Annual Report

2022/2023

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

Department of Cooperative Governance and Traditional Affairs Province of Gauteng

Vote No. 7

Annual report 2022/2023 Financial year

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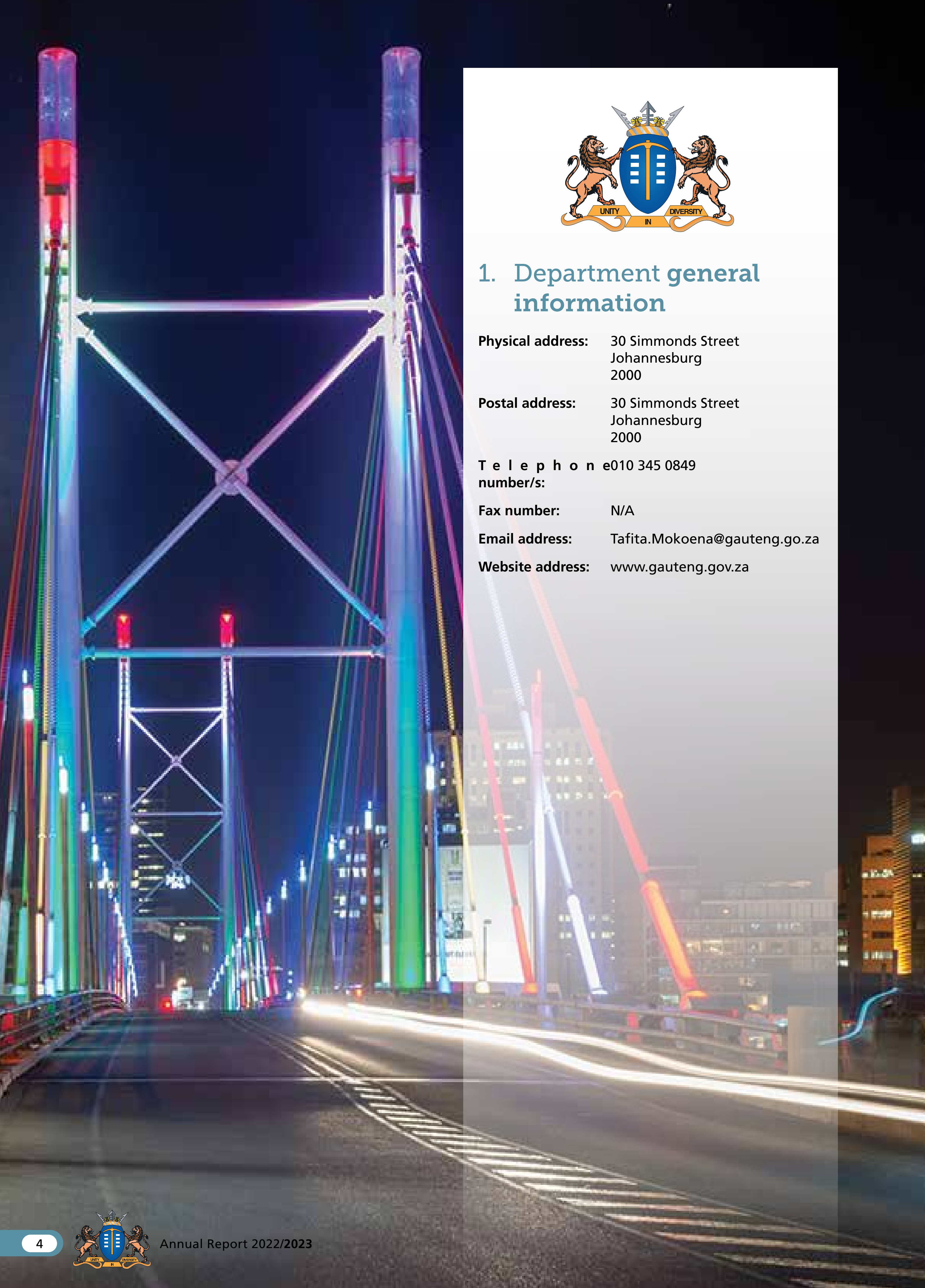
GAUTENG PROVINCE

PART A

General Information



1. Department general information

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2. List of abbreviations/acronyms

ABCD	Asset-based Community Development
AIDS	Acquired Immunodeficiency Syndrome
AGSA	Auditor-General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
B-BBEE	Broad-based black economic Empowerment
Capex	Capital expenditure
CDW	Community Development Worker
CFO	Chief Financial Officer
CoE	City of Ekurhuleni
CoGTA	Cooperative Governance and Traditional Affairs
CoJ	City of Johannesburg
COS	Cost of supply study
CoT	City of Tshwane
CWP	Community Work Programme
DDM	District Development Model
DED	Department of Economic Development
DID	Department of Infrastructure Development
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPME	Department of Planning, Monitoring and Evaluation
EEDSM	Energy Efficiency Demand Side Management
EHWP	Employee Health and Wellness Programme
EXCO	Executive Committee
FNB	First National Bank
GBVF	Gender-based violence and femicide
GDHS	Gauteng Department of Human Settlements
GHG	Greenhouse gas
GPG	Gauteng Provincial Government

2. List of abbreviations/acronyms *continued*

GSDF	Gauteng Spatial Development Framework
HDI	Historically disadvantaged individual
HIV	Human Immunodeficiency Virus
HFA	Hyogo Framework of Action
HoD	Head of Department
IDP	Integrated Development Plan
IGR	Intergovernmental relations
INEP	Integrated National Electrification Programme
IT	Information technology
IUDF	Integrated Urban Development Framework
IVRS	Integrated Vaal River System
IYM	In Year Monitoring
KRA	Key Responsibility Area
LED	Local economic development
LGSETA	Local Government Sector Education Training Authority
LM	Local Municipality
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MNS	Mncedisi Ndlovu and Sedumedi Incorporate
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MPSA	Minister of Public Service and Administration
MSA	Municipal Systems Act
MTEC	Medium Term Expenditure Committee
MTSF	Medium-term Strategic Framework
NDP	National Development Plan (NDP)

NERSA	National Energy Regulator of South Africa
NQFL	National Qualifications Framework Level
NSP	National Strategic Plan
O&M	Operations & Maintenance
OHS	Occupational Health and Safety
OPCA PCC	Operation Clean Audit – Provincial Coordinating Committee
PBC	Premier's Budget Committee
PDP	Personal Development plan
PFMA	Public Finance Management Act, Act 1 of 1999
POE	Portfolio of evidence
PSCBC	Public Service Coordinating Bargaining Council
PTNG	Public Transport Network Grant
RFQ	Request for quotation
RWCLM	Rand West City Local Municipality
SANS	South African National Standards
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SETA	Sector Education Training Authority
SGI	Surveyor General Identification
SMS	Senior Management Service
TISH	Townships, informal settlements and hostels
ToR	Treasury Regulations
UIF&W	Unauthorised, irregular or fruitless and wasteful
UN	United Nations
UNFCC	United Nations Framework Convention on Climate Change
USDG	Urban Settlement Development Grant
WBWR	Ward-based War Room
WRDM	West Rand District Municipality

Name: Mzikayifane Khumalo

Title: Member of the Executive Council

3. Foreword by the **Minister/MEC**

"The 2022/23 financial year presented challenges in the rollout of services to communities, rolling power cuts further exacerbated challenges in our municipalities"

Foreword by the MEC

In his inaugural State of the Province Address Premier Panyaza Lesufi implored us "to do one thing, and one thing only, to do our work…. To do our work within budget, time without misusing public funds". The elevated five priorities of the Sixth Administration are economic recovery and acceleration, strengthening the battle against crime, corruption, vandalism, and lawlessness; prioritisation of health and wellness of communities in townships, Informal Settlements and hostels (TISH), strengthening the capacity of the state to deliver services and to improve and capacitating government communications so that government can communicate better with its residents.

Our responsibility is to ensure that municipalities discharge their constitutional mandate and responsibilities of improving the living conditions of citizens in Townships, Informal Settlements, and Hostels (TISH).

Municipalities are still confronted with a myriad of economic and social factors that severely hinders their capacity to deliver services to the communities. Water, electricity, and sanitation services do not meet the standard that residents expect.

The current energy crisis has been exacerbated by vandalism to infrastructure. While strides have been made to address backlogs and service delivery over the years, municipalities face challenging decisions on infrastructure development linked to an increase in the population, poor maintenance of existing municipal infrastructure and a legacy of apartheid spatial planning.

Municipalities must implement the Municipal Infrastructure Service Delivery Programmes based on approved plans and allocated budgets. Working with other departments, we will facilitate and coordinate support to local municipalities (LMs) to achieve funded budgets, develop and implement cost-effective municipal tariffs, and facilitate the payment of municipal debt owed by provincial and national departments and their agencies.

Our interventions must strengthen the capacity of the State to deliver services. Functional political intergovernmental relations (IGR) are important to strengthen collaboration and coordination to promote ethical and accountable leadership across the spheres of government.

The instruments of participatory democracy are a cornerstone of our democratic dispensation. Functional ward committees strengthen the participation of communities in governance initiatives. During the 2022/23 financial year, the department undertook to support the municipalities and communities in implementing the (Asset-based Community Development) ABCD model. Supporting municipalities was a deliberate effort to empower them with simple methods of application. The department facilitated training opportunities for about 50 public participation practitioners in the three metros, namely the City of Ekurhuleni (CoE), the City of Johannesburg (CoJ), and the City of Tshwane (CoT) on the ABCD model methodology.

We will continue to provide support to ensure improvement in Municipal Audit Outcomes and monitor progress on the implementation of the audit action plan to address unauthorised, irregular or fruitless and wasteful (UIF&W) expenditure.

We are strengthening Section 154 Support through the deployment of a multi-disciplinary team of experts to strengthen revenue enhancement and debtor management in targeted municipalities. Working together with municipalities, we are identifying specific issues delaying or leading to incomplete infrastructure projects.

The Department of Cooperative Governance and Traditional Affairs (CoGTA) is part of the collaborative effort in finding solutions to the energy crisis, we continue to support municipalities to develop implementation plans for the approved National Energy Regulator of South Africa (NERSA) tariffs and improvement plans for the electricity network.

We are committed to working with municipalities to revitalise township economies through our preferential procurement. We must ensure that 75% of goods and services are procured from women, youth, and people with disabilities who own businesses.

The floods across Gauteng are stark reminders of natural disasters because of climate change, we will continue to work with the Disaster Management Centres in municipalities to strengthen their capacity to respond to disasters. Working with all relevant stakeholders, we will operationalise and implement all the decisions announced by the Premier on the declaration of the state of disaster in Merafong Municipality.

Three studies were completed during the period under review on local government governance, namely, energy losses, energy company and, most importantly, the thorny issue of coalition governments in our province. Undoubtedly, instability in the municipalities is a blow to service delivery and priority one of the GGT2030, focusing on accelerated economic recovery.

Our key interventions will be the management of coalitions and instilling stability in municipalities. Instability at the level of local government in the province is continuing to bring adverse effects to the much needed services to the people of Gauteng. We are continuously working with municipalities to strengthen conflict resolution capacity in coalition governments across Gauteng. We have finalised the report on the study on the impact of coalition governments in the province. This report will guide our work as we undertake a review of the governance model in our municipalities.

We are not oblivious to the challenges ahead, but we are equal to the task. Working together with municipalities, we will ensure that service delivery is a lived experience of the communities in Gauteng.

Signature ??

Mzi Khumalo
MEC: *CoGTA, EGOV and Research and Development*

July 2023

Name: Dr Darion Barclay

Title: Head of Department

4. Report of the Accounting Officer

Accounting Officer's Report

This 2022/23 annual report reflects the department's operations, performance information, human resources information and financial affairs for the financial year ended 31 March 2023.

Service delivery, revenue collection, financial management and development remain among our priority focus areas. Functional municipalities are at the core of our efforts and our interventions and initiatives.

Administration

To improve municipal performance across our province in terms of the Back 2 Basics programme, the department's target for human capital for the reporting period, 2022/23 financial year, was 50% women in senior management positions (SMS). We managed to achieve 35% of that target and measures are in place to improve on this target during the current financial year. Employment equity remains a priority and though we only reached 2,7% of the 5% target set in terms of the employment of people with disabilities, the department aims to explore alternative initiatives to reach out and employ more skilled and qualified people with disabilities.

Our target was to have 100% of undisputed invoices paid within 15 days during the reporting period, with the department achieving 95%. 4,5% of these invoices were not paid due to the delay in payment processes.

As Accounting Officer, I am also pleased to report that the department successfully presented 10 learners with disabilities with bursaries as targeted under our Back 2 Basics programme.

Local Government

In the aftermath of the sometimes-crippling effects that the global COVID-19 pandemic had on income and finances in general, revenue collection became an even more dire challenge across municipalities. The department planned to provide two targeted municipalities, Lesedi Local Municipality (LM) and Midvaal, with the capacity to implement the simplified revenue plans.

Midvaal LM

The top 100 residential and business debtors were identified with potential high-value accounts. These were handed over to the Municipality with the following revenue potential to be collected: R29 million from the identified business debtors and R9 million from the residential debtors.

Lesedi LM

The top 100 residential and business debtors were identified with potential high-value accounts. These were handed over to the Municipality with the following revenue potential to be collected: R291 million from the identified residential debtors.

In addition, experts were placed in targeted municipalities to provide capacity support on Legal and Labour (one local government labour relations expert (admitted attorney) and one local government legal and contract management expert (admitted attorney).

Development planning

Spatial integration is important in transforming a province like Gauteng. Cities and communities need to be integrated and sustainable and this is also aligned with the localisation of the Sustainable Development Goals (SDGs) across the Gauteng City Region. There is a need to drive Integrated Development Planning processes in line with the Gauteng Spatial Development Framework (GSDF) hence this outcome indicator is of relevance.

The final review of the GSDF planned for the 2022/23 financial year was not completed. The deviation can be attributed to unanticipated challenges related to the additional need for stakeholder engagement due to district and LMs not providing comments during the 60-day period as well as challenges with accessing strategic and crucial Gauteng Province Government (GPG) policies. Notably the Gauteng Provincial Land Transport Framework as well as Phase 2 of the Gauteng Department of Human Settlements (GDHS) Spatial Master Plan, both of which were delayed (GDHS Masterplan still outstanding).

These challenges severely impacted project timelines and outstanding project phases which resulted in the initial contract lapsing and efforts to extend the contract being unsuccessful.

During this reporting period, municipalities were monitored on the adaptive responses to the climate change impacts on water supply services and use. Progress on water loss management projects was monitored. Through a multi-disciplinary team of experts, Water Conservation Demand management plans for Merafong, Lesedi and Rand West City Local Municipality (RWCLM)). were completed, but implementation is partial due to funding. Demand management projects on the Integrated Vaal River System (IVRS) 1600 initiatives in areas serviced by Rand Water were also monitored and supported.

All four municipalities as per planning for 2022/23 year of reporting, were supported as follows by the department:

- R3,9 million was transferred to Emfuleni LM on 29 July 2022.
- R7,8 million was transferred to Midvaal LM on 15 August 2022.
- R2,2 million was transferred to West Rand District Municipality (WRDM) on 27 May 2023.
- The first transfer of R2,1 million was transferred to Lesedi LM on 12 September 2022 and the second trench of R2,1 million was transferred to Lesedi LM in November 2022.

Governance

The consensus dictates that there must be a focus on the nature and quality of intergovernmental and stakeholder relations across spheres and sectors. When these structures and instruments are functional, then matters of public interest and concern will be dealt with and these engagements will lead towards attainment of the impact statement.

The department planned for at least four Statutory IGR Structures to be functional in accordance with the IGR Framework. 100% of our target was reached and the Action Plan was also submitted, as planned.

Traditional Institutional Management

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

4. Report of the **Accounting Officer** *continued*

As part of strengthening the institutions of Traditional Leadership in the province, 100% of the succession of claims/disputes was processed. However, the two anti-gender-based violence and femicide (GBVF) interventions/campaigns for traditional leadership were not held due to administrative challenges. These interventions are planned to take place during the current financial year.

