Total	52 149	-	73	52 222	48 933	3 289	93.7%	54 296	48 562

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 5: HOUSE OF TRADITIONAL LEADERS									
2022/23					2021/22				
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMIN OF HOUSE OF TRAD LEAD.	15 995	-	1 277	17 272	14 842	2 430	85.9%	13 135	11 790
Total for sub programmes	15 995	-	1 277	17 272	14 842	2 430	85.9%	13 135	11 790
Economic classification									
Current payments	15 926	-	1 275	17 201	14 781	2 420	85.9%	12 991	11 699
Compensation of employees	8 693	-	325	9 018	8 987	31	99.7%	8 700	8 510
Goods and services	7 233	-	950	8 183	5 794	2 389	70.8%	4 291	3 189
Transfers and subsidies	-	-	2	2	1	1	50.0%	-	-
Households	-	-	2	2	1	1	50.0%	-	-
Payments for capital assets	69	-	-	69	56	13	81.2%	144	91
Machinery and equipment	69	-	-	69	56	13	81.2%	144	91
Payments for financial assets	-	-	-	-	4	(4)	-	-	-
Total	15 995	-	1 277	17 272	14 842	2 430	85.9%	13 135	11 790

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-E of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Administration	164 667	148 812	15 855	10%

The underspending is as a result of a decline in travelling arrangements and delayed delivery of computer equipment.

Local Governance	99 596	79 470	20 126	20%
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The underspending of Compensation is as a result of critical posts not filled, a decline in transfers to Municipalities as well as a decline in travelling arrangements.

Development and planning	64 804	48 223	16 581	26%
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The underspending of Compensation is as a result of critical posts not filled, a decline in transfers to Municipalities as well as a decline in travelling arrangements.

Traditional Institutional Management	52 222	48 933	3 289	6%
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The underspending is as a result of non-filling of posts.

House of Traditional Leaders	17 272	14 842	2 430	14%
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The underspending is as a result of unspent funds set aside for once off payment of gratuities to the Traditional Leaders after the lapse of the 5th House of Traditional Leaders.

Total	398 561	340 280	58 281	
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**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023**

4.2 Per economic classification

Economic classification	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Current payments	355 306	317 312	37 994	11%
Compensation of employees	279 656	263 149	16 507	6%
Goods and services	75 640	54 163	21 477	28%
Interest and rent on land	10	-	10	100%
Transfers and subsidies	32 620	16 830	15 790	48%
Provinces and municipalities	27 355	12 026	15 329	56%
Departmental agencies and accounts	10	7	3	30%
Non-profit institutions	715	663	52	7%
Households	4 540	4 134	406	9%
Payments for capital assets	10 635	5 938	4 697	44%
Machinery and equipment	10 635	5 938	4 697	44%
Payments for financial assets	-	200	(200)	-
Total	398 561	340 280	58 281	

Compensation of employees	The Department has underspent on this item due to critical posts not yet filled
Goods and services	Virtual meetings have been the reason for reduction in cost related to Travel and Subsistence expenditure. For the item mentioned, the Department only spent 71% of the budget. The other reason is that the introduction of PFMA SCM instruction note 9 of 2022/2023 has tighten the way officials have to claim after performing duties away from their home.
Transfer payments	The underspending is as a result of unspent funds earmarked and committed to be transferred to various local municipalities in the Province. These municipalities could not meet the conditions outlined in the gazette. Therefore the transfer of funds could not be finalized.
Payments for Capital assets	The underspending is as a result of delays in delivery of computer equipment and decline in expenditure on finance leases owing to expiry of the labour saving device contract.

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	<i>1</i>	398 561	395 298
TOTAL REVENUE		398 561	395 298
EXPENDITURE			
Current expenditure		317 312	312 699
Compensation of employees	<i>3</i>	263 149	262 090
Goods and services	<i>4</i>	54 163	50 609
Transfers and subsidies		16 830	46 496
Transfers and subsidies	<i>6</i>	16 830	46 496
Expenditure for capital assets		5 938	6 110
Tangible assets	<i>7</i>	5 938	6 110
Payments for financial assets	<i>5</i>	200	422
TOTAL EXPENDITURE		340 280	365 727
SURPLUS FOR THE YEAR		58 281	29 571
Reconciliation of Net Surplus for the year			
Voted funds		58 281	29 571
Annual appropriation		58 281	29 571
SURPLUS FOR THE YEAR		58 281	29 571