We are functioning in a very challenging, ever-changing environment in the local government sphere. Dedicated efforts and commitment by the civil servants in the Gauteng CoGTA department are geared towards the smooth turning of the wheels ensuring Gauteng is a province striving for better lives and dignified livelihoods for all.

Input for the annual report

Recognising traditional communities and leaders in Gauteng followed the disestablishment of cross-boundary municipalities in 2007, where two traditional communities were transferred from the North West and Mpumalanga provinces. In light of the above, province-specific legislation was required and finally enacted in 2010 to accommodate provincial peculiarities.

Between 2010 and 2012, it was evident that the two recognised traditional communities had leadership disputes registered with the Nhlapo Commission. Unfortunately, the Nhlapo Commission could not attend to the 1322 claims and disputes it received. The Nhlapo Commission therefore only dealt with Kingship and Queenship claims and disputes and the remaining cases was dealt with by the Tolo Commission which was a successor in law to the Nhlapo Commission and hence investigated the remaining cases.

In Gauteng, the Tolo Commission investigated and made recommendations on two leadership disputes. Unfortunately, the Commission did not take on any new claims or disputes and since then, the Gauteng Provincial Government has been inundated with claims and disputes.

In 2018 and 2019 two Indaba's were held with recognised and unrecognised leaders. The meetings resolved to establish a Commission on Traditional Leadership Disputes and Claims, which was in **Notice Number 894** published **Gauteng Provincial Gazette Extraordinary No. 267, Vol. 27,** on **8 July 2022**. The appointed Commissioners and Technical Experts are as follows:

- Professor Mziwoxolo Sirayi, Advocate Khavhareni Aaron Mahumani, Ms Pumla Primrose Madiba and Mr Uhuru Moiloa, as members of the Commission; and
- Technical experts were appointed to support the Commissioners, namely Dr Andile Mayekiso, Ms Zamokuhle Mopai, and Mr Mothusiotsile Maditsi; and
- Professor Mziwoxolo Sirayi was identified as the Chairperson of the Commission

Since the Commission was established, the Commission achieved the following:

- Preparing frameworks and implementation strategy (May – January 2023)
- Hosted a launch of the Commission and announcing the opening date for applications on 22 November 2022.
- The closing date for applications for recognition and registering disputes was 28 February 2023
- Since the closing date the Commissioners have been analyzing 250 applications (March – May 2023)
- The secretariat captured over 500 applications on database by 28 April 2022 and sent acknowledgement letters between March and July 2023.

In the next term of office, the Commission intends to deliver on the following:

- Host hearings for recognition applications or claims from unrecognized traditional communities and leaders (August – September 2023)
- Host hearings on registered disputes (October – November 2023)
- Prepare reports with recommendations to the MEC and Premier between December and March 2023
- Present the reports to the MEC and Premier: April 2023.

The recent Constitutional Court Judgement on the Traditional and Khoi San Leadership Act (TKLA) was considered, and the legal opinion recommends that the work of the Commission should continue. The Commission will continue to apply and comply with TKLA in its current form as it is still valid and binding until re-enacted and passed by Parliament in the next 24 months.

It should be noted that the term of office of the Commission ended on 28 April 2023, in terms of **General Notice 894 of 2022**, published in **Gauteng Provincial Gazette Extraordinary No. 267, Vol. 27 of 8 July 2022**. However, at the time of preparing this report, **General Notice Number 850 of 2023**, was published in **Gauteng Provincial Gazette Extraordinary No. 267, Vol. 27 of 27 July 2023**, which extends the Commission's term to 30 April 2024.

Overview of the operations of the department

Financial Performance

The Department's overall expenditure was 97% as of 31 March 2023. Expenditure on compensation of employees was 91% at the end of the financial year. Expenditure on transfers to municipalities was 158% due to the approved application to increase transfers for the 2022/23 financial year with R14 million to WRDM. Expenditure on goods and services was 100%. Machinery and equipment expenditure was 100%.

Non-financial Performance

- A total of 50 targets were planned in the quarter under review. Of this total, 43 were achieved and seven were not achieved. Overall performance was 87% achieved and 13% not achieved.
- Administration: five targets were planned in the 2022/23 Annual Performance Plan (APP). 40% (two) of the planned targets were achieved, and 60% (three) were not achieved.
- Local Governance Support: 25 targets were planned in the 2022/23 APP for the financial year. 96% (24) of the planned targets were achieved, and 4% (one) were not achieved.
- Urban Planning: 14 targets were planned in the 2022/23 APP. 79% (11) of the planned targets were achieved, and 21% (three) were not achieved.
- Development and Planning: four targets were planned for the 2022/23 APP. All targets were achieved.
- Traditional Leadership: three targets were planned in the 2022/23 APP. All targets were achieved.

Municipal Finance Support

Midvaal LM

The top 100 residential and business debtors were identified with potential high-value accounts. These were handed over to the Municipality with the following revenue potential to be collected: R29 million from the identified business debtors and R9 million from the residential debtors.

Lesedi LM

The top 100 residential and business debtors were identified with potential high-value accounts. These were handed over to the Municipality with the following revenue potential to be collected: R291 million from the identified residential debtors.

Municipalities were provided with additional capacity to reduce UIF&W expenditure (Lesedi, and Mogale City LMs).

Project implementation plans with clear timelines covering all work to be performed during the duration of the project have resumed in the two municipalities. The overall achievement of the project:

- Development and review of audit action plans for 2021/22 to address findings raised by the Auditor-General of South Africa (AGSA) external audits were completed.
- Training manuals for the training of the Municipal Public Accounts Committee (MPAC) were developed and distributed in the two municipalities (CoT and RWCLM).
- MPAC training was conducted in CoT.
- A workshop was conducted at RWCLM on 16 March 2023 to capacitate management on work done during the project and how they should continue with the implementation of the controls that were put in place throughout the implementation of the project.
- A case register workshop was undertaken in CoT on 10 March 2023 to capacitate MPACs on their oversight role on cases in the register. The case register was created to categorise and simplify cases of UIF&W expenditure and determine cases that require further investigations and those that can easily be addressed through write-off or recovery.
- The project close-out report was discussed with RWCLM Municipal Management and EXCO on 2 March 2023.
- The project close-out report was discussed with CoT City Manager and EXCO on 20 March 2023.

Large power and water users

Mogale City LM

- Traced emails for 90 accounts with an associated debt of R56,3 million and uploaded to the financial system.
- Traced telephone numbers for 26 accounts with an associated debt of R177 million and uploaded them to the financial system.
- Traced Company Registration numbers for 156 accounts with an associated debt of R113,4 million and uploaded them to the financial system.
- Aligned to the correct categories 63 accounts with an associated debt of R34,1 million on both the Financial Management System and General Valuation Roll.

RWCLM

- 17 business accounts owing R7,4 million were flagged and submitted to the municipality for disconnections.
- Five business accounts with accounts queries were resolved by the large user help desk amounting R3,5 million.
- 65 properties with no Surveyor General Identification (SGI) codes amounting to R56,5 million, the SGI codes were added to the financial system and valuation roll

Viability

EMM:

Municipal Viability Assessment Report is 50% complete.

CoT:

Municipal Viability Assessment Report and Strategies are 90% complete.

CoJ:

Municipal Viability Assessment Report and Strategies were completed.

Operation Clean Audit – Provincial Coordinating Committee (OPCA PCC) Workshops were convened with all municipalities. The purpose of the workshops was to assess the municipal audit action plans and provide advisory support to strengthen these plans. The advisory support provided, and the Section 131 assessments conducted on the municipal audit action plans, have assisted the municipalities to strengthen their plans to fully address the root causes of findings raised by the Auditor-General

4. Report of the Accounting Officer *continued*

Capacity development

Two experts were placed in targeted municipalities to provide capacity support on Legal and Labour.

Merafong LM and Lesedi LM submitted one and three contracts for review, respectively. However, it was discovered that RWCLM and MNS were involved in litigation on a separate matter. One contract for Bulk Services at Khutsong South (Pro-Plan Consulting Engineering) was received from Merafong LM for review. Three contracts (Banking Services: FNB; Munsoft: financial system; Modires: Valuation Roll) were received from Lesedi, including one Standard Operating Procedures. Workshop for skills transfer was held on 9 March 2023

The following cases were reviewed

- **M Maphilisa vs RWCLM:** no dispute existed at the time of referral.
- **JC Bastions and 80 others vs RWCLM:** (Importance of complying with settlement agreements are averred). Correctly concluded.
- **Maserane Maria Phooko vs Merafong City LM:** no expectation to renew existed.
- **J Machema vs Merafong City LM:** Labour Court to be finalised to avoid fruitless and wasteful expenditure on legal costs spent.
- **Imatu obo M Tholwana vs Merafong City LM:** Review application must be opposed; Municipality did not perpetrate an act of unfair labour practice by failing to shortlist him.
- **Merafong City LM vs Jabulani Mkhwanazi:** The Municipality has a good prospect of defending the condonation application.
- **Mapule Ledwaba vs Merafong City LM:** Municipality to settle the matter with affected employees.
- **Tente and three others vs Merafong LM Case:** Municipality does not have prospects of success.
- **Lekopa Mofokeng vs Merafong City LM:** there is no need to oppose this matter at the Labour Court
- **Tente and 279 others vs Merafong City LM:** the Municipality does not have prospects of success.

Four capacity-building interventions were conducted in municipalities for Councillors and Officials (MPAC Training NQFL 3, 4 and 5 and Accountability and Ethical Conduct Training):

- NQF L3: Learners were registered with the Local Government Sector Education Training Authority (LGSETA): Block 1, 2 and 3 all training for both the West Rand and the Sedibeng Districts has been completed. Portfolios of evidence (POEs) collected, assessed and moderated. Certificates of attendance will be issued until the verification is done by LGSETA. The project is subsequently closed.
- NQF L4: Blocks 1, 2 and 3 had been completed in both Districts. POEs collected, assessed and moderated. Certificates of attendance will be issued until the verification is done by LGSETA. The project is subsequently closed.
- NQF L5: Blocks 1, 2, 3 and 4 were completed. Block 5 was facilitated in the week of 13 March 2023. Five training blocks have been completed in the CoE. POE development and submission are underway for the last two learning blocks.
- Ethics and Accountability: A total of 84 delegates were trained in five Municipalities, CoJ, WRDM, RWCLM, Lesedi and CoT.

Water losses

Progress on water loss management projects was monitored.

Through a Multi-disciplinary Team of Experts, Water Conservation Demand management plans for Merafong, Lesedi, and RWCLM were completed but implementation is partial due to funding. Demand management projects on the IVRS 1600 initiatives in areas serviced by Rand Water were monitored and supported.

Infrastructure Planning

- Terms of reference (ToR) were developed for Electricity Master plans, Cost of Supply studies for five LMs except for Midvaal LM.
- Supply and demand requirements for HSD projects concluded for five LMs focusing on Bulk Services Infrastructure needs for Human Settlements Developments.
- Generic policy for Developer Contribution already customised for Lesedi LM.
- Assisted municipalities including Lesedi in dealing with the Notified Maximum Demand (NMD) and compliance with Auditor-General reporting.

Fire and Rescue

Four municipalities were supported as follows:

- R3,9 million transferred to Emfuleni LM on 29 July 2022.
- R7,8 million transferred to Midvaal LM on 15 August 2022.
- R2,2 million transferred to WRDM.
- The first tranche of R2,1 million was transferred to Lesedi LM on 12 September 2022.
- The second tranche of R2,1 million was transferred to Lesedi LM in November 2022.

Integrated Development Planning

Process Plan developed for the 2023/24 IDP Analysis Week. Municipalities engaged in the 2023/24 Integrated Development Plan (IDP) Analysis Process through the IDP Managers' Forum. Letters were written to GPG sector departments' Head of Departments (HoDs) on preparations for the 2023/34 IDP Analysis Week. Analysis Phase of IDP projects and issues undertaken as part of the Development of IDP Prioritisation Tool project.

Overview of the financial results of the department

Departmental receipts

Departmental receipts	2022/2023 Estimate R'000	2022/2023 Actual Amount Collected R'000	2022/2023 (Over)/ Under Collection R'000	2021/2022 Estimate R'000	2021/2022 Actual Amount Collected R'000	2021/2022 (Over)/ Under Collection R'000
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets	**213**	**200**	**13**	170	202	(32)
Transfers received						
Fines, penalties and forfeits	**0**	**3**	**(3)**			
Interest, dividends and rent on land	**38**	**14**	**24**	66	54	12
Sale of capital assets						
Financial transactions in assets and liabilities	**119**	**39**	**80**	4 172	4 124	48
Total	**370**	**256**	**114**	4 408	4 380	28

Due to the nature of its services, the Department does not generate a lot of income. In comparison to the prior year and the projected budget, the Department's revenue collection was lower during the reporting period. While less money was brought in from other sources, financial transactions involving assets and liabilities suffered the biggest loss. The debtors' tardy payments, which also had an impact on the collection of interest, are to blame for the lower collection.

As there is no building to house staff, the Department relies primarily on Persal transactions to generate revenue, since parking fees are not collected from officials. There are no other ways for the Department to generate revenue.

Programme Expenditure

Programme Name	2022/2023 Appropriation Final R'000	2022/2023 Actual Expenditure R'000	2022/2023 (Over)/ Under expenditure R'000	2021/2022 Final Appropriation R'000	2021/2022 Actual Expenditure R'000	2021/2022 (Over)/ Under expenditure R'000
Administration	**165 052**	**159 591**	**5 461**	156 792	153 552	3 240
Local Governance	**276 463**	**265 178**	**11 285**	292 494	281 994	10 500
Development and Planning	**148 926**	**148 762**	**164**	127 856	127 702	154
Traditional Institutional Management	**20 348**	**16 163**	**4 185**	14 930	13 004	1 926
Total	**610 789**	**589 694**	**21 095**	592 072	576 252	15 820

4. Report of the **Accounting Officer** *continued*

During the same period the Department was allocated an amount of **R610 789 000** as an equitable share, of this amount **R589 694 000** was spent which represents a **97%** expenditure on the allocated budget. An amount of **R21 095 000** will be surrendered to the Provincial Revenue Fund (PRF).

To assist WRDM in carrying out its legal duties and obligations with regard to fire and rescue services as outlined in South African National Standards (SANS 10090) and legislation (Disaster Management Act No. 57 of 2002), the Department requested a virement of R12,8 million during the reporting period.

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

- **The Administration Programme** was allocated a total budget of **R165 052 000** of which **R159 591 000** was spent, amounting to 98% of the total budget allocated.
- The Local Governance Programme was allocated a total budget of R276 463 000 of which **R265 178 000** was spent, resulting in **96%** expenditure of the allocated budget.
- The Development and Planning Programme was allocated a budget of **R148 926 000** of which an amount of **R148 762 000** was spent, amounting to **100%** expenditure of the allocated budget.
- The Traditional Institutional Development Programme was allocated the least budget during the reporting period. The allocation for the programme amounted to **R20 348 000** of which **R16 163 000** was spent, amounting to **79%** of the total budget allocated.

Across all programmes, under-expenditure by the Department was because not all critical positions were filled during the year under review.

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

Virements

- The Department requested a virement of R12,8 million during the reporting period.
- The virement to assist and support WRDM in fulfilling its legal mandate and obligation to the Fire and Rescue services as prescribed in the South African National Standards and Disaster Management Act no 57 of 2002.

Rollovers

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

Unauthorised, Fruitless and Wasteful Expenditure (UIF&W)

- The Department did not incur any unauthorised, irregular or fruitless and wasteful expenditure for the reporting period.

Public-Private Partnership

- The Department did not enter any public-private partnerships during the period under review and neither does it plan/intend to do any soon.
- Discontinued Activities/Activities to be Discontinued.
- The were no activities to be discontinued during the period under review and the Department does not have any plans to discontinue any of its activities.