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 8

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		58 333	29 972
Cash and cash equivalents	8	57 969	28 679
Prepayments and advances	9	6	23
Receivables	10	358	1 270
Non-current assets		527	85
Receivables	10	527	85
TOTAL ASSETS		58 860	30 057
LIABILITIES			
Current liabilities		58 444	29 665
Voted funds to be surrendered to the Revenue Fund	11	58 281	29 571
Departmental revenue to be surrendered to the Revenue Fund	12	21	6
Payables	13	142	88
TOTAL LIABILITIES		58 444	29 665
NET ASSETS		416	392
Represented by:			
Recoverable revenue		416	392
TOTAL		416	392

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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**STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		392	295
Transfers:		24	97
Irrecoverable amounts written off	5.1	-	(11)
Debts revised		-	(39)
Debts recovered (included in departmental revenue)		(146)	(102)
Debts raised		170	249
Closing balance		416	392
TOTAL		416	392

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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CASH FLOW STATEMENT
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		398 859	395 607
Annual appropriation funds received	1.1	398 561	395 298
Departmental revenue received	2	274	299
Interest received	2.2	24	10
Net (increase)/decrease in net working capital		983	448
Surrendered to Revenue Fund		(29 883)	(18 857)
Current payments		(317 312)	(312 699)
Payments for financial assets	5	(200)	(422)
Transfers and subsidies paid	6	(16 830)	(46 496)
Net cash flow available from operating activities	14	35 617	17 581
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(5 938)	(6 110)
Proceeds from sale of capital assets	2.3	29	-
(Increase)/decrease in non-current receivables	10	(442)	(35)
Net cash flow available from investing activities		(6 351)	(6 145)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		24	97
Net cash flows from financing activities		24	97
Net increase/(decrease) in cash and cash equivalents		29 290	11 533
Cash and cash equivalents at beginning of period		28 679	17 146
Cash and cash equivalents at end of period	8	57 969	28 679

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information. The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
1.	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	Going concern The financial statements have been prepared on a going concern basis.
3.	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the Provincial revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the Provincial 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.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the 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.	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.
10.	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 relate to subsistence and travelling advances paid to officials.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

11.	Receivables 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.
12.	Financial assets
12.1	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.
12.2	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.
13.	Payables Payables recognised in the statement of financial position are recognised at cost.
14.	Capital assets
14.1	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.
14.2	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 2005 may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

14.3	Intangible capital assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2005 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.
14.4	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.
15.	Provisions and contingents
15.1	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.
15.2	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.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

15.3	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.
15.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
16.	Fruitless and wasteful expenditure Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of . • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
17.	Irregular expenditure Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
18.	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.
19.	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.
20.	Departures from the MCS requirements The Department did not depart from the MCS requirements.

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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21.	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.
22.	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 full compensation of key management personnel is recorded in the notes to the financial statements.
23.	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.
24.	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	Final Budget	2022/23 Actual Funds Received	Funds not requested/not received	Final Budget	2021/22 Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	164 667	164 667	-	155 218	155 218	-
Local Governance	99 596	99 596	-	110 559	110 559	-
Development and planning	64 804	64 804	-	62 090	62 090	-
Traditional Institutional Management	52 222	52 222	-	54 296	54 296	-
House of Traditional Leaders	17 272	17 272	-	13 135	13 135	-
Total	398 561	398 561		395 298	395 298	-

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	2.1	207	176
Interest, dividends and rent on land	2.2	24	10
Sales of capital assets	2.3	29	-
Transactions in financial assets and liabilities	2.4	67	123
Total revenue collected		327	309
Less: Own revenue included in appropriation	14	(327)	(309)
Total		-	-

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2.1. Sales of goods and services other than capital assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department			
Other sales		207	176
Total	2	207	176

2.2. Interest, dividends and rent on land

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Interest		24	10
Total	2	24	10

2.3. Sales of capital assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		29	•
Total	2	29	•

2.4. Transactions in financial assets and liabilities

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Receivables		66	93
Other receipts including Recoverable Revenue		1	30
Total	2	67	123

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3. Compensation of employees

3.1. Analysis of balance

	2022/23	2021/22
	R'000	R'000
Note		
Basic salary	178 653	180 048
Performance award	-	120
Service based	410	232
Compensative/circumstantial	5 862	4 774
Periodic payments	552	968
Other non-pensionable allowances	45 435	44 850
Total	230 912	230 992

3.2. Social contributions

	2022/23	2021/22
	R'000	R'000
Note		
Employer contributions		
Pension	18 379	18 812
Medical	13 749	12 175
Bargaining council	55	54
Insurance	54	57
Total	32 237	31 098
 Total compensation of employees	 263 149	 262 090
 Average number of employees	 599	 608

Excluded in the above number of employees is an average of 53 board members (Audit, Risk Committees and Traditional Councils.)

Pension contributions of R'313 restated as transfers and subsidies, households as it was identified as a transfer to households in line with the correct scoa classification for early retirement pension penalty. (Empl contr pension decreased with R'313)

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4. Goods and services

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Administrative fees		723	455
Advertising		712	235
Minor assets	4.1	478	99
Bursaries (employees)		1 316	1 375
Catering		1 602	563
Communication		598	675
Computer services	4.2	6 725	6 470
Consultants: Business and advisory services	4.9	803	3 476
Legal services		1 295	1 576
Contractors		5 336	4 041
Entertainment		1	-
Audit cost - external	4.3	3 834	3 851
Fleet services		4 774	4 759
Inventories	4.4	241	-
Consumables	4.5	2 048	2 852
Operating leases		5 874	11 195
Property payments	4.6	29	29
Transport provided as part of the departmental activities		177	-
Travel and subsistence	4.7	13 801	6 653
Venues and facilities		1 674	1 003
Training and development		940	408
Other operating expenditure	4.8	1 182	894
Total		54 163	50 609

4.1. Minor assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		478	99
Total	4	478	99

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4.2. Computer services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		2 010	2 265
External computer service providers		4 715	4 205
Total	4	6 725	6 470

4.3. Audit cost - external

	Note	2022/23 R'000	2021/22 R'000
Regularity audits		3 834	3 851
Total	4	3 834	3 851

4.4. Inventories

	Note	2022/23 R'000	2021/22 R'000
Other supplies	4.4.1	241	-
Total	4	241	-

4.4.1. Other supplies

	Note	2022/23 R'000	2021/22 R'000
Assets for distribution			
Other assets for distribution		241	-
Total	4.4	241	-

4.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		316	1 379
Uniform and clothing		72	656
Household supplies		201	332
Building material and supplies		22	46
IT consumables		17	13
Other consumables		4	332
Stationery, printing and office supplies		1 732	1 473
Total	4	2 048	2 852

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4.6. Property payments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Municipal services		29	29
Total	4	29	29

4.7. Travel and subsistence

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Local		13 786	6 646
Foreign		15	7
Total	4	13 801	6 653

4.8. Other operating expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		34	43
Resettlement costs		129	284
Other		1 019	567
Total	4	1 182	894

**4.9. Remuneration of members of a commission or committee of inquiry (Included in Consultants:
Business and advisory services)**

Name of Commission / Committee of Inquiry	<i>Note</i>	2022/23 R'000	2021/22 R'000
Audit Committee appointed until 31/07/2021	4	-	99
Audit Committee appointed from 01/08/2021 until 31 Jul 2024		246	145
Risk Committee		13	12
Commission of Inquiry		159	-
Total		418	256

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5. Payments for financial assets

	2022/23	2021/22
Note	R'000	R'000
Debts written off	200	422
Total	200	422

5.1. Debts written off

	2022/23	2021/22
Note	R'000	R'000
Nature of debts written off		
Recoverable revenue written off		
Supplier debt	-	11
Total	-	11
Other debt written off		
Ex-Employees debt (Salaries, Tax, Telephone)	200	8
Communication debt	-	31
Provincial Department of Public Works and Infrastructure (interdepartmental claim)	-	372
Total	200	411
Total debt written off	200	422

6. Transfers and subsidies

	2022/23	2021/22
Note	R'000	R'000
Provinces and municipalities	12 026	44 256
Departmental agencies and accounts	7	7
Non-profit institutions	663	374
Households	4 134	1 859
Total	16 830	46 496

Transfer and subsidies, households of was restated. (increased by R'313 while employer contribution pension was decreased by R'313) as it was identified as the correct scoa classification for early retirement pension penalty.

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6.1. Donations made in kind (not included in the main note)

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Donation to Masilonyana Municipality in celebration of Nelson Mandela Day	Annex 1E	215	-
Donation to M.C. Motumi High School, Kullwanong within Matjabeng Municipality for Heritage Day, sport tournament event		26	-
Total		241	-

7. Expenditure for capital assets

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Tangible capital assets		5 938	6 110
Buildings and other fixed structures	27	-	827
Machinery and equipment	25	5 938	5 283
Total		5 938	6 110

7.1. Analysis of funds utilised to acquire capital assets - Current year

	2022/23	
	Voted funds R'000	Total R'000
Tangible capital assets		
Machinery and equipment	5 938	5 938
Total	5 938	5 938

7.2. Analysis of funds utilised to acquire capital assets - Prior year

	2021/22	
	Voted funds R'000	Total R'000
Tangible capital assets	6 110	6 110
Buildings and other fixed structures	827	827
Machinery and equipment	5 283	5 283
Total	6 110	6 110