Unsolicited Bid Proposals

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

Gifts and Donations Received

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

Exemption and Deviation received from National Treasury

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

Events after the Reporting Date

- There were no favorable or unfavorable events after the reporting date.

Finally, as part of its programme in striving for excellence, CoGTA Gauteng Province (GP) is conducting a comparative review of relevant areas (non-administrative) of the 2023/24 CoGTA GP APP as compared with other provinces to both improve its outcomes and technical indicator descriptions (TIDs), but also to strive for comparability at a provincial sphere of government. The findings from this analysis will be incorporated into the reviewed APP.

Signature ??

Dr Darion Barclay
Head of Department

July 2023

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 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.

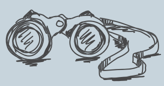
Yours faithfully

Signature ??

Dr Darion Barclay
Accounting Officer

July 2023

5. Strategic overview



5.1 Vision

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

5.2 Mission

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

5.3 Values

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

6. Legislative and other mandates

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

Section 139 (1)

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

Section 152 (1)

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

Section 152 (2)

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

Section 154 (1)

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

Section 154 (2)

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

Section 155 (6)

Provincial Legislature must:

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

Section 164

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

Chapter 12

- Recognition of the institution of traditional leadership.

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

Municipal Structures Act (No. 117 of 1998)

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

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

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

Municipal Finance Management Act (MFMA) (No. 56 of 2003)

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

Municipal Property Rates Act (MPRA) (No. 6 of 2004)

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

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

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

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

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

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

Defines the privileges and immunities of councillors in Gauteng municipalities.

Disaster Management Act (No. 57 of 2002)

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

Gauteng Land Administration Act (No. 11 of 1996)

Provides for the acquisition and disposal of land owned by the GPG.

Development Facilitation Act (No. 67 of 1995)

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

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

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

Division of Revenue Act (DORA) as amended

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

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

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

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

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

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

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

Intergovernmental Relations (IGR) Framework Act (No. 13 of 2005)

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

Municipal Demarcation Act (No. 27 of 1998)

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

Municipal Electoral Act (No. 27 of 2002)

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

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

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

Fire Brigade Services Act (No. 99 of 1987)

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

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

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

6. Legislative and other mandates *continued*

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

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

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

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

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

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

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

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

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

Provides procedures for exhumations and re-interment.

Skills Development Act (No. 97 of 1998)

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

Employment Equity Act

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

Organised Local Government Act (No. 52 of 1997)

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

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

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

Updates to Institutional Policies and Strategies

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

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

The main planning framework of government is the MTSF. It is aligned with the electoral cycle and geared towards the achievement of the priorities of the National Development Plan (NDP) 2030. It embodies government commitments and sets out targeted actions for the government. In particular, the MTSF brings coherence and continuity to the planning system of government. The current MTSF informs the outcome statements, strategies and plans of Gauteng CoGTA.

Sustainable Development Goals (SDGs)

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

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

National Development Plan, Vision 2030

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

Chapter 3, "Economy and Employment", sets out the achievement of full employment, decent work and sustainable livelihoods.

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

Chapter 14, "Promoting Accountability and Fighting Corruption", sets out a vision that has zero tolerance for corruption.

NDP Implementation Plan

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

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

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

Intergovernmental Relations (IGR) Strategy

The Constitution enjoins spheres of government to undertake the following in fostering cooperative governance:

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

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

Back 2 Basics Approach (Back 2 Basics) Phase 2

The Back 2 Basics programme has been updated and tightened to reflect eight pillars, namely: putting people first, delivering basic services and infrastructure, good governance and accountability, sound financial management, building institutional and administrative capabilities, spatial planning and IDPs, local economic development (LED) and building resilience for climate change. Back 2 Basics includes high-level action areas for implementation by provincial departments and municipalities.

Its approach and methodology are underpinned by the following:

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

The Back 2 Basics programme resonates with the NDP which states, "meeting our transformation agenda requires functional municipalities and capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work and socialise". Furthermore, the Integrated Urban Development Framework (IUDF) provides building blocks for Priority 3 of the Back 2 Basics on the transformation of the local space economy and "densifying and integrating communities to improve sustainability." Put differently, the Back 2 Basics programme is founded on the understanding that local government is the locus of citizen interaction with the government. Against this background, Back 2 Basics programmes should be implemented effectively and adequately resourced. Notably, some indicators are used in assessing their performance.

Integrated Urban Development Framework (IUDF)

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

Gauteng Spatial Development Framework (GSDF) – 2030

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

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

6. Legislative and other mandates *continued*

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

Integrated Development Planning

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

Local Economic Development (LED)

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

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

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

Asset-based Community Development (ABCD) Model

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

National Energy Efficiency Strategy

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

Addis Ababa Agreement

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

Paris Agreement

The Paris Agreement guides international efforts towards reducing and limiting greenhouse gas (GHG) emissions and the associated approach towards low-carbon development. Article 4.19 of the Agreement encourages its signatories to formulate and communicate long-term low GHG emission development to the United Nations Framework Convention on Climate Change (UNFCC) by 2020.

African Union 2063 Agenda

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

Sendai Framework for Disaster Risk Reduction 2015 – 2030

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

Disaster Management Framework

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

7. Organisational structure

MEC
Mr Mzikayifane Khumalo

Accounting Officer
Dr Darion Barclay

CFO
Mr Japhta Makhafola

Chief Director: Corporate Services
Mr Raymond Nkabinde

DDG: Programme 2
Ms Itumeleng Mokate

DDG: Programme 3
Mr Khululekile Mase

Entities reporting to the Minister/MEC

No entities reporting to the MEC.

PART B

Performance Information

1. Auditor-general's report: **predetermined objectives**

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

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

2. Overview of **departmental performance**

2.1 Service Delivery Environment

These are projects, programmes and activities which are organised and initiated by other government departments, institutions and agencies to inform and capacitate communities around different issues, i.e. economic, development, poverty alleviation, youth and women empowerment, etc. In these situations, community development workers (CDWs) would play a supporting role and/or participate in these activities with an emphasis on mobilising communities to participate.

Advocacy initiatives should be seen as those developmental issues that are geared towards educating, informing, and capacitating communities around different matters organised by either one of the three spheres of government. These take the form of izimbizo; door-to-door blitz, campaigns and other initiatives spearheaded by the different government departments. CDWs play a role in mobilising communities to participate in monthly thematic planned campaigns organised by governments. CDWs supported 123 thematic campaigns during this financial year. Key among these are:

- Education Month
- Human Rights Month
- Freedom Month
- Workers' Month
- Youth Month
- Nelson Mandela Day
- Women's Month
- Heritage and Tourism Month
- Transport Month
- 16 Days of No Violence against Women and Children
- World Aids Day.

A total of 156 thematic and 1 367 other advocacy campaigns were supported. The number of thematic campaigns reported represents the actual number of campaigns that were supported, encompassing the 12 themes identified.

2.2 Service Delivery Improvement Plan

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

Table 2.2.1: Main Services and Standards

Main Services	Beneficiaries	Current/a\Actual Standard of Service	Desired Standard of Service	Actual Achievement
To provide advocacy and facilitation on community engagement, public participation, and government services.	Traditional Councils, Ward Committees, Civil Society Organisations, Sector Departments, Communities and Municipalities.	CoE, CoJ and the CoT were trained on the ABCD methodology (5-day training course with 49 learning partners completed).	Mogale City, Sedibeng, and West Rand District Local Municipalities (ABCD and CBM).	Orientation on ABCD conducted. UJ ABCD course for 9 municipalities: • COoJ: 4 • CoT: 4 • CoE: 4 • Lesedi: 2 • Midvaal: 3 • Merafong 1 • Rand West City: 1 • Mogale: 1 • Lesedi: 2

Table 2.2.2: Batho Pele Arrangements with Beneficiaries

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
2 Quarterly engagements with the traditional council on current challenges and possible resolutions or action plans.	3 Quarterly engagements with the traditional council on current challenges and possible resolutions or action plans.	3 Quarterly engagements with the traditional council on current challenges and possible resolutions or action plans were held.
Door-to-door campaigns in 80% of wards covered.	Door-to-door campaigns in 100% of wards covered.	CDWs dealt with a total of 70 593 cases during this financial year.

Table 2.2.3: Service Delivery Information Tool

Current/Actual Information Tools	Desired Information Tools	Actual Achievements
Department brochures with contact details and services offered.	Updated Department brochures with contact details and services offered.	The Departmental brochure was updated and circulated to households and to members of the community during information sessions.

Table 2.2.4: Complaint's Mechanism

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

2.3 Organisational environment

As we conclude the last quarter of the financial year, the department has under expenditure of 9% on the cost of employees. We end decisively unpacking the causes for such under-expenditure. We also ended the quarter already with a recovery plan in motion to avert the re-occurrence of such under-expenditure. We acknowledge the under-expenditure on compensation as founded on the following:

- We had set aside 6% for cost-of-living adjustment assuming the salary agreement would be reached by the last quarter of the financial year, unfortunately, parties could not reach such an agreement and the set amount could not be paid out.
- The department was engaged in structure review during the financial year and thus took a cautious approach in filling vacancies. Posts that were earmarked for reviewal in the proposed new structure were parked aside and not to be filled considering that they would potentially become irrelevant soon. On the other hand, budgetary constraints with the expected finalisation of the organisational structure were to be considered to avoid staff excess. The department, therefore, resolved to only fill critical vacant posts.

The following strategy has been put in place to prevent under-expenditure in the 2023/24 financial year:

- The advertisement of all vacant and funded positions in the establishment. This has since been done, all vacant and funded posts were advertised in the last quarter. As we enter the first quarter we are in the selection and appointment stages.
- To support and track this process, the department has a recruitment rollout plan with responsibility matrix and timeframes. This plan is tracked by executive management within the In Year Monitoring (IYM) scheduled meeting.
- Since all these posts are already in the selection and appointment stage following the rollout plan, appointments should be concluded by the first quarter of the 2023/24 financial year and consequently increase the cost of employees expenditure by the second quarter.

50% of women in Senior Management Services (SMSs)

The Department is unable to attain the 50% split between women and men in the short-term, due to the baseline proportional allocation between women and men when the Department was established after the de-merger. At that point, more males were migrated to CoGTA into existing posts with fewer women senior managers. Consequently, the remaining vacant posts are minimal. The Department has a mitigation plan in place. All posts that become vacant due to the natural attrition of males and all SMS vacant and funded posts are earmarked for females. The Department is to continually report on progress. The Department is also attentive to the retention of currently employed woman senior managers. In the past financial year 2022/23 the Department has been able to employ four Women at Senior Management level. The plan is to proceed with that resolution for the remaining few vacant positions.

2. Overview of **departmental performance** *continued*

2.4 Key policy developments and legislative changes

One of the seminal legislative changes for the year under review was the signing into law of the Local Government: Municipal Systems Amendment Act No. 3 of 2022 (the Amendment Act), which came into operation on 1 November 2022. The enactment of the Amendment Act is part of the efforts that seek to professionalise local government administration.

The Amendment Act provides, among others, for procedures and competency criteria for the appointment of municipal managers and managers directly accountable to the municipal manager and the consequences of appointments made in contravention of the Amendment Act. In this regard, the Amendment Act, apart from granting the Minister of Co-operative Government and Traditional Affairs, regulatory powers in respect of senior municipal officials, the Amendment Act endows the MECs responsible for local government in the provinces substantive statutory powers to take appropriate action or steps to deal with appointments that are made in contravention of the Amendment Act.

3. Achievement of institutional impacts and outcomes

Integrated Development Planning

- Process Plan developed for the 2023/24 IDP Analysis Week.
- Municipalities engaged in the 2023/24 IDP Analysis Process through the IDP Managers' Forum.
- Letters written to GPG sector departments' HoDs on preparations for the 2023/34 IDP Analysis Week.
- Analysis Phase of IDP projects and issues undertaken as part of the Development of the IDP Prioritisation Tool project, with pilot-testing of the Tool in one municipality underway.

Spatial Planning

- Participation in Provincial Medium Term Expenditure Committee Structures (MTEC): PBC-related spatial planning and referencing inputs have been updated to inform the final budget book that was published which also informed the respective 2023-2024 budget speech.
- Advancement of Department of Planning, Monitoring and Evaluation (DPME) APP Guidelines: collaboration with Office of the Premier (OoP) on assessment of the 2023/24 draft departmental APPs in relation to spatial planning and referencing and participation in a feedback session of February 2023.
- Review of Gauteng Spatial Development Framework: Final amendments to Reviewed GSDF in progress post finalisation of Stakeholder Input Report and High-Level Implementation Directives.
- Gauteng City Region (GCR) Planning House: A feasibility study to identify possible locations of the GCR Planning House was completed.
- Regularisation of Provincial Property/Assets: A pilot exercise using the Gauteng Department of Health Infrastructure (as contained in the Department of Infrastructure Development [DID] Asset Register) to verify compliance with Municipal Land Use Schemes and Building Regulations has been developed. The first of its kind in the province since the enactment of SPLUMA.
- Development of Land Use Audits: Two Land Use Audits were completed in Sedibeng and West Rand District Municipalities.

Energy Office

Cost of supply study (COS)

A simplified tool has been developed by Sustainable Energy Africa (SEA) in conjunction with the South African Local Government Association (SALGA) and NERSA. This tool is used to support proposals for the submission of new tariffs or restructured tariffs but does not replace the fullfledged COS study and supporting data required. The tool gives an indication of the costs of supplying customers based on D-form costs (financial statements). The COS study is not a solution to all municipal problems. Energy losses, debt collection as well as operations and maintenance must also be improved. The department is using the tool to undertake the basic COS studies in municipalities that are applying for new tariffs from NERSA. The department will proceed to support municipalities to develop ToR and the basic COS study on request from LMs.

4. Institutional programme performance information

4.1 Programme 1: Administration

Purpose: The sustained performance on the Back 2 Basics pillar will serve as an indicator as to whether the municipalities are functional and ethical which will further illustrate whether there is effective service delivery. In terms of the Back 2 Basics pillars, municipalities that achieve a minimum of 80% satisfaction levels in stakeholder surveys will further reflect functionality and sustainability.

Sub-programmes

- Human Capital Management
- Finance Management Services
- Supply Chain Management (SCM)
- Transformation Programmes

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

This section must provide a narrative of the significant achievement of targets for the outputs and output indicators for each programme for the financial year under review. The narrative must also provide a summary of how the achievement of targets has contributed towards achieving the department's outcomes, which will invariably impact the strategic priorities of Government.

Furthermore, the Department must detail, per programme, its response to prioritising women, youth and persons with disabilities in its service delivery environment, challenges encountered by the department when prioritising delivery for these designated groups, and the corrective steps that were undertaken in dealing with such challenges (where applicable).

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

Programme/Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	*Actual Achievement 2021/2022	Deviation from Planned Target to Actual Achievement 2021/2022	Reasons for Deviations	Reasons for Revisions to the Outputs/ Output indicators/ Annual Targets
N/A									

The department did not re-table the APP.

4. Institutional programme **performance information**
continued

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

Sub-programme: HUMAN RESOURCES

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Trget to Actual Achievement 2022/2023	Reasons for Deviations
Improved municipal performance in terms of the Back 2 Basics approach.	Employment equity target reached for women in SMS positions.	Percentage of Employment equity target reached for women in SMS positions.	No targets planned.	35% Women at SMS level.	50% Women in SMS positions.	The Department currently has in its employ 35% of women at the SMS level.	Fell short of the target by 15%.	The Department will strive to increase the number of female SMS members through the natural attrition of male SMS members.
	Employment equity target reached for people with disabilities.	Percentage of employment equity target reached for people with disabilities.	No targets planned.	2,5% of employees with disabilities.	5% of people with disabilities.	The Department currently has in its employ 2.7% of people with disabilities.	Fell short of the target by 2.3%.	There is significant competition among employer departments and a very limited pool of applicants.