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7.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		2 501	4 683
Total		<u>2 501</u>	<u>4 683</u>

The decrease in actual spending is due to the expiry of the lease contract for cellphones

8. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		57 939	28 659
Cash on hand		30	20
Total		<u>57 969</u>	<u>28 679</u>

9. Prepayments and advances

	Note	2022/23 R'000	2021/22 R'000
Travel and subsistence		6	23
Advances paid (not expensed)	8.1	-	-
Total		<u>6</u>	<u>23</u>

Analysis of Total Prepayments and advances

Current Prepayments and advances	6	23
Total	<u>6</u>	<u>23</u>

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9.1. Advances paid (Not expensed)

		2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Total	9	-	-	-	-	-

		2021/22				
		Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
National departments		352	-	(352)	-	-
Total	9	352	-	(352)	-	-

10. Receivables

		2022/23			2021/22		
		Current	Non- current	Total	Current	Non- current	Total
<i>Note</i>		R'000	R'000	R'000	R'000	R'000	R'000
	Claims recoverable	49	-	49	318	-	318
	Recoverable expenditure	31	-	31	188	-	188
	Staff debt	278	516	794	749	85	834
	Other receivables	-	11	11	15	-	15
	Total	358	527	885	1 270	85	1 355

10.1. Claims recoverable

		2022/23	2021/22
		R'000	R'000
	Provincial departments	49	318
	Total	49	318

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10.2. Recoverable expenditure

	2022/23	2021/22
Note	R'000	R'000
Disallowance accounts:		
Sal Reversal control account	-	177
Sal Medical aid account	-	11
Sal Pension Fund	31	-
Total	31	188

10.3. Staff debt

	2022/23	2021/22
Note	R'000	R'000
Breach of contract (study)	189	139
Losses and damages	27	27
Ex-employees	544	640
Salary overpayments	19	18
Tax debt	6	10
Subsistence and Travel	8	-
Sale of Assets	1	-
Total	794	834

10.4. Other receivables

	2022/23	2021/22
Note	R'000	R'000
Supplier debt (accommodation)	-	4
Fruitless and wasteful expenditure	11	11
Total	11	15

10.5. Impairment of receivables

	2022/23	2021/22
Note	R'000	R'000
Estimate of impairment of receivables	189	375
Total	189	375

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11. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		29 571	18 541
Transferred from statement of financial performance (as restated)		58 281	29 571
Paid during the year		(29 571)	(18 541)
Closing balance		58 281	29 571

12. Departmental revenue to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		6	13
Own revenue included in appropriation		327	309
Paid during the year		(312)	(316)
Closing balance		21	6

13. Payables - current

	Note	2022/23 R'000	2021/22 R'000
Clearing accounts	13.1	142	88
Total		142	88

13.1. Clearing accounts

Description	Note	2022/23 R'000	2021/22 R'000
Sal GEHS refund control account		106	88
Sal Income Tax account		36	-
Total	13	142	88

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14. Net cash flow available from operating activities

	2022/23	2021/22
Note	R'000	R'000
Net surplus as per Statement of Financial Performance	58 281	29 571
Add back non-cash/cash movements not deemed operating activities	(22 664)	(11 990)
Decrease in receivables	912	6
Decrease in prepayments and advances	17	371
Increase in payables - current	54	71
Proceeds from sale of capital assets	(29)	-
Expenditure on capital assets	5 938	6 110
Surrenders to Revenue Fund	(29 883)	(18 857)
Own revenue included in appropriation	327	309
Net cash flow generating	35 617	17 581

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

	2022/23	2021/22
Note	R'000	R'000
Consolidated Paymaster General account	57 939	28 659
Cash on hand	30	20
Total	57 969	28 679

16. Contingent liabilities and contingent assets

16.1. Contingent liabilities

		2022/23	2021/22
Liable to	Nature	R'000	R'000
Claims against the department	Annex 2A	4 210	1 710
Intergovernmental payables	Annex 4	72	80
Total		4 282	1 790

Restatement of claims against the department was done after it was identified in the current financial year that two (2) claims of R'1 710 were emanating from prior financial years.

The Department received legal claims from five (5) entities during this period, claiming for services rendered to the Department. One Claim was withdrawn on 7 April 2023 by the High Court after the plaintiff has withdrawn his action against the Department and therefore the liability was cancelled.

The Department is uncertain on the possible amount as well as the timing of any possible outflow as the outcome of the cases are not within the control of the Department.

Due to the sensitive nature of the claims, the probability of the outcomes of the cases cannot be disclosed.