Sub-programme: FINANCE

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Improved municipal performance in terms of the Back 2 Basics approach.	Invoices paid in 15 days.	Percentage of undisputed invoices paid in 15 days.	97% of invoices settled in 15 days.	99.25% of invoices paid in 15 days.	100% of undisputed invoices paid in 15 days.	95.5% of undisputed invoices paid in 15 days.	4.5% of undisputed invoices were not paid in 15 days.	Delayed payment runs by Treasury and State Information Technology Agency (SITA) due to loadshedding.

Sub-programme: TRANSFORMATION PROGRAMMES

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Improved municipal performance in terms of the Back 2 Basics approach.	Capacity building initiatives conducted.	Number of capacity-building initiatives conducted.	New indicator.	1 Capacity building initiative not conducted: 20 female and 10 male councillors; 10 Members of Traditional Councils; 20 female and 10 male officials.	1 Capacity building initiative conducted.	1 Capacity building initiative conducted.	None.	N/A.
	Learners with disabilities awarded bursaries.	Number of learners with disabilities awarded with bursaries.	10 Learners with disabilities awarded bursaries.	There were no beneficiaries awarded bursaries.	10 Learners with disabilities awarded bursaries.	10 Learners with disabilities awarded bursaries.	None.	N/A.
	CDWs, ward committees and officials capacitated on GBVF issues.	Number of CDWs, ward committees and officials capacitated on GBVF issues.	New indicator.	Terms of Reference partially approved pending budget reprioritisation. Training moved to the next financial year.	1 Ward Committee capacitated on GBVF issues per region.	1 Ward Committee capacitated on GBVF issues per region.	None.	N/A.

4. Institutional programme performance information *continued*

Linking performance with budgets

The Administration Programme was allocated a total budget of R165 052 000 of which **R159 591 000** was spent, amounting to **98%** of the total budget allocated. In Administration, five targets were planned in the 2022/23 APP. 40% (2) of the planned targets were achieved, and 60% (3) were not achieved.

Sub-programme expenditure

	2021/2022			2022/2023		
Sub-programme Name	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**
Office of the MEC	4 190	3 952	238	**5 713**	**5 710**	**3**
Corporate Services	152 602	149 600	3 002	**159 339**	**153 881**	**5 458**
Total	156 792	153 552	3 240	**165 052**	**159 591**	**5 461**

Strategy to overcome areas of underperformance

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

- The Department encourages the shortlisting panels to consider suitably qualified female candidates when conducting shortlisting.
- The recruitment team is actively encouraged to identify applicants living with disability when conducting the shortlisting and bring these to the attention of the Selection Committee.
- Consultations with third parties are ongoing to resolve delays in payment runs.

4.2 Programme 2: Local Governance

Purpose: The sustained performance on Back 2 Basics pillar will serve as an indicator as to whether the Municipalities are functional and ethical which will further illustrate whether there is effective service delivery. In terms of the Back 2 Basics pillars, municipalities that achieve a minimum of 80% satisfaction levels in stakeholder surveys will further reflect functionality and sustainability.

Sub-programmes

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


CERTIFICATE
MXOLISI KHOZA

4. Institutional programme performance information *continued*

Local Governance, Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: MUNICIPAL ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Improved municipal performance in line with the Back 2 Basics pillars.	Research studies produced on key local policy issues.	Number of research studies produced on key local policy issues.	2 Research Studies on key local government policy issues completed.	Feasibility Study on Powers and Functions – draft study report developed. Feasibility Study on the Single Tier System of Local Government - Draft Study report developed Two webinars held on the Powers and Functions Study to solicit comments.	3 Research studies produced on key local policy issues.	3 Studies completed on the following local government issues: • Energy losses. • Energy Company. • Coalition governments in Gauteng.	None.	N/A.
	Reduced corruption in municipalities.	Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Linked to MTSF 2019 – 2024, Priority 1).	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	None.	N/A.
	Municipalities supported on ethics and integrity management.	Number of municipalities supported on ethics and integrity management.	11 Municipalities supported on ethics and integrity management.	11 Municipalities supported on ethics and integrity management.	11 Municipalities supported on integrity management (training, awareness raising and workshops).	11 Municipalities supported on integrity management (training, awareness raising and workshops).	None.	N/A.

Sub-programme: PUBLIC PARTICIPATION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Improved municipal performance in line with the Back 2 Basics pillar.	Municipalities implementing GBVF programmes.	Number of municipalities monitored on the implementation of GBVF responsive programmes (Final M&E Plan for NSP on GBVF) (Pillar 2: Prevention and Restoration of Social Fabric).	New indicator.	0 Municipalities monitored on the implementation of GBVF responsive programmes.	0 Municipalities monitored on the implementation of GBVF responsive programmes.	0 Municipalities monitored on the implementation of GBVF responsive programmes.	No municipalities were monitored on the implementation of GBVF responsive programmes.	The Department is in the process of acquiring the requisite skills as this is a specialised field and these skills were not available internally.
	Municipalities actively promoting and facilitating community participation.	Number of municipalities guided to promote participation in community-based local governance processes (Priority 1: Capable, Ethical and Developmental State).	New indicator.	2 Municipalities (Emfuleni LM and Mogale City LM) supported to promote participation in community-based local governance processes through the ABCD approach.	4 Municipalities guided to promote participation in community-based local governance processes through the ABCD approach.	9 Municipalities guided to promote participation in community-based local governance processes through the ABCD approach.	There was an increase in demand from municipalities.	N/A.

4. Institutional programme performance information

continued

Sub-programme: PUBLIC PARTICIPATION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Municipalities capable of recording, reviewing, responding to community concerns, and reporting.	Number of municipalities supported to respond to community concerns.	New indicator.	2 Municipalities (Emfuleni LM and Mogale City LM) supported to promote the participation in community-based local governance processes through the ABCD approach.	9 Municipalities supported to resolve community concerns.	9 Municipalities supported to resolve community concerns.	None.	N/A.
	Municipalities maintaining functional ward committees to promote the deepening of participatory democracy at a local level.	Number of municipalities supported to maintain functional ward committees (Linked to MTSF 2019 – 2024, Priority 1).	9 Municipalities supported with initiatives to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	None.	N/A.
	Civic awareness programmes implemented in provincial regions.	Number of Civic awareness programmes implemented in provincial regions.	51 WBWR Civic Awareness Campaigns supported in the fight against COVID-19 implemented in provincial regions.	66 Civic Awareness Campaigns were supported during the financial year.	10 Civic awareness programmes implemented in provincial regions.	10 Civic awareness programmes implemented in provincial regions.	None.	N/A.
	Voter Education Stakeholder engagement sessions implemented in provincial regions to promote voter turnout.	Number of Voter Education Stakeholder engagement sessions implemented in provincial regions.	14 Voter Education Stakeholder Engagement Sessions implemented in provincial regions.	47 Voter Education Stakeholder Engagement Sessions implemented in provincial regions.	5 Voter Education Stakeholder engagement sessions implemented in provincial regions.	5 Voter Education Stakeholder engagement sessions implemented in provincial regions.	None.	N/A.

Sub-programme: MUNICIPAL FINANCIAL SUPPORT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Municipalities provided with the capacity to implement simplified revenue plans.	Number of mMunicipalities provided with the capacity to implement the simplified revenue plans.	Merafong LM supported with the capacity to implement simplified revenue plans.	3 Municipalities provided with the capacity to implement the simplified revenue plans Midvaal LM: undertaking a data sourcing exercise that will assist with the data analytics and cleansing sub-programmes; a questionnaire has been developed for all revenue value chain activities. Lesedi LM: undertaking a data sourcing exercise that will assist with the data analytics and cleansing sub-programmes. Merafong LM: developed debt collection performance and presented to the Municipality; currently reviewing the Debt Collection Strategy.	2 Municipalities provided with the capacity to implement the simplified revenue plans. (Lesedi and Midvaal).	2 Municipalities (Lesedi and Midvaal) were provided with the capacity to implement the simplified revenue plans.	None.	N/A.

4. Institutional programme performance information *continued*

Sub-programme: MUNICIPAL FINANCIAL SUPPORT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Local Municipalities provided with the capacity to undertake data enrichment of large power and water users.	Number of municipalities provided with the capacity to undertake data enrichment of large power and water users.	No target planned.	3 Municipalities provided with the capacity to undertake data enrichment of large power and water users (Mogale City LM, Emfuleni LM and RWCLMLM).	2 Municipalities provided with the capacity to undertake data enrichment of large power and water users (Mogale and Rand West City LMs).	2 Municipalities (Mogale and Rand West City) were provided with the capacity to undertake data enrichment of large power and water users.	None.	N/A.
	Local Municipalities supported with the deployment of revenue experts to develop and implement an Integrated Revenue Enhancement and Debtors Management strategy.	Number of Municipalities supported with the deployment of revenue experts to develop and implement an Integrated Revenue Enhancement and Debtors Management Plan.	3 Municipalities supported with the deployment of revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Strategy (Lesedi LM, Emfuleni LM and Merafong LM).	2 Municipalities supported with the deployment of revenue experts to implement an Integrated Revenue Enhancement and Debtors Management Strategy (Emfuleni LM and Merafong LM).	2 Municipalities supported with the deployment of revenue experts to develop and implement an Integrated Revenue Enhancement and Debtors Management strategy (Emfuleni and Merafong).	2 Municipalities supported with the deployment of revenue experts to develop and implement an Integrated Revenue Enhancement and Debtors Management strategy (Emfuleni and Merafong).	None.	N/A.
	Municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure.	The number of municipalities supported to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure (Linked to MTSF 2019 – 2024, Priority 1).	One municipality provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure (RWCLM and Mogale City LM).	Two municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure through an in-depth assessment of the status quo (CoT and Rand West City LM).	Two municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure. (CoT and Rand West City).	Two municipalities (CoT and Rand West City) were provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure.	None.	N/A.

Sub-programme: MUNICIPAL FINANCIAL SUPPORT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Municipalities provided with the capacity to undertake Viability assessments and develop viability plans.	Number of municipalities provided with the capacity to undertake viability assessments and develop viability plans.	New indicator.	New indicator.	3 Municipalities provided with capacity to undertake viability assessments and develop viability plans. (CoT, CoJ and CoE Metropolitan Municipalities).	3 Municipalities (CoT, CoJ and CoE Metropolitan Municipalities) provided with capacity to undertake viability assessments and develop viability plans.	None.	N/A.
	OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	The Number of OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	None.	N/A.

4. Institutional programme performance information
continued

Sub-programme: CAPACITY DEVELOPMENT								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/22**	**Planned Annual Target 2022/2023**	***Actual Achievement 2022/2023**	**Deviation from Planned Target to Actual Achievement 2022/2023**	**Reasons for Deviations**
Improved municipal performance in line with the Back 2 Basics pillar.	Capacity building interventions conducted in municipalities.	Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019 – 2024, Priority 1) (Back 2 Basics Pillar 5).	1 Capacity building intervention supported (Accountability and Ethical Conduct) for councillors and officials in 11 municipalities.	1 Capacity building intervention (Accountability and Ethical Conduct) for 154 councillors and officials in 11 municipalities. All moderated POEs submitted to LGSETA for verification in December 2021 and January 2022. Awaiting final moderated results.	4 Capacity building interventions conducted in municipalities for councillors and officials (MPAC Training NQFL 3, 4 and 5, and Accountability and Ethical Conduct Training).	• 4 Capacity building interventions conducted in municipalities for councillors and officials (MPAC Training NQFL 3, 4 and 5, and Accountability and Ethical Conduct Training).	None.	N/A.
	Experts placed in targeted municipalities to provide the capacity support on Legal and Labour.	Number of experts placed in targeted municipalities to provide the capacity support on Legal and Labour.	4 Experts placed in regional teams to support municipalities to address service delivery challenges (2 Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).	4 Experts placed in regional teams to support municipalities to address service delivery challenges (2 Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).	2 Experts placed in targeted municipalities to provide capacity support on Legal and Labour (1 Local Government Labour Relations Expert (Admitted Attorney) and 1 Local Government Legal and Contract Management Expert (Admitted Attorney).	2 Experts were placed in targeted municipalities to provide capacity support on Legal and Labour.	None.	N/A.

Sub-programme: CAPACITY DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Municipalities supported to comply with MSA Regulations on the appointment of senior managers, and other critical technical positions (Linked to MTSF 2019 – 2024, Priority 1).	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers (Linked to MTSF 2019 – 2024, Priority 1).	No target planned.	11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSA Regulations on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	None.	N/A.
	Municipalities supported to institutionalise performance management system (PMS) (Linked to MTSF 2019 – 2024.	Number of municipalities supported to institutionalise performance management system (PMS).	New indicator.	11 Municipalities supported to institutionalise the Performance Management System.	11 Municipalities supported to institutionalise performance management system.	11 Municipalities supported to institutionalise performance management system.	None.	N/A.

4. Institutional programme **performance information**

continued

Sub-programme: MUNICIPAL MONITORING AND EVALUATION (Service Delivery)

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Improved municipal performance in line with the Back 2 Basics pillar.	Municipal performance reports against the key performance areas of local government.	Number of municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	4 Quarterly municipal performance reports against the key performance areas of local government.	None.	N/A.
	Annual municipal performance reports compiled as per section 47 of the Municipal Systems Act.	Number of Section 47 reports compiled as prescribed by the MSA (Linked to MTSF 2019 – 2024, Priority 1) (Back 2 Basics Pillar 5).	1 Annual municipal performance report compiled.	1 Annual municipal performance report compiled.	1 Annual municipal performance report compiled for 2022/23 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2022/23 as per Section 47 of the Municipal Systems Act (MSA).	None.	N/A.

Sub-programme: MUNICIPAL PERFORMANCE MONITORING, REPORTING AND EVALUATION (Municipal Finance)								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/22**	**Planned Annual Target 2022/2023**	***Actual Achievement 2022/2023**	**Deviation from Planned Target to Actual Achievement 2022/2023**	**Reasons for Deviations**
	Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act compliant municipalities.	Number of compliance reports in terms in terms of the MFMA, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act , Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, MSA and Remuneration of Public Office Bearers Act.	4 Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Compliance reports developed in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	None.	N/A.
	MPRA compliant municipalities.	Number of municipalities guided to comply with the MPRA (Linked to MTSF 2019 – 2024, Priority 1) (Back 2 Basics Pillar 4).	No target planned.	9 Municipalities guided to comply with the MPRA.	9 Municipalities guided to comply with MPRA.	9 Municipalities guided to comply with MPRA.	None.	N/A.
	Section 131 of the MFMA compliant municipalities.	Number of reports on the issues raised by the Auditor-General in audit reports in terms of section 131 of the MFMA.	1 Report on the issues raised by the Auditor-General in audit reports in terms of Section 131 of the MFMA.	1 Report on the issues raised by the Auditor-General in audit reports in terms of Section 131 of the MFMA.	1 Report on the issues raised by the Auditor-General in audit reports in terms of Section 131 of the MFMA.	1 Report developed on the issues raised by the Auditor-General in audit reports in terms of section 131 of the MFMA.	None.	N/A.

4. Institutional programme performance information *continued*

Linking performance with budgets

- The Local Governance Programme was allocated a total budget of R276 463 000 of which R265 178 000 was spent, resulting in 96% expenditure of the allocated budget. In Local Governance Support, twenty-five (25) targets were planned in the 2022/23 APP. 96% (24) of the planned targets were achieved, 4% (1 target) was not achieved.

Sub-programme expenditure

	2021/2022			2022/2023		
Sub-programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under expenditure R'000	**Final Appropriation R'000**	**Actual Expenditure R'000**	**(Over)/ Under expenditure R'000**
Municipal Administration	15 077	13 470	1 607	**18 032**	**15 354**	**2 678**
Municipal Finance	22 252	22 022	230	**24 845**	**23 950**	**895**
Public Participation	210 739	203 166	7 573	**194 838**	**190 443**	**4 395**
Capacity Development	26 880	26 692	188	**21 721**	**20 329**	**1 392**
Municipal Performance Monitoring, Reporting and Evaluation	17 546	16 644	902	**17 027**	**15 102**	**1 925**
Total	292 494	281 994	10 500	**276 463**	**265 178**	**11 285**

Strategy to Overcome Areas of underperformance

- The achievement of the target of monitoring municipalities on the implementation of GBVF responsive programmes is to be accelerated in the following financial year through the appointment of specialised expertise.

4.3 Programme 3: Urban Planning

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

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

Sub-programmes

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

Development and Planning, Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme: SPATIAL PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Safe, spatially integrated cities and communities with inclusive growth.	Gauteng Spatial Development Framework reviewed.	Number of Gauteng Spatial Development Frameworks reviewed.	Draft Gauteng Spatial Development Framework not reviewed.	2nd Draft Gauteng Spatial Development Framework reviewed.	1 Final Gauteng Spatial Development Framework reviewed.	Draft Reviewed Gauteng Spatial Development Framework Implementation Report.	1 Gauteng Spatial Development Framework not finalised.	Unanticipated challenges related to additional need for stakeholder engagement due to district and local municipalities not providing comments during the 60-day period. Challenges with accessing the Gauteng Provincial Land Transport. Framework.
	GCR planning Hhouse constructed towards a centre for urban planning and innovation.	Number of GCR planning houses constructed towards a centre for urban planning and innovation.	New Indicator.	New Indicator.	1 GCR planning house location feasibility study completed.	Location feasibility study completed on 16 February 2023.	None.	N/A.

4. Institutional programme performance information

continued

Sub-programme: LAND USE MANAGEMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Safe, spatially integrated cities and communities with inclusive growth.	GPG properties regularised to comply with municipal Land Use Schemes and building regulations.	Number of audit reports on level of compliance on 5 priority properties.	New indicator.	New indicator.	1 Audit report on level of compliance on 5 priority properties.	Audit report on level of compliance of all Gauteng Department of Health Infrastructure facilities captured in DID Asset Register.	None.	N/A.

Sub-programme: LOCAL ECONOMIC DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Safe, spatially integrated cities and communities with inclusive growth.	Sufficient work opportunities created for the vulnerable people.	Number of work opportunities reported through the Community Work Programme (CWP) (MTSF 2019 – 2024, Priority 2).	No target planned.	21 000 Work opportunities created and reported through the CWP.	22 600 Work opportunities reported through the CWP.	25 699 Work opportunities reported through the CWP.	3 099 additional work opportunities reported through the CWP.	The additional numbers are due to among other reasons participants that participated for one day as they needed to be replaced.

Sub-programme: INTEGRATED DEVELOPMENT PLANNING COORDINATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/22**	**Planned Annual Target 2022/2023**	***Actual Achievement 2022/2023**	**Deviation from Planned Target to Actual Achievement 2022/2023**	**Reasons for Deviations**
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities with legally compliant IDPs.	Number of municipalities with legally compliant IDPs.	No target planned.	11 Municipalities with legally compliant and responsive IDPs.	11 Municipalities with legally compliant IDPs.	11 Municipalities with legally compliant and responsive IDPs.	None.	N/A.
	Districts/Metros monitored on the implementation of One Plans.	Number of Districts/ Metro monitored on the implementation One Plans (MTSF 2019 – 2024, Priority 5: Spatial integration, human settlements and local government).	0 Pilot District Development Models (DDMs) launched.	5 District/ Metros supported to develop One Plans.	5 District/Metro monitored on the implementation of One Plans.	5 District municipalities were monitored on the implementation of One Plans quarterly through the DDM Intergovernmental Meeting. Sector departments and municipalities provided progress on the implementation of One Plans at the DDM meeting.	None.	N/A.

4. Institutional programme **performance information**
continued

Sub-programme: INFRASTRUCTURE PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1) (Back 2 Basics Pillar 5).	Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1) (Back 2 Basics Pillar 5).	6 Local and 3 metro municipalities supported to implement infrastructure service delivery programmes.	Six local and 3 metro municipalities supported to implement infrastructure service delivery programmes (MIG and other grants).	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	None.	N/A.
	Increased provision and access to free basic services.	Number of municipalities monitored on the implementation of indigent policies. (Sub-outcome 1) (Back 2 Basics Pillar 2).	No target planned.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	None.	N/A.
	Districts supported to improve spending on National Grants.	Number of Districts monitored on the spending of National Grants.	New indicator.	5 Districts assessed on percentage (%) expenditure of National Grants (100% target).	5 Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	None.	N/A.

Sub-programme: INFRASTRUCTURE PLANNING

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	9 Municipalities supported with Technical Skills capacity through the Municipal Infrastructure Support Agent (MISA)/CoGTA/ multidisciplinary team of experts in engineering and town planning.	Number of municipalities supported with Technical Skills capacity through MISA/CoGTA/ multidisciplinary team of experts in engineering and town planning.	2 District municipalities (Sedibeng and West Rand) supported with technical skills through MISA/CoGTA/ multidisciplinary teams (engineering and town planning).	0 Municipalities supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	9 Municipalities supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	6 Local municipalities received ongoing support.	3 Metropolitan municipalities not supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	The support was limited to 6 Local municipalities due to financial constraints. The required budget to support 9 municipalities was R16 million and only R8 million was made available for the programme.
	Municipalities monitored on the implementation of adaptive measures to climate change in water supply infrastructure and use.	Number of municipalities monitored on implementation of adaptive measures to climate change in water supply infrastructure and use.	New indicator.	9 Municipalities monitored on adaptive responses to climate change impacts on water supply – WRDM projects identified and underway.	9 Municipalities monitored on the adaptive responses to the climate change impacts on water supply services and use.	9 Municipalities monitored on the adaptive responses to the climate change impacts on water supply services and use.	None.	N/A.
	Municipalities supported to implement the on-water security interventions.	Number of municipalities supported to implement on the water security interventions.	New indicator.	9 Municipalities monitored on water security interventions – projects identified and underway.	9 Municipalities supported to implement on the water security interventions.	9 Municipalities supported to implement on the water security interventions.	None.	N/A.

4. Institutional programme **performance information**
continued

Sub-programme: ENERGY OFFICE

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities supported to implement online metering system for large power users and commercial customers meters.	Number of municipalities supported to implement online metering system for large power users and commercial customers meters.	New indicator.	Prototype of an online information system developed.	2 Municipalities supported to implement online metering system for large power users and commercial customers meters (Emfuleni and Merafong).	Emfuleni local municipality: The total number of installations for the year stands at 39 new installations.	1 Municipality not supported to implement online metering system for large power users and commercial customers meters.	Merafong local municipality. Service provider has been appointed. Awaiting Service Level Agreement (SLA) from Legal Directorate for signing with service provider.

Sub-programme: DISASTER MANAGEMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Safe, spatially integrated cities and communities with inclusive growth.	Disaster Management plans completed.	Number of disaster management plans completed.	Level 1 plan completed.	Level 2 disaster management plans not completed.	1 Master System Plan for an Integrated Disaster Risk Management Information System.	1 Master System Plan completed. Feedback received from CoGTA IT, all deliverables confirmed. Currently finalising the Close Out Report.	None.	N/A.
	Municipal Disaster Management centres supported to remain functional.	Number of municipalities supported to maintain functional Disaster Management Centres.	5 Municipal Disaster Management Centres supported to remain functional.	5 Municipal Disaster Management Centres supported to remain functional.	5 Municipal Disaster Management centres supported to remain functional.	5 Municipal Disaster Management centres supported to remain functional.	None.	N/A.

Sub-programme: FIRE AND RESCUE SERVICES

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities supported on fire and rescue services.	Number of municipalities supported on Fire Brigade Services.	1 Fire and rescue bylaw drafted.	4 Municipalities supported on fire brigade services (training and equipment).	4 Municipalities (Lesedi, West Rand, Emfuleni and Midvaal) supported on fire and rescue services.	All 4 municipalities were supported on fire and rescue services.	None.	N/A.

Linking performance with budgets

- The Development and Planning Programme was allocated a budget of R148 926 000 of which an amount of R148 762 000 was spent, amounting to 100% expenditure of the allocated budget.
- Urban Planning: fourteen (14) targets were planned in the 2022/23 APP. 79% (11) of the planned targets were achieved and 21% (3) was not achieved.

4.4 Programme 4: Development and Planning

Purpose: There must be a focus on the nature and quality of intergovernmental and stakeholder relations across spheres and sectors. The assumption is that if these structures and instruments are functional then matters of public interest and concern will be dealt with and that these engagements will lead towards the attainment of the impact statement.

Sub-programmes

- Back 2 Basics
- Intergovernmental Relations

4. Institutional programme **performance information** *continued*

Governance, Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-programme:								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/22**	**Planned Annual Target 2022/2023**	***Actual Achievement 2022/2023**	**Deviation from Planned Target to Actual Achievement 2022/2023**	**Reasons for Deviations**
Safe, spatially integrated cities and communities with inclusive growth.	Municipalities that are functional in terms of Back 2 Basics indicators.	Number of Reports on the implementation of Back 2 Basics support plans by municipalities.	4 Municipalities are functional in terms of Back 2 Basics indicators.	4 Reports on the implementation of Back 2 Basics support plans by municipalities.	4 Reports on the implementation of Back 2 Basics programme.	4 Reports on the implementation of Back 2 Basics programme.	None.	N/A.

Sub-programme: INTERGOVERNMENTAL RELATIONS (IGR)								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/22**	**Planned Annual Target 2022/2023**	***Actual Achievement 2022/2023**	**Deviation from Planned Target to Actual Achievement 2022/2023**	**Reasons for Deviations**
Safe, spatially integrated cities and communities with inclusive growth.	Statutory IGR Structures' functional in accordance with the IGR Framework.	Number of Statutory IGR Structures' functional in accordance with the IGR Framework.	1 Statutory IGR structure functional in accordance with the IGR Framework.	1 IGR structure was not functional in accordance with the IGR Framework due to meetings being cancelled when a quorum is not reached.	4 Statutory IGR Structures' functional in accordance with the IGR Framework.	4 Statutory IGR Structures' functional in accordance with the IGR Framework.	None.	N/A.
	Implementation of decisions taken at the IGR forums.	Percentage implementation of decisions taken at the IGR forums.	80% of decisions taken at the IGR forums implemented.	56,75% implementation of decisions taken at the IGR forums.	50% implementation of decisions taken at the IGR forums.	50% implementation of decisions taken at the IGR forums.	None.	N/A.
	Implementation of Memorandums of Understanding (MoU) Action Plans from sector departments.	Number of action plan reports submitted.	New Indicator.	New Indicator.	2 Action plan reports submitted.	2 Action plan reports submitted.	None.	N/A.

4.5 Programme 5: Traditional Institutional Management

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

Sub-programmes

- Traditional Leadership

4. Institutional programme **performance information** *continued*

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

Sub-programme: TRADITIONAL LEADERSHIP								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/21**	**Audited Actual Performance 2021/22**	**Planned Annual Target 2022/2023**	***Actual Achievement 2022/2023**	**Deviation from Planned Target to Actual Achievement 2022/2023**	**Reasons for Deviations**
Strengthened institution of Traditional Leadership.	2 Traditional Councils supported to perform their functions.	Number of Traditional Councils supported to perform their functions.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with legislative prescripts.	None.	N/A.
	100% of succession claims/disputes processed.	Percentage of Traditional Leadership succession claims/ disputes received and processed.	100% of succession claims/disputes processed.	100% of succession claims/disputes processed.	100% of succession claims/ disputes processed.	100% of succession claims/ disputes processed.	None.	N/A.
	Increased awareness of GBVF among traditional leadership communities.	Number of Anti-GBVF Interventions/ Campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	New indicator.	2 Anti-GBVF interventions/ Campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti GBVF Interventions/ Campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	Planning meeting for the anti-GBVF programme held.	2 Anti GBVF Interventions/ Campaigns for traditional leadership not held.	The logistics for the training were not finalised on time.

Linking performance with budgets

- The Traditional Institutional Development Programme was allocated the least budget during the reporting period. The allocation for the programme amounted to R20 348 000 of which R16 163 000 was spent, amounting to 79% of the total budget allocated. Traditional Leadership had three targets planned in the 2022/23 APP. All targets were achieved.

Sub-programme expenditure

	2021/2022			**2022/2023**		
Sub-programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under expenditure R'000	**Final Appropriation R'000**	**Actual Expenditure R'000**	**(Over)/ Under expenditure R'000**
Traditional Institution Admin	7 192	6 353	839	**11 820**	**10 155**	**1 665**
Traditional Resource Admin	6 537	5 583	954	**6 779**	**5 007**	**1 772**
Rural Development Facilitation	15	–	15	**–**	**–**	**–**
Traditional Land Admin	1 186	1 068	118	**1 749**	**1 001**	**748**
Total	14 930	13 004	1 926	**20 348**	**16 163**	**4 185**

Strategy to overcome areas of underperformance

Departments should provide strategies to address underperformance.

Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

All customised indicators were implemented.

5. Transfer payments

5.1. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 until 31 March 2023. Note that the municipalities still have the fourth quarter of their financial year to spend the funds. The municipal fourth quarter ends on 30 June 2023.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Merafong City LM	Municipality	Expanded Public Works Programme (EPWP)	Yes	500	106	–
Lesedi LM	Municipality	Expanded Public Works Programme (EPWP)	Yes	1 066	220	–
Mogale City LM	Municipality	Expanded Public Works Programme (EPWP)	Yes	540	69	–
West Rand District Municipality (WRDM)	Municipality	Functional Fire and Rescue Services	Yes	16 572	-	–
Midvaal LM	Municipality	Functional Fire and Rescue Services	Yes	7 800	228	–
Emfuleni LM	Municipality	Functional Fire and Rescue Services	Yes	7 800	–	–
Lesedi LM	Municipality	Functional Fire and Rescue Services	Yes	4 200	996	–
Sedibeng District Municipality	Municipality	Organisational structure design software	Yes	250	-	–
Merafong City LM	Municipality	Organisational structure design software	Yes	250	248	–

6. Conditional grants

6.1. Conditional grants and earmarked funds paid

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

Conditional Grant 1: Conditional grants paid (EPWP) for the period 1 April 2022 to 31 March 2023

Municipality to whom the grant has been transferred	Three municipalities (Lesedi, Mogale City and Merafong LMs)
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation opportunities in the communities
Actual outputs achieved	Job opportunities created
Amount per amended DORA	R2 106 000
Amount transferred (R'000)	R2 106 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/municipality (R'000)	R395 000
Reasons for the funds unspent by the entity	The municipalities still have the fourth quarter of their financial year to spend the funds. The municipal financial fourth quarter ends on 30 June 2023
Monitoring mechanism by the transferring department	N/A

6.2. Conditional grants and earmarked funds received

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

Conditional Grant received (EPWP) for the period 1 April 2022 to 31 March 2023

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation alleviation programme
Actual outputs achieved	Yes
Amount per amended DORA	R2 106 000
Amount received (R'000)	R2 106 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R2 106 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

7. Donor funds

7.1. Donor funds received

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

8. Capital investment

8.1. Capital investment, maintenance and asset management plan

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

9. Donor funds

No donor funds received.


STOP

PART C

Governance

1. Introduction

The Department is committed to continuously strengthening its abilities to implement a risk management framework and conform to good governance practice. We also continue to foster a positive risk culture based on the Departmental values set. The Department performs its function in compliance with the PFMA and the Treasury Regulations.

2. Risk management

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

Strategic and operational risk assessments are undertaken at least annually to satisfactorily identify new and emerging risks. Risk Reports or registers for each of the above-mentioned categories are in place and are monitored for progress regularly.

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

As part of Departmental strategic risk assessment, the following risks were identified for the 2022/23 financial year:

- Poor support for LED in municipalities.
- Inadequate support for municipal delivery of infrastructure projects.
- Fragmented planning across the province.
- Disruption of the administrative and political operations in hung municipalities.
- Business Disruption.
- Inadequate records management.
- Inability of the province to effectively respond to disasters.
- Inadequate support to assist municipalities in the reduction of UIF&W expenditure.
- Inadequate support to increase revenue collection in municipalities.
- Non-compliance with the PoPI Act.
- Inadequate community engagements.
- Over/underspending of the budget.