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17. Capital commitments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Machinery and equipment		880	876
Total		880	876

18. Accruals and payables not recognised

18.1. Accruals

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	<i>Note</i>	R'000	R'000	R'000	R'000
Goods and services		2 478	1 205	3 683	4 460
Interest and rent on land		-	10	10	-
Transfers and subsidies		2 813	328	3 141	1 623
Capital assets		611	95	706	-
Other		38	-	38	144
Total		5 940	1 638	7 578	6 227

Prior year "other" of R'1 767 was restated by splitting the expenditure to "other" at R'144 and "transfers and subsidies" at R'1 623 due to correct classification of early retirement pension penalties which used to be incorrectly classified as "employer contribution pensions".

		2022/23 R'000	2021/22 R'000
Listed by programme level	<i>Note</i>		
Administration		5 790	4 844
Local Governance		378	273
Development and Planning		99	638
Traditional Institutional Management		1 061	400
House of Traditional Leaders		250	72
Total		7 578	6 227

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18.2. Payables not recognised

	<i>Note</i>	2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification		R'000	R'000	R'000	R'000
Goods and services		474	414	888	428
Transfers and subsidies		85	-	85	-
Other		868	454	1 322	435
Total		1 427	868	2 295	863

	<i>Note</i>	2022/23	2021/22
Listed by programme level		R'000	R'000
Administration		987	338
Local Governance		754	115
Development and Planning		184	238
Traditional Institutional Management		234	144
House of Traditional Leaders		136	28
Total		2 295	863

	<i>Note</i>	2022/23	2021/22
<i>Included in the above totals are the following:</i>		R'000	R'000
Confirmed balances with other departments	<i>Annex 4</i>	16	965
Confirmed balances with other government entities	<i>Annex 4</i>	955	994
Total		971	1 959

19. Employee benefits

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Leave entitlement		13 446	15 772
Service bonus		5 354	5 812
Performance awards		-	71
Capped leave		2 228	2 581
Other		211	94
Total		21 239	24 330

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

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20. Lease commitments

20.1. Operating lease

	2022/23	
	Machinery and equipment R'000	Total R'000
Not later than 1 year	2 733	2 733
Later than 1 year and not later than 5 years	2 492	2 492
Total lease commitments	5 225	5 225

	2021/22	
	Machinery and equipment R'000	Total R'000
Not later than 1 year	3 092	3 092
Later than 1 year and not later than 5 years	3 955	3 955
Total lease commitments	7 047	7 047

The Department has entered into a service level agreement with fleet management (FS Government Transport) for the provision of vehicles to the Department. A total number of 46 vehicles were leased by the Department as at 31 March 2023

No assets are sub-leased.

There are no sale and lease back agreements entered into by the Department.

20.2. Finance leases

	2022/23	
	Machinery and equipment R'000	Total R'000
Not later than 1 year	1 598	1 598
Later than 1 year and not later than 5 years	167	167
Total lease commitments	1 765	1 765

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	2021/22	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	1 880	1 880
Later than 1 year and not later than 5 years	256	256
Total lease commitments	2 136	2 136

The Department has lease agreements for copier machines in terms of the transversal contract RFA 1818-2018 as well as lease agreements in terms of transversal contract RT15-2021.

No assets are sub-leased.

No escalation is applicable on the agreements.

No restrictions are applicable on the agreements.

No reduction in the lease was granted.

21. Unauthorised, Irregular and Fruitless and wasteful expenditure

	2022/23	2021/22
	R'000	R'000
Irregular expenditure - current year	548	4 141
Fruitless and wasteful expenditure - current year	38	1
Total	586	4 142

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

22. Related party transactions

The MEC is shared with the Department of Human Settlements from 14 February 2022. The transactions between the two Departments occur within a normal relationship on terms and conditions not more or less favourable than those applicable to other Departments.

The CFO was shared with the Department of Human Settlements from 29 August 2022 until 12 February 2023. The transactions between the two Departments occurred within a normal relationship on terms and conditions not more or less favourable than those applicable to other Departments.

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23. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers	1 824	1 922
Officials:		
Level 15 and 16	8 018	7 701
Level 14	7 196	6 855
Other	2 533	2 371
Family members of key management personnel	929	899
Total	20 500	19 748

Political Office Bearer: 1 Member of Executive Council

24. Provisions

	2022/23 R'000	2021/22 R'000
Retention Money	-	-
Total	-	-

24.1. Reconciliation of movement in provisions - Current year

	2022/23	
	Retention Money R'000	Total provisions R'0000
Opening balance	-	-
Closing balance	-	-

Reconciliation of movement in provisions - Prior year

	2021/22	
	Retention Money R'000	Total provisions R'000
Opening balance	775	775
Settlement of provision	(775)	(775)
Closing balance	-	-