3. Fraud and corruption

With a focus on preventative measures, the Department conducted a fraud risk assessment and a Fraud Prevention Plan (FPP) was developed and approved. The plan was implemented throughout the year.

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

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

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

4. Minimising conflict of interest

Senior Management, Middle Management, Assistant Directors, Finance and Supply Chain Management officials are required to disclose their financial interest on an annual basis. All SMS members disclosed their financial interest during the year under review while 98% of the Assistant Directors managed to disclose on time. Furthermore, an audit is done quarterly by the Gauteng Audit Services to identify any areas of direct or potential conflict of interest. Recommendations from the internal audit report are implemented. Awareness campaigns on Remunerative Work outside public services were conducted to eliminate any direct or potential conflict of interest.

5. Code of conduct

The Department has established an Ethics Committee which is chaired by a member of the Executive Management Team. An awareness plan on ethics was developed by the ethics in collaboration with the Labour Relations unit. The plan was implemented throughout the year with a specific focus on the following:

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

The Department had one case of misconduct which was investigated and finalised during the year under review. The nature of the case was:

- Gross Insubordination.

6. Health safety and environmental issues

Challenges:

Non-compliance of the Department to certain Occupational Health and Safety (OHS) standards and lack of accessibility to the buildings for Persons with disabilities. Lack of occupancy certificate, structural engineering reports and other OHS-related compliance reports in 30 Simmonds and 11 Diagonal Street buildings.

Effects:

- Non-complaint buildings pose a serious threat to the health and safety of staff, e.g. contracting of occupational illnesses, sustaining occupational injury, property damage and fatalities may occur.
- Inability to fully implement the OHS programmes.
- Financial implication due to emergency response cost, medical and litigation costs.
- Time loss due to accident/incident investigation time.
- Absenteeism, presenteeism and reduced staff morale, therefore, affecting performance and productivity.

7. Portfolio committees

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
CoGTAQ4PSCOR002	**Quarter 1 of FY2022 /23**	The Leader of Government Business, the Office of the Premier and the Department of Co-operative Governance and Traditional Affairs and Human Settlement intervene on the system inefficiencies that underpin how provincial and local government handle petitions referred to them by this Committee and provide a progress report on the matter by 30 July 2022.	The Department notes that several inefficiencies exist in respect of the management system for petitions at the municipal level. This is evident from the poor responses from municipalities in respect of the rate at which registered petitions are closed. As a result, the Department hosted several petitions management sessions with municipalities. However, on account of budgetary constraints the department could not host these sessions in the 2021/22 financial year and no resources have been set aside to support municipalities in this area in the 2022/23 financial year.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Leader of Government Business provides the Committee with a report on the Status of Departmental compliance with the Petitions Management Section of the Standardised Oversight, Accountability and Reporting for Gauteng Province (SOAR-GP) reporting template in their Quarterly reports for the past 3 quarters as per the standing resolution on this matter. Factual reporting on this matter is vital. The report should include: What mechanisms can CoGTA put in place to ensure seamless reporting from local government? What mechanisms can the Leader of Government Business and the Office of the Premier put in place to ensure that all GPG departments complete this section factually and accurately? The report must be submitted by 30 July 2022.	The Department has not developed mechanisms to manage petitions seamlessly. However, the Department's new organisational structure proposes a dedicated capacity to manage petitions, which at present the Department does not have.	
CoGTAQ40R005		The Portfolio Committee views the expenditure of R111 999 000,00 (88%) against the allocation of R127 823 000,00 during the fourth quarter of FY2021/22 with contempt and once more encourage the Department to spend prudently. Furthermore, the Portfolio Committee has observed that once more underspending has become a trend in the Department, as this was the case in the Fourth Quarter of FY2020/21. The Portfolio Committee once more urges the Department to put proper systems in place to spend cautiously.	The Department notes the concerns of the Committee and assures the Committee that the Department has measures in place to avoid underspending in the future.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Department should ensure that the budget is properly aligned with the performance targets. The Department's spending during the quarter under review was at 88% whereas the performance targets were 76%.	Whereas, ideally, the performance target should be at the same level of progress as expenditure. In reality, some of the targets do not require funds, the opposite is also true not all funds are budgeted toward performance targets, and as such there will always be differences, The Department will do everything possible to keep such differences immaterial.	
		The Department should ensure that all senior management positions in the Department are filled. Vacantpositions in the Department derail the provision of service delivery to the citizens of Gauteng.	All vacant senior management positions in the department have since been advertised and the recruitment process is underway.	
		The Department should budget adequately for all the targets and not disadvantage learners with disabilities by not awarding them with bursaries as committed. Since the Department recorded an underspending of R15 824 000.00 in the quarter under review, the amount should have been redirected to fund the bursaries for the learners with disabilities.	The Department did request additional funds during the reporting period in question without success, the Department will continue with such devours, should the Department succeed, additional funds will be allocated to program such as bursaries of learners with disabilities.	
		The Department should consider undertaking one study per financial year on key local government policy, as there is a significant need of exploring local government dynamics and its complexity.	In line with the comment, the Department is considering the impact of its policy and research work. To this end, the Department will reconfigure its research studies to include one which explores critical policy options to be considered in the province.	
CoGTAQ10R004	**Quarter 2 of FY2022 /23**	As much as the Portfolio Committee is pleased with the performance of the Department, the Committee further encourages the Department to achieve all its planned targets in each quarter.	A catch-up plan will be developed for the unachieved target and the planned targets are being monitored monthly.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Department should ensure that all systems are efficient and effective so that payment of invoices is achieved within the stipulated time of 15 days.	The does all within its powers to ensure that payments of all undisputed invoices are processed within a targeted period of 15 days. However, in many cases, the delay is due to the postponement of payment runs owing to loadshedding.	
		The Department should ensure that the Local Governance Support Unit is adequately capacitated to be able to implement the GBVF response programme.	The Department has mobilised its resources to monitor the implementation of the GBVF response programme.	
		The Portfolio Committee will monitor progress of the implementation of Anti-GBVF Campaign for Traditional Council in Quarter 2 as per the Department's assertion.	The campaign was successfully implemented in Quarter 2.	
CoGTAQ1FIS0R006	**Quarter 2 of FY2022 /23**	The Department should allocate a sufficient budget for Goods and Services as this will assist women, youth, and people with disabilities who are pursuing business with the Department.	The Department does all within its endeavours to allocate budget for key provincial and national priorities. However, it must be noted that the total budget of the Department is very small and the ongoing top-slicing of the budgets in line with fiscal consolidation makes it relatively difficult to increase the budget across all programmes in the Department.	
		The Department should ensure that budget is allocated to assist military veterans in the remaining quarters of the FY2022/23 and beyond.	The Department does not serve the public directly, however, can only attempt to procure from military veterans in accordance with provincial priorities, however, the major challenge is identifying businesses belonging to military veterans. The latest question raised concerning who are military veterans is also not assisting the identification.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Department should encourage the CoJ to allocate and spend a sufficient budget for Youth Empowerment.	The Department through the Gauteng Youth War Room and the Local Government Youth Development Forum in line with National Youth Policy 2020 – 2030 is supporting and guiding municipalities in mainstreaming Youth in the IDPs. This is an ongoing process to ensure that Youth Focal Points/Managers are capacitated to coordinate and monitor Youth Programmes across municipal departments.	
		The Department should ensure that Municipalities recognises Youth with self-taught business skills and empower them to qualify for business opportunities.	The Department is supporting municipalities in the province by hosting Youth Engage Sessions to provide young people with empowerment opportunities (Entrepreneurial, Skills Development, Job Opportunities) which are available within the government and private sector.	
		The Department should ensure that there are regional workshops and training of SMMEs on regulations and registering of businesses.	**City of Ekurhuleni (CoE)** The Economic Development Department in the CoE through its CED division is responsible for ensuring business compliance throughout the CoE. As part of its intervention strategy the Department has implemented various community sessions in partnership with relevant stakeholders and Department of Small Business Department represented by SEDA to encourage communities to register their businesses. In FY2021/22 the following sessions were held: • The campaign kick-started in November 2021 till June 2022. • Four sessions were held in the first quarter. A total of 15 sessions were planned for quarters 3 and 4.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			The Department in collaboration with the Finance Department and Ward 40 Women's Forum planned a session for tendering and Business compliance. The session was held on Tuesday, 27 September 2022 at Leondale hall. **City of Tshwane** The CoT, through its Economic Development division, conducts business information workshops monthly in collaboration with other key stakeholders like the Companies and Intellectual Property Commission (CIPC). The business information workshops cover a wide range of areas, including training SMMEs on how to register businesses and compliance with different business regulations and municipal by-laws. **City of Johannesburg (CoJ)** The Department of Economic Development (DED) has programmes to support SMMEs. The programmes are rolled out throughout CoJ via the Opportunity Centres. The municipality has a basket of services provided to SMMEs from start-ups to idea generation, how to access the market, financial and non-financial support, etc.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Department should ensure that Municipalities provide access to Information to Communities to assist them in business knowledge and opportunities.	**City of Ekurhuleni (CoE)** The Economic Development Department in the (CoE) in partnership with its Provincial counterpart planned and implemented information sessions to inform the communities of the approved Township Economic Act. Various sessions were held in various townships spearheaded by MECs. Over and above that the business compliance sessions were also used to provide information on the TEDA and opportunities. **City of Tshwane (CoT)** The CoT conducts bi-monthly (twice per month) workshops to provide business-related information to entrepreneurs and aspirant entrepreneurs. The workshops are held in all CoT regions, and they are held in collaboration with other government stakeholders, namely, Small Enterprise Development Agency, Gauteng Enterprise Propeller, National Empowerment Fund, National Youth Development Agency, Productivity South Africa, South African Manufacturing Technology Demonstration Centre, National Consumer Commission, Gauteng Liquor Board, Gauteng DED, Department of Labour, South African Revenue Services and the Small Enterprise Finance Agency. **City of Johannesburg (CoJ)** The municipality has Opportunity Centres where information is provided. The location of the opportunity centres and a list of the services offered in the Opportunity Centres.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
CoGTAQ2OR006	**Quarter 3 of FY2022 /23**	The Department should support municipalities to put systems in place on monitoring the implementation of GBVF responsive programmes.	The Department is currently providing capacity building to municipalities (officials and ward committee members). Again, the Department will be employing GBVF Coordinators to support/ monitor municipalities on GBVF.	
		The Department should ensure that the SCM unit does not further delay the appointment of service providers to facilitate the NQF L3, L4 and L5 training on Accountability and Ethical Conduct for councillors and officials in municipalities.	Whereas the Department is doing everything possible to finalise the appointment. It should be noted that the delays were more due to non-response from prospective service providers than internal.	
		The Department should ensure that the three (3) Metros are financially viable and capacitated with technical skills through multi-disciplinary teams on engineering and town planning.	Capacitation of municipal technical staff can only be effective in a conducive environment. This environment should entail appropriately qualified technical people appointed to fill all critical posts, availability of systems (IT; stores and spares; functional call centres, fleet and operations budget including optimal supply chain process to enable operations). Legislative power lies with municipalities to create this environment and the Department has very little influence in this space.	
		The Department should provide the Portfolio Committee with a detailed report on the impact and progress made by revenue experts that have been appointed to municipalities that have been struggling with revenue collection and financial management.	See attached Annexure 1.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
CoGTAAOR005	**Quarter 3 of FY2022 /23**	The Department should in the next financial year, ensure the attainment of recruiting 50% women in SMSs positions as opposed to 35% attained in the financial year under review.	The Department currently employs 20 males at SMS level constituting 59%, following the departure of two male SMS members at the end of the third quarter; the Department appointed 2 new Directors (SL 13) in quarter 3 and in the same period, one female SMS member exited the Department. The Department is relying on natural attrition to change the gender profile at SMS level. The Department currently has six vacancies at SMS level including the vacant post of Head of Department. The recruitment processes for the above-referenced posts have commenced, the advertisements for the posts stated that "Female and people with disabilities candidates will be considered for appointment". The Department decided to fill all the vacant SMS posts with female candidates.	
		The Department should provide Merafong LM with all the necessary support to achieve the target of replacing 50 large power users and commercial customers with meters. The Portfolio Committee will monitor this target in the next financial year. The Department should provide the Portfolio Committee with stringent measures that will be put in place to support municipalities to be financially viable and stable. The Portfolio Committee views the inability of the Department to support municipalities to be financially viable with disregard since most municipalities are struggling with their capital expenditure (Capex).	The Department is finalising the procurement process for the implementation of the project for the next three years. Implementation will commence FY2023/24 financial year. The Department supported Municipalities to enable the implementation of Infrastructure programmes. This includes support on technical skills and assessing bulk infrastructure services needs to plan better for the delivery of programmes. However, the support is provided in a vacuum given the many unfilled technical positions in LMs. The rendering of the support is short-term in that there is no one to transfer skills to. The existing technical staff is overwhelmed by the workload.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Department should ensure that there are proper guidelines and regulations in municipalities that are governed by coalition and present such to the Portfolio Committee within the next three months.	A study is underway to formulate guidelines to support municipalities with coalition-type governments. In respect of regulations, depending on the outcome of the study, proposals will be escalated to DCoG to propose regulations to assist provinces where municipalities have coalition-type governments.	
		The Department should ensure municipalities are adequately supported in local economic development. The economic development activities, urban planning, infrastructure development and social development activities will improve the local government conditions.	See attached Annexure 1	
CoG/Q3PR/ 001	**Quarter 4 of FY2022 /23**	The Department should ensure that all ward committees in 11 municipalities of Gauteng are fully functional to ensure that communities are represented on local government issues. The Department should report on the progress of establishing fully functional ward committees in all municipalities to the Portfolio Committee quarterly.	All ward committees have been established and inducted in 10 municipalities. In Tshwane, ward committees have not been established. The policy was promulgated and gazetted. CoT experienced delays due to a protracted public and political consultation process planning is in progress – establishment envisaged by June pending SCM processes. CoGTA has also requested CoJ to assist CoT with the establishment because of best practices seen in the CoJ. In Rand West City, one ward is outstanding due to ongoing service dissatisfaction. CoGTA has been providing follow-up support, to ensure that this ward is established. The Department will report quarterly on the functionality of ward committees.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Department should provide the Portfolio Committee with reasons for not supporting municipalities effectively to be financially viable and also to provide stringent measures that will be put in place to ensure support for municipalities to be financially viable.	The Department's current support initiatives are not able to support municipalities effectively to be financially viable, because the Department is limited to the back-end support of the revenue value chain, through strengthening municipal processes and procedures to enable municipalities to collect to improve their revenue. For municipalities to be financially viable it needs other areas of the municipal Key Responsibility Areas (KRAs) to be effectively supported as well. This support should be coordinated across the Department and other sector Departments such as Gauteng Treasury and the DED. (Attached to this response is the executive summary of the achievements of the work undertaken by CoGTA on revenue and debtor management marked as "Annexure A"). In addition, the municipalities have a more significant and impactful role as the actual collection of the revenue is fully the responsibility of the municipality to execute through implementing their credit control mechanisms. Furthermore, the bigger challenge facing Gauteng municipalities and preventing them from being financially viable is the current state of the economy. The revenue base of municipalities has declined significantly since the onslaught of the COVID-19 pandemic.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			During the pandemic, Gauteng municipalities lost approximately R13 billion due to the numerous periods of lockdowns. Numerous companies that closed during this period did not reopen which meant a loss of revenue from these businesses for municipalities. In addition, there were significant related job losses, which further mean that while the customers are accessing services, they are not able to pay for them. The current Eskom loadshedding practice is leading to further challenges for businesses and to significant job losses, which also lead to a further decline in municipal revenue generation. The challenge of the economy will prevent municipalities to be financially viable until it is addressed. Stringent measures that CoGTA can implement are to ensure that it strengthens the other areas of support along the value chains through coordinating, facilitating, and leveraging resources from various national and provincial sector departments and relevant agencies. CoGTA on its own cannot resolve the financial viability question without a multi-disciplinary and multi-dimensional approach for the more complex problems, those being to: • Ensure there is institutional stability in municipalities. • Ensure governance viability, with municipalities being the lead.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			• Strengthen the capacity of the revenue units of municipalities. • Work towards community viability and accountability: work with municipal councils on payment campaigns, combatting theft and illegal connections. • Improve the municipal billing infrastructure such as meters. • Develop and implement the Gauteng Energy Strategy to deal with Eskom loadshedding; and • Work with the DED on strengthening the local economy. • Develop Financial Viability assessments and strategies to inform Municipal IDP plans and Turnaround plans.	
		The Department should ensure that there is legislation and regulation in place in hung municipalities to guarantee consistency and stability.	A recently completed research study on the impact of coalition governments in the municipalities of the Gauteng province, intends to ascertain legal instruments that can be used to enhance stability in coalition-type governments in Gauteng. This research study also identifies legislative gaps that may exist. The Department is currently interrogating the findings and recommendations to find plausible mechanisms to enhance stability in coalition governments This may include legislative amendments.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		The Department should ensure that there is adequate support for municipal service delivery on infrastructure projects.	The support provided currently is adequate. However, the municipal internal challenges such as a lack of systems, requisite technical skills and an overall enabling environment for existing staff make it difficult for significant improvement in performance on infrastructure programmes. The Department has initiatives that are aimed at supporting the fast-tracking of implementation of Infrastructure programmes within municipalities. These include at a provincial level what we call the Provincial Capex War Room and the War Room on Fast-Tracking Infrastructure Programmes, which are constituted by Municipalities and Sector Departments to consider performance on the infrastructure grants. This structure convenes bi-monthly and is tasked with, among other activities, the following: • Joint assessment of project readiness status across spheres towards improved project life cycle with a focus on feasibility studies, specialist technical studies, technical project business plans, etc. • Track project implementation status and expenditure patterns on O&M, New Infrastructure, Upgrades and Refurbishment.	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			• Spatial referencing of projects linked to SDFs, IDPs, Built Environment Performance Plans and Service Delivery and Budget Implementation Plans, and impact on job creation through infrastructure development programmes. • Identify critical skills need and facilitate, where possible Municipal Hands-On Support Programme, aimed at capacitating municipalities. • Institutionalise team Gauteng approach to improving Capex spend through planning and delivery of integrated services infrastructure. As part of seeking solutions to improve infrastructure grant expenditure we have identified that part of the problem lies in the planning stages of infrastructure programmes. Preparing the foundation for successful implementation is the key to improved performance. In light of this state, the Department provides Technical Support to municipalities in particular to strengthen capacity in the built environment departments looking with the intention to: • Support municipalities in the preparation of Project Business Plans for securing necessary infrastructure funds and the development of Capex Frameworks.	