R'775 was in respect of retention money paid on a non-residential building (water laboratory)

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25. Movable Tangible Capital Assets

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

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	38 102	3 506	(2 836)	38 772
Computer equipment	26 508	2 046	(2 585)	25 969
Furniture and office equipment	10 097	1 237	(218)	11 116
Other machinery and equipment	1 497	223	(33)	1 687
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	38 102	3 506	(2 836)	38 772

Included in disposals are unusable asset of the following values:

Computer Equipment R'2 274

Furniture and Office Equipment R'90

Other Machinery and Equipment R'33

Included under additions are assets received in 2022/2023 but paid in 2023/2024:

Furniture and Office Equipment R'36

Other Machinery and Equipment R'33

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	39 154	136	665	(1 853)	38 102
Transport assets	999	-	-	(999)	-
Computer equipment	26 178	38	401	(109)	26 508
Furniture and office equipment	10 088	67	232	(290)	10 097
Other machinery and equipment	1 889	31	32	(455)	1 497
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	39 154	136	665	(1 853)	38 102

25.1.1 Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2020/21 <i>[affecting the opening balance]</i>	25.1	136
Computer equipment		38
Furniture and office equipment		67
Other machinery and equipment		31
Total prior period errors		136

Prior period error relates to assets found which were not included in the asset register.

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25.2 Minor assets

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

	2022/23		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	19	7 953	7 953
Additions	-	493	493
Disposals	1	751	752
Total Minor assets	18	7 695	7 713

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	247	247
Number of minor assets at cost	5	4 588	4 593
Total number of minor assets	5	4 835	4 840

Included in disposals are unusable assets (machinery and equipment) of R'450

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	19	8 343	8 362
Prior period error		49	49
Additions	-	113	113
Disposals	-	(552)	(552)
Total Minor assets	19	7 953	7 972

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	439	439
Number of minor assets at cost	6	4 740	4 746
Total number of minor assets	6	5 179	5 185

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25.2.1 Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2020/21 [affecting the opening balance]	25.2	49
Machinery and equipment		49
Total prior period errors		49

Prior period error relates to assets found which were not included in the minor asset register..

26. Intangible Capital Assets

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

	2022/23			
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	496	-	-	496
TOTAL INTANGIBLE CAPITAL ASSETS	496	-	-	496

26.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22			
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	496	-	-	496
TOTAL INTANGIBLE CAPITAL ASSETS	496	-	-	496

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27. Immovable Tangible Capital Assets

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2023**

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Non-residential buildings	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-

**27.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2022**

	2021/22			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Non-residential buildings	12 040	827	(12 867)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	12 040	827	(12 867)	-

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27.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

		2022/23		
		Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated
	<i>Note Annex 6</i>	R'000	R'000	Closing balance 31 March 2023 R'000
Buildings and other fixed structures		-	-	-
Total		-	-	-

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

		2021/22		
		Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated
	<i>Note Annex 6</i>	R'000	R'000	Closing balance 31 March 2022 R'000
Buildings and other fixed structures		-	827	(827)
Total		-	827	(827)

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28. Prior period errors

28.1. Correction of prior period errors

		2021/22		
		Amount before error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Expenditure:				
Compensation of Employees:	3			
Social Contributions	32			
Pension		19 125	(313)	18 812
Transfers and Subsidies	6			
Households		1 546	313	1 859
Net effect		20 671	-	20 671

It was realised that scoa makes provision for early retirement pension penalties under transfer, households. Restatement was therefore done between employer contribution pension under compensation and h/h empl/benefits early retirement pension penalty under transfers.

		2021/22		
		Amount before error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Assets:				
Moveable tangible assets				
Machinery and equipment	25.1	39 154	136	39 290
Minor assets				
Machinery and equipment	25.2	8 343	49	8 392
Net effect		47 497	185	47 682

Major moveable tangible assets and minor assets were found which were not included in the asset register.

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		2021/22		
		Amount before error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Liabilities:				
Contingent Liabilities:	16.1			
Claims against the Department		-	1 710	1 710
Accruals and payables not recognised:				
Accruals	18.1			
Transfers and Subsidies		-	1 623	1 623
Other		1 767	(1 623)	144
Net effect		1 767	1 710	3 477

Restatement of claims against the Department was done after it was identified in the current financial year that two (2) claims of R'1 710 were submitted from prior financial years.

Prior year "other" of R'1 767 was restated by splitting the expenditure to "other" at R'144 and "transfers and subsidies" at R'1 623 due to correct classification of early retirement pension penalties which used to be incorrectly classified as "employer contribution pensions".