7. Portfolio **committees** *continued*

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			• Support municipalities in managing Infrastructure Life Cycle (covering Pre-feasibility and Feasibility Studies, Design and Development, Implementation, Operations and Maintenance). • Support the review development and implementation of Infrastructure Asset Management and sector master plans. • Implementation of SPLUMA and IUDF imperatives. The establishment and/or maintenance of an Infrastructure Asset Management Systems and the implementation of IMQS software.	

8. Standing Committee on **Public Accounts (SCOPA) Resolutions**

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

9. Prior modifications to **audit reports**

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
N/A		

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Phumla Mzizi	• BCom Honours in Transport Economics • CA (SA) • BCompt Honours • BBusSci Finance Honours	External		1 September 2018	Current	
Collen Weapond	• BCom Honours Information Technology • Mtech Forensic Investigations • LLB • BTech Policing • B.Iuris • Diploma in Business Management • Diploma in Compliance Management • Diploma in Education	External		8 November 2017	Current	
Khulekelwe Masaccha Mbonambi	• Bachelor of Accounting. • Bachelor of Commerce Honours Accounting	External		1 August 2022	Current	

10. Internal **control unit**

Discuss the work performed by internal control unit during the year.

11. Internal audit and **audit committees** *continued*

Provide a brief description of the following:

- Key activities and objectives of the internal audit.
- Specify summary of audit work done.
- Key activities and objectives of the Audit Committee.
- Attendance of Audit Committee meetings by Audit Committee members (tabular form).

Legend and definitions

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

Department of co-operative governance and traditional affairs

Item	2022/2023
Number of Audit Reports	**14**
Number of Significant Audit Findings	**56**
Percentage of 1 and 2 Opinion Ratings	**71%**
Percentage of 3 and 4 Opinion Ratings	**29%**

Control environment at COGTA – conclusion based on the above

Internal audit completed 14 audits, during the financial year 2022/23, with 56 significant findings raised.

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

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

Incident and Disaster Management

Leave Management

Follow up on Asset Management

Public Participation and Stakeholder Relations

Supply Chain Management

Follow-up on AG Significant Findings

Audit of the performance of the department against predetermined objectives

#	COGTA Internal Audit Activities 2022/2023 Number of reports = 14 Significant Findings = 56 1 and 2 Opinion Ratings = 71% 3 and 4 Opinion Ratings = 29%	Total Findings	High risk Findings	Q1	Q2	Q3	Q4
	RISK AND COMPLIANCE AUDIT						
1	Incident and Disaster Management	6	6				
2	Leave Management	10	9				
3	Follow up on Asset Managemet	4	4				
4	Public Participation and Stakeholder Relations	4	3				
5	Supply Chain Management	14	14				
6	Follow-up on AG Significant Findings	7	7				
	PERFORMANCE AUDIT						
7	Review of Annual Performance Report	0	0				
8	Audit of the performance of the department against predetermined objectives	7	7				
9	Review of Annual Performance Plan	0	0				
	IT AUDIT						
10	SAP ESS & PERSAL leave reconciliation	0	0				
11	Project governance review	4	3				
12	Data analysis – ETHICS / SCM / HR / FIN (1 Jan 2022 – 30 June 2022)	2	2				
13	2023-24 IT risk assessment	0	0				
14	Data analysis - ETHICS / SCM / HR / FIN (1 July 2022 – 31 December 2022)	1	1				
	Totals as at 31 March 2023	59	56				

11. Internal audit and **audit committees** *continued*

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Phumla Mzizi	• BCom Honours in Transport Economics • CA (SA) • BCompt Honours • BBusSci Finance Honours	External		1 September 2018	Current	
Collen Weapond	• BCom Honours Information Technology • Mtech Forensic Investigations • LLB • BTech Policing • B.Iuris • Diploma in Business Management • Diploma in Compliance Management • Diploma in Education	External		8 November 2017	Current	
Khulekelwe Masaccha Mbonambi	• Bachelor of Accounting. • Bachelor of Commerce Honours Accounting	External		1 August 2022	Current	

12. Audit committee **report**

Gauteng Provincial Government (GPG)

Report of the Audit Committee – Cluster 05

Gauteng Department of Cooperative Governance and Traditional Affairs

We are pleased to present our report for the financial year ended 31 March 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 in line with the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), Five (5) meetings were held during the current financial year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa (AGSA) Audit and Management Reports.

Non-Executive Members

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

Name of Member	Number of Meetings attended
Adv. Collen Weapond (Chairperson)	04
Ms. Pumla Mzizi	04
Ms. Masaccha Mbonambi	04
Mr. Stanley Ngobeni*	01

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

Executive Members

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

Compulsory Attendees	Number of Meetings attended
Dr Darion Barclay (Accounting Officer)	03
Ms. Itumeleng Mokale (Acting Accounting Officer)	01
Mr Khululekile Mase (Acting Accounting Officer	01
Mr. Japhter Makhafola (Chief Financial Officer)	05
Ms. Mamafolo Namanyane (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	04

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

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

Audit Committee Responsibility

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

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

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

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

- Incident and Disaster Management
- Leave Management
- Follow up on Asset Management
- Public Participation and Stakeholder Relations
- Supply Chain Management
- Follow-up on AG Significant Findings, and
- Audit of the performance of the department against predetermined objectives

Internal Audit

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

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

It was noted that a Quality Assurance Review (external assessment) was performed by an external independent reviewer and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing. The Audit Committee continuously monitor the implementation of the Quality Assurance Improvement Program to ensure continued conformance with the Standards.

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

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

- Incident and Disaster Management
- Leave Management
- Follow up on Asset Management
- Public Participation and Stakeholder Relations
- Supply Chain Management
- Follow-up on AG Significant Findings
- Review of Annual Performance Report
- Audit of the performance of the department against predetermined objectives
- Review of Annual Performance Plan
- SAP ESS & PERSAL leave reconciliation.
- Project governance review
- Data analysis – ETHICS / SCM / HR / FIN
- 2023-24 IT risk assessment.

12. Audit committee **report** *continued*

Risk Management

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

Forensic Investigations

There were no new cases reported to Provincial Forensic Service during the period under review. The Audit Committee commends management for implementing all recommendations as contained in the Forensic Investigation reports.

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

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

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

Evaluation of Annual Financial Statements

The Audit Committee has:

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

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

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

One-on-One Meeting with the Accounting Officer

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

One-on-One Meetings with the Executive Authority

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

Auditor-General of South Africa

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

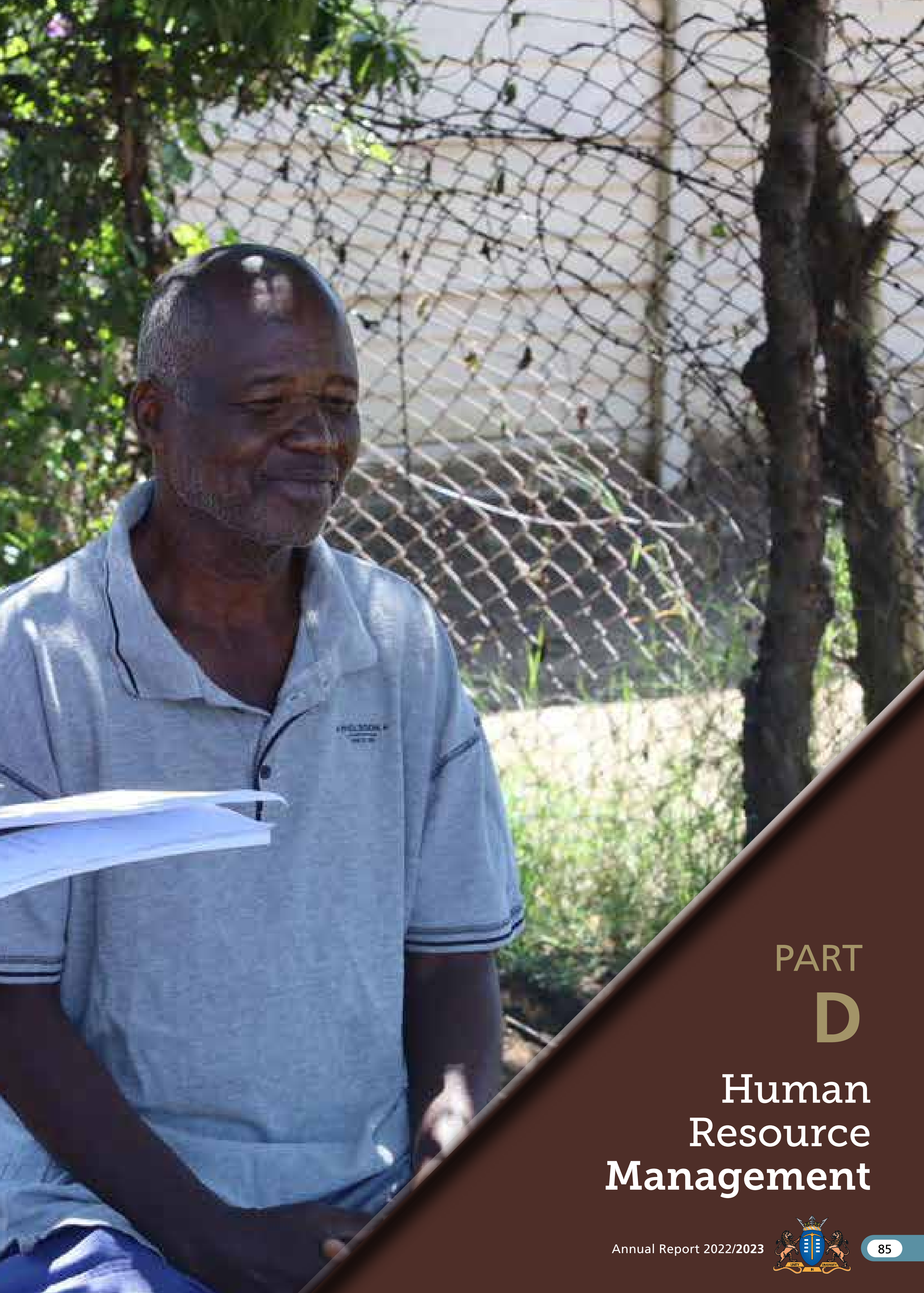
Adv, Johannes Collen Weapond
Cluster 05 AC Chairperson
Date: 03 August 2023

13. B-BBEE compliance **performance information**

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

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following?

Criteria	Response Yes/No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	NO	The department will appoint a verification agency to assist with the B-BBEE certificate level.
Developing and implementing a preferential procurement policy?	YES	The preferential and procurement policy has been included in the Supply Chain Management Policy of the Department.
Determining qualification criteria for the sale of state-owned enterprises?	NO	N/A
Developing criteria for entering into partnerships with the private sector?	NO	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of broad-based black economic empowerment?	NO	N/A



PART D

Human Resource Management

1. Introduction

The strategic objective of Human Resources is to implement effective human resource management to make certain that sufficient skilled resources are in place and that performance is monitored.

2. Overview of **human resources**

2.1 The status of human resources in the department

During the reporting period, the department had a vacancy rate of which is above the national average vacancy rate of 10%. The vacancy rate increased from the previous financial year. The critical advertised post of Head of Department has been filled with effect from February 2023.

The Department has continued in the year under review to manage its operations and staff utilising the hybrid model of physical and remote working arrangements.

Although the model is still requiring a certain level of organisational maturity to set in and the line managers to be more enterprising in how work outputs are delivered, managed and reported, the performance of the Department continues to be in the +70% range.

The requirement and adaptation to working under the new normal have been enabled by the Department providing most of its employees with the requisite work tools such as laptops and cellular phones.

2.2 The Human Resource priorities for the year under review and the impact of these

HR Planning Priorities	Impact
Organisational Structure Review	• The developed organisational structure is designed to deliver on the mandate of the Department. • The continuous reconfiguration/revision of the organisational structure has impacted the Department's ability to have in place an approved organisational structure that is fit for purpose.
Training and development – workplace skills plans	• The Department continuously provides bursaries to all the applicants and the funding provided does not restrict the field of study preferred by the applicant/recipient. • Training and development initiatives focused on developing and of the Department's core competencies. • The implementation of the identified training programmes served to fulfil and ascertain progress /improvement in performance.
Employment Equity Plan	• Annual submission to the Department of Labour. • Continual changing of the Departmental employees' profile and the challenges of people with disabilities and obtaining 50/50% parity at SMS level notwithstanding. • Compliance with the Employment Equity Act – the Department has in place an approved Employment Equity Policy and Employment Equity Plan.
Conducive and safe working environment	• The Department not having an office building has meant that line management has had to manage employees remotely. However, reasonable progress is being made, as the Department has performed at 70%+ range in the past three financial years.
Repositioning of Human Capital Management as a solution-orientated business partner	• Meaningful contribution to the holistic development of the human capital of the Department.

2.2.1 Achievements

The Department is successfully investing in its employees by providing bursaries for employees to pursue their studies in various fields of study and these are not limited to the priority development areas of the Department, without placing any limitations on the chosen fields of study. The Department is offering bursary package which is fully inclusive of the tuition fees and books. The study leave of the Department generously provides and accommodates for the different types of study requirements at different NQF levels.

In the post-COVID-19 era, the Department has continued with increasing success to recruit, utilising the dual approach of managing the physical and virtual recruitment meetings.