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29. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	2022/23					2021/22		
	GRANT ALLOCATION			TRANSFER		DORA and other transfers	R'000	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by Treasury / National Department	%
Municipal Fin Performance Monitoring								
Xhariep	9 366	-	-	9 366	9 366	-	-	-
Leisemeng	-	-	-	-	-	-	-	-
Mohokare	-	-	-	-	-	-	-	-
Masilonyana	-	-	-	-	-	-	-	-
Tokologo	-	-	-	-	-	-	-	-
Majhabeng	-	-	-	-	-	-	-	-
Maluti a Phofung	-	-	-	-	-	-	-	-
Moghaka	-	-	-	-	-	-	-	-
Ngwathe	-	-	-	-	-	-	-	-
Unallocated	4 989	-	-	4 989	-	-	-	-
2.Provincial Municipal Infrastructure								
Thabo Mofutsanyane	-	-	-	-	-	-	-	-
Moghaka	-	-	-	-	-	-	-	-
Tswelopele	3 000	-	-	3 000	-	-	-	-
Phumelela	2 717	-	-	2 717	1 748	-	-	-
Metsimotlo	2 283	-	-	2 283	912	-	-	-
Matibe	5 000	-	-	5 000	-	-	-	-
TOTAL	27 355	-	-	27 355	12 026	-	44 256	44 256

All funds were transferred into the primary bank accounts of the respective municipalities. Unspent funds by Municipalities should not be refunded to the Department

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30. 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.

31. COVID 19 Response expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Compensation of employees		-	176
Goods and services		-	3 715
Total	<i>Annex 7</i>	<u>-</u>	<u>3 891</u>

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

2022/23													2021/22	
Name of Municipality	GRANT ALLOCATION				TRANSFER				SPENT				DORA and other transfers	Actual transfers
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by Municipality			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mun Fin Perform. Monitor.														
Xhariep	9 366	-	-	9 366	9 366	-	-	-	9 366	907	8 459	10%	9 256	9 256
Letsemeng	-	-	-	-	-	-	-	-	-	-	-	-	3 500	3 500
Mohokare	-	-	-	-	-	-	-	-	-	-	-	-	3 500	3 500
Masilanyana	-	-	-	-	-	-	-	-	-	-	-	-	5 500	5 500
Tokologo	-	-	-	-	-	-	-	-	-	-	-	-	1 500	1 500
Matjhabeng	-	-	-	-	-	-	-	-	-	-	-	-	3 500	3 500
Matlutsi a Phofung	-	-	-	-	-	-	-	-	-	-	-	-	2 500	2 500
Mochaka	-	-	-	-	-	-	-	-	-	-	-	-	3 500	3 500
Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	3 500	3 500
Unallocated	4 989	-	-	4 989	-	-	-	-	-	-	-	-	-	-
Prov Mun Infrastr	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Thabo Mofutsanyana	-	-	-	-	-	-	-	-	-	-	-	-	5 000	5 000
Mochaka	-	-	-	-	-	-	-	-	-	-	-	-	3 000	3 000
Tswelopele	3 000	-	-	3 000	-	-	-	-	-	-	-	-	-	-
Phumelela	2 717	-	-	2 717	1 748	-	-	-	1 748	-	1 748	-	-	-
Metsimaholo	2 283	-	-	2 283	912	-	-	-	912	-	912	-	-	-
Matlube	5 000	-	-	5000	-	-	-	-	-	-	-	-	-	-
TOTAL	27 355	-	-	27 355	12 026	-	-	-	12 026	907	11 119	-	44 256	44 256

All funds were transferred into the primary bank accounts of the respective municipalities. Unspent funds by Municipalities should not be refunded to the Department.

Reason for unspent amounts by Municipalities:

Xhariep Municipality: Grant was transferred in February 2023 to the Municipality and it was not possible to implement all planned projects by the end of March 2023. Only R'907 was spent at the end of the reporting period.

Phumelela Municipality: Grant was transferred in March 2023 to the Municipality and it was only spent in April 2023 (2023/2024 fin year of the Department)

Metsimaholo Municipality: Grant was authorized last week of March 2023 but cash only flow 2nd week of April 2023 due to year end processes to the Municipality.

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23					2021/22	
	TRANSFER ALLOCATION				TRANSFER	Final Budget R'000	Actual transfer R'000
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	% of available funds transferred %	
SABC TV License	10	-	-	10	7	70%	7
TOTAL	10	-	-	10	7	19	7

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2022/23				2021/22	
	TRANSFER ALLOCATION			EXPENDITURE	Final Budget R'000	Actual transfer R'000
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000		
Non-profit institutions						
Transfers						
Traditional Institutional Management	715	-	-	715	444	374
TOTAL	715	-	-	715	444	374

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ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23					2021/22	
	TRANSFER ALLOCATION			EXPENDITURE		Final Budget R'000	Actual transfer R'000
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	% of available funds transferred		
					%		
Transfers							
H/H empl s/ben leave gratuity	1 473	-	298	1 771	83%	1 564	1 494
H/H empl s/ben injury on duty	25	-	-	25	20%	42	2
H/H empl s/ben early retirement pens penalty	2 569	-	-	2 569	100%	-	313
H/H donations and gifts (cash)	275	-	(100)	175	51%	50	50
TOTAL	4 342	-	198	4 540		1 656	1 859

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ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship (Group major categories but list material items including name of organisation)	2022/23	2021/22
	R'000	R'000
Made in kind		
Donation to Masilonyana Municipality in celebration of Nelson Mandela Day:		
Blankets	88	-
Toiletries	31	-
School shoes	31	-
Food parcels	65	-
Donation to J.C Motumi High School, Kuttwanong within Matjhabeng Municipality for Heritage Day sport tournament event		
Soccer and netball kits, balls, medals and trophies	26	-
TOTAL	241	-

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ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Matlole (constructive dismissal)	1 500				1 500
C.Mepha (breach of contract)	210				210
Mangaung Metro Municipality (invalid appointment)	-	400			400
Mantsengu (breach of contract)		800			800
Manele (unfair labour practice)		1 200			1 200
Mogoladi (unfair labour practice)		100			100
B.C. Mokomela (civil claim / breach of contract)		2 000	(2 000)		-
TOTAL	1 710	4 500	(2 000)	-	4 210

It came to the attention of the Department that the following cases were received prior 2022/2023 and therefore the opening balance of 01/04/2023 has been restated with R'1 710:
Matlole (constructive dismissal) at R'1 500
C. Mepha (Breach of contract) at R'210.

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ANNEXURE 3
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	Receipt date up to six (6) working days after year end	Amount R'000
Department								
Free State Department of Police, Roads and Transport	-	7	-	-	-	7	-	-
Free State Department of Health	-	1	-	-	-	1	-	-
Free State Department of Agriculture	-	9	-	-	-	9	-	-
Free State Provincial Treasury	18	-	-	176	18	176	03/04/2023	18
Free State Department of Social Development	-	12	-	-	-	12	-	-
Free State Department of DESTEA	10	18	-	-	10	18	-	-
Free State Department of the Premier	4	-	-	-	4	-	-	-
Free State Department of Human Settlements	10	-	-	-	10	-	-	-
Subtotal	42	47	-	176	42	223		18
Other Government Entities								
Fleet Management	7	-	-	95	7	95	-	-
Subtotal	7	-	-	95	7	95		-
TOTAL	49	47	-	271	49	318		18

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ANNEXURE 4
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	
	R'000	R'000	R'000	R'000	R'000	R'000	
DEPARTMENTS							
Current							
Free State Department of the Premier	16	41	-	-	16	41	-
Department of Justice and Constitutional Development	-	924	-	-	-	924	-
Free State Department of Public Works and Infrastructure	-	-	-	53	-	53	-
Subtotal	16	965	-	53	16	1 018	
OTHER GOVERNMENT ENTITY							
Current							
Fleet Management	955	994	72	27	1 027	1 021	-
Subtotal	955	994	72	27	1 027	1 021	
TOTAL INTERGOVERNMENT PAYABLES	971	1 959	72	80	1 043	2 039	-

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ANNEXURE 5
INVENTORIES

Inventories for the year ended 31 March 2023	Other supplies	Total
	R'000	R'000
Opening balance	-	-
Add: Additions/Purchases – Cash	241	241
(Less): Issues	(241)	(241)
Closing balance	-	-

Inventory items were distributed to communities for Mandela day and to sporting communities for Heritage sport tournament

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**ANNEXURE 6
MOVEMENT IN CAPITAL WORK IN PROGRESS**

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Non-residential buildings	-	-	-	-
TOTAL	-	-	-	-

Movement in capital work in progress for the year ended 31 March 2022

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Non-residential buildings	-	-	827	(827)	-
TOTAL	-	-	827	(827)	-

The amount of R'827 consist of R'775 retention money and R'52 for the name plate of the building

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ANNEXURE 7
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2022/23				2021/22	
	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000	Total R'000	Total R'000
Compensation of employees	-	-	-	-	-	176
Goods and services	-	-	-	-	-	3 715
Consult business and advisory services	-	-	-	-	-	2 810
Cons supplies	-	-	-	-	-	501
Venues and facilities	-	-	-	-	-	404
TOTAL COVID 19 RESPONSE EXPENDITURE	-	-	-	-	-	3 891