2.2.2 Challenges:

Since the termination of the transversal employee health and wellness service in 2021, the Department has had to source with great difficulty, a service provider as an interim arrangement, while the procurement for the transversal project is underway.

The advent of COVID-19 regulation necessitates that training continues to be provided virtually, which more often than not lends itself to assessing the impact of the training.

The Department is not reaching one hundred percent compliance among officials on salary levels 1 – 12 when it comes to the signing of performance agreements within the prescribed timeframes.

The line managers and employees do not comply with the leave policy provisions pertaining to the management and administration of annual leave among other leave types.

Failure to fill the vacant posts timeously at the various stages of the recruitment value chain, as the Department adopted a hybrid approach to conducting shortlisting and interviews. The interviews are carried out either physically or virtually, depending on various factors taken into consideration for the respective posts.

3. Human resources **oversight statistics**

3.1 Personnel-related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, it indicates the following:

- The amount spent on personnel.
- The amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 to 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	159 708,00	91 346,00	0,00	0,00	57,20	567,00
Development and planning	148 762,00	55 178,00	0,00	0,00	37,10	756,00
Local governance	265 178,00	188 661,00	0,00	0,00	71,10	452,00
Traditional institutional development	16 163,00	10 198,00	0,00	0,00	63,10	637,00
Total as on Financial Systems (BAS)	**589 811,00**	**345 382,00**	**0,00**	**0,00**	**58,60**	**518,00**

3. Human resources **oversight statistics** *continued*

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1 – 2)	1 514,00	0,40	8	189 250,00
Skilled (levels 3 – 5)	7 879,00	2,30	28	281 393,00
Highly skilled production (levels 6 – 8)	173 639,00	49,80	420	413 426,00
Highly skilled supervision (levels 9 – 12)	98 824,00	28,30	131	754 382,00
Senior and Top management (levels 13 – 16)	44 395,00	12,70	32	1 387 344,00
Total	**326 251**	**99,6**	**619**	**605 159**

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

	Salaries		Overtime		Home Owners Allowance		Medical Aid	
Programme	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	1 903,00	84,10	0,00	0,00	0,00	0,00	48,00	2,10
Development and planning	12 288,00	85,90	0,00	0,00	195,00	1,40	475,00	3,30
GRD: Cooperative Governance	30 139,00	85,10	0,00	0,00	675,00	1,90	1 059,00	3,00
Integrated development and service	11 900,00	80,30	166,00	1,10	425,00	2,90	830,00	5,60
Integrated development and service delivery 0506	14 238,00	84,00	0,00	0,00	282,00	1,70	474,00	2,80
Local governance	130 567,00	78,90	8,00	0,00	6 228,00	3,80	12 334,00	7,40
Pr1 administration	75 071,00	84,10	113,00	0,10	2 726,00	3,10	3 792,00	4,20
Traditional institutional management (Pr4)	9 000,00	86,80	2,00	0,00	101,00	1,00	278,00	2,70
Total	**285 108,00**	**81,70**	**290,00**	**0,10**	**10 633,00**	**3,00**	**19 290,00**	**5,50**

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

	Salaries		Overtime		Home Owners Allowance		Medical Aid	
Programme	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 1 – 2)	1 040	68,70	0,00	0,00	112,00	7,40	250,00	16,50
Skilled (levels 3 – 5)	5 906	74,50	28,00	0,40	447,00	5,60	679,00	8,60
Highly skilled production (levels 6 – 8)	134 466	77,40	214,00	0,10	7 262,	4,20	15 075	8,70
Highly skilled supervision (levels 9 – 12	84 469,00	84,30	47,00	0,00	1 682,00	1,70	2 923,00	2,90
Senior management (levels 13 – 16)	39 232,00	87,90	0,00	0,00	851,00	1,90	311,00	0,70
Total	**1 040**	**68,70**	**0,00**	**0,00**	**112,00**	**7,40**	**250,00**	**16,50**

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 in the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

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

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration, permanent	1,00	1,00	0,00	0,00
Development and planning, permanent	23,00	18,00	21,70	0,00
GRD: Cooperative Governance, permanent	51,00	41,00	19,60	0,00
Integrated development and service delivery, permanent	26,00	23,00	11,50	0,00
Integrated development and service delivery 0506, permanent	20,00	20,00	0,00	0,00
Local governance, permanent	431,00	379,00	12,10	0,00
Pr1 administration, permanent	158,00	140,00	11,40	0,00
Traditional institutional management (pr4), permanent	15,00	11,00	26,70	0,00
Total	**725,00**	**633,00**	**12,70**	**0,00**

3. Human resources **oversight statistics** *continued*

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
Lower skilled (1 – 2)	8,00	8,00	0,00	0,00
Skilled (3 – 5)	34,00	28,00	17,60	0,00
Highly skilled production (6 – 8)	479,00	420,00	12,30	0,00
Highly skilled supervision (9 – 12)	149,00	131,00	12,10	0,00
Senior management (13 – 16)	41,00	32,00	22,00	0,00
Total	**8,00**	**8,00**	**0,00**	**0,00**

Table 3.2.3 Employment and vacancies by critical occupations 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
Administrative-related, permanent	99,00	87,00	12,10	0,00
Architects, town and traffic planners, permanent	11,00	7,00	36,40	0,00
Bus and heavy vehicle drivers, permanent	3,00	3,00	0,00	0,00
Civil engineering technicians, permanent	2,00	1,00	50,00	0,00
Cleaners in offices workshops hospitals, etc., permanent	4,00	3,00	25,00	0,00
Client information clerks (switchboard reception information clerks), permanent	2,00	2,00	0,00	0,00
Communication and information-related, permanent	3,00	3,00	0,00	0,00
CDWs, permanent	363,00	318,00	12,40	0,00
Computer programmers., permanent	1,00	0,00	100,00	0,00
Computer system designers and analysts., permanent	2,00	2,00	0,00	0,00
Engineering sciences-related, permanent	3,00	3,00	0,00	0,00
Engineers and related professionals, permanent	5,00	5,00	0,00	0,00
Finance and economics-related, permanent	7,00	6,00	14,30	0,00
Financial and related professionals, permanent	10,00	9,00	10,00	0,00
Financial clerks and credit controllers, permanent	8,00	7,00	12,50	0,00
Food services aids and waiters, permanent	1,00	1,00	0,00	0,00
Head of department/chief executive officer, permanent	3,00	3,00	0,00	0,00
Human resources and organisational development and related professionals, permanent	9,00	9,00	0,00	0,00
Human resources clerks, permanent	24,00	23,00	4,20	0,00
Human resources-related, permanent	13,00	12,00	7,70	0,00
Language practitioners, interpreters and other communication, permanent	6,00	6,00	0,00	0,00
Legal-related, permanent	1,00	1,00	0,00	0,00
Library mail and related clerks, permanent	5,00	3,00	40,00	0,00

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Logistical support personnel, permanent	2,00	2,00	0,00	0,00
Material-recording and transport clerks, permanent	3,00	3,00	0,00	0,00
Messengers porters and deliverers, permanent	8,00	7,00	12,50	0,00
Other administration and related clerks and organisers, permanent	13,00	9,00	30,80	0,00
Other administrative policy and related officers, permanent	22,00	20,00	9,10	0,00
Other information technology personnel, permanent	1,00	1,00	0,00	0,00
Other occupations, permanent	8,00	8,00	0,00	0,00
Secretaries and other keyboard operating clerks, permanent	39,00	35,00	10,30	0,00
Security officers, permanent	5,00	5,00	0,00	0,00
Senior managers, permanent	38,00	28,00	26,30	0,00
Social work and related professionals, permanent	1,00	1,00	0,00	0,00
Total	**725,00**	**633,00**	**12,70**	**0,00**

Notes:

- The CORE classification, as prescribed by the DPSA, should be used for the completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation:
  (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria.
  (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction.
  (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature.
  (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

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

Table 3.3.1 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%	0,00	0%
Salary Level 16	–	–	–	–	–
Salary Level 15	2	2	100%	0,00	0%
Salary Level 14	8	7	87,5%	1	1,14%
Salary Level 13	23	21	17,4%	4	17,4%
Total	**34**	**31**		**5**	

3. Human resources **oversight statistics** *continued*

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	0	0	1	100%
Salary Level 16	–	–	–	–	–
Salary Level 15	2	2	100%	0,00	0%
Salary Level 14	8	8	100%	0,00	0%
Salary Level 13					
Total					

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

	Advertising	Filling of Posts	
SMS level	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General/Head of Department	–	–	–
Salary Level 16	–	–	–
Salary Level 15	–	–	–
Salary Level 14	1	0,00	0,00
Salary Level 13	4	0,00	0,00
Total	**5**	**0,00**	**0,00**

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

Reasons for vacancies not advertised within six months
• Vacancies have all been advertised within six months of becoming vacant.

Reasons for vacancies not filled within 12 months
• Recruitment life cycle; the strategic decision by the Department to recruit female candidates into the currently vacant SMS posts.

Notes

- In terms of Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed time frames.

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 to 31 March 2023

Reasons for vacancies not advertised within six months
• None.

Reasons for vacancies not filled within six months
• Recruitment life cycle; the strategic decision by the Department to recruit female candidates into the currently vacant SMS posts.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Number of posts on approve 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)	8	0,00	0,00	0,00	0,00	0,00	0,00
Skilled (levels 3 – 5)	34	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (levels 6 – 8)	479	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (levels 9 – 12)	149	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service (SMS) Band A	27	0,00	0,00	0,00	0,00	0,00	0,00
SMS Band B	8	0,00	0,00	0,00	0,00	0,00	0,00
SMS Band C	5	0,00	0,00	0,00	0,00	0,00	0,00
SMS Band D	1	0,00	0,00	0,00	0,00	0,00	0,00
Total	**725**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

The following table provides a summary of the number of employees whose positions were upgraded due to their posts 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 upgraded posts could also be vacant.

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

Gender	African	Asian	Coloured	White	Total
Female	0,00	0,00	0,00	0,00	0,00
Male	0,00	0,00	0,00	0,00	0,00
Total	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Employees with a disability	0,00	0,00	0,00	0,00	0,00

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.

3. Human resources **oversight statistics** *continued*

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	0,00	–	–	–
Total number of employees whose salaries exceeded the level determined by job evaluation				–
Percentage of total employed				–

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of employees whose salaries exceeded the grades determine by job evaluation.	None

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates indicate 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 to 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)	7,00	1,00	0,00	0,00
Skilled (levels 3 – 5)	27,00	4,00	2,00	7,40
Highly skilled production (levels 6 – 8)	437,00	3,00	20,00	4,60
Highly skilled supervision (levels 9 – 12)	128,00	6,00	7,00	5,50
SMS Bands A	21,00	1,00	1,00	4,80
SMS Bands B	7,00	0,00	0,00	0,00
SMS Bands C	4,00	0,00	0,00	0,00
SMS Bands D	1,00	1,00	0,00	0,00
10 Contract (levels 1 – 2), permanent	0,00	1,00	0,00	0,00
11 Contract (levels 3 – 5), permanent	2,00	1,00	2,00	100,00
12 Contract (levels 6 – 8), permanent	3,00	1,00	2,00	66,70
13 Contract (levels 9 – 12), permanent	8,00	6,00	8,00	100,00
14 Contract Band A, permanent	1,00	1,00	1,00	100,00
15 Contract Band B, permanent	0,00	1,00	0,00	0,00
17 Contract Band D, permanent	0,00	1,00	0,00	0,00
TOTAL	**646,00**	**28,00**	**43,00**	**6,70**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 to 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
Administrative-related, permanent	87,00	12,00	13,00	14,90
Architects town and traffic planners, permanent	7,00	0,00	0,00	0,00
Bus and heavy vehicle drivers, permanent	3,00	0,00	0,00	0,00
Civil engineering technicians, permanent	1,00	0,00	0,00	0,00
Cleaners in offices workshops hospitals, etc. permanent	3,00	0,00	0,00	0,00
Client inform clerks(switchboard reception information clerks), permanent	2,00	0,00	0,00	0,00
Communication and information-related, permanent	2,00	0,00	0,00	0,00
CDWs, permanent	334,00	0,00	17,00	5,10
Computer system designers and analysts, permanent	2,00	0,00	0,00	0,00
Engineering sciences-related, permanent	2,00	0,00	0,00	0,00
Engineers and related professionals, permanent	5,00	0,00	0,00	0,00
Finance and economics-related, permanent	4,00	0,00	0,00	0,00
Financial and related professionals, permanent	9,00	0,00	0,00	0,00
Financial clerks and credit controllers, permanent	7,00	0,00	0,00	0,00
Food services aids and waiters, permanent	0,00	1,00	0,00	0,00
Head of department/chief executive officer, permanent	2,00	1,00	0,00	0,00
Human resources and organisational development and related professionals, permanent	10,00	0,00	2,00	20,00
Human resources clerks, permanent	23,00	1,00	1,00	4,30
Human resources-related, permanent	12,00	0,00	0,00	0,00
Language practitioners, interpreters and other communication, permanent	5,00	1,00	0,00	0,00
Legal-related, permanent	1,00	0,00	0,00	0,00
Library mail and related clerks, permanent	4,00	1,00	1,00	25,00
Logistical support personnel, permanent	3,00	0,00	0,00	0,00
Material-recording and transport clerks, permanent	3,00	0,00	0,00	0,00
Messengers, porters and deliverers, permanent	7,00	0,00	0,00	0,00
Other administrative and related clerks and organisers, permanent	11,00	0,00	3,00	27,30
Other administrative policy and related officers, permanent	21,00	0,00	1,00	4,80
Other information technology personnel, permanent	2,00	0,00	0,00	0,00
Other occupations, permanent	10,00	1,00	2,00	20,00
Secretaries and other keyboard operating clerks, permanent	31,00	4,00	0,00	0,00
Security guards, permanent	1,00	0,00	1,00	100,00
Security officers, permanent	2,00	3,00	0,00	0,00
Senior managers, permanent	29,00	3,00	2,00	6,90
Social work and related professionals, permanent	1,00	0,00	0,00	0,00
Total	**646,00**	**28,00**	**43,00**	**6,70**

3. Human resources **oversight statistics** *continued*

Notes

- The CORE classification, as prescribed by the DPSA, should be used for the completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria.
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction.
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature.
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2022 to 31 March 2023

Termination Type	Number	% of Total Resignations
Death	4	9,3
Resignation	14	32,6
Expiry of contract	11	25,6
Dismissal – operational changes	0,00	0,00
Dismissal – misconduct	0,00	0,00
Dismissal – inefficiency	0,00	0,00
Discharged due to ill-health	2	4,7
Retirement	12	27,9
Transfer to other public service departments	0,00	0,00
Other	–	–
Total	**43**	**100**
Total number of employees who left as a % of total employment	**6,8**	**–**

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 to 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
Administrative-related	87	3	3,4	1	1,10
Architects, town and traffic planners	7	0,00	0,00	0,00	0,00
Bus and heavy vehicle drivers	3	0,00	0,00	0,00	0,00
Civil engineering technicians	1	0,00	0,00	0,00	0,00
Cleaners in offices, workshops, hospitals, etc.	3	0,00	0,00	0,00	0,00
Client information clerks (switchboard reception information clerks)	2	0,00	0,00	0,00	0,00
Communication and information-related	2	1,00	50,00	0,00	0,00
CDWs	334	0,00	0,00	0,00	0,00
Computer system designers and analysts	2	0,00	0,00	0,00	0,00
Engineering sciences-related	2	0,00	0,00	0,00	0,00
Engineers and related professionals	5	0,00	0,00	0,00	0,00
Finance and economics-related	4	2	50,00	1,00	25
Financial and related professionals	9	0,00	0,00	0,00	0,00
Financial clerks and credit controllers	7	0,00	0,00	0,00	0,00
Head of department/chief executive officer	2	0,00	0,00	0,00	0,00
Human resources and organisational development and related professionals	10	1	10	0,00	0,00
Human resources clerks	23	0,00	0,00	0,00	0,00
Human resources-related	12	0,00	0,00	1	8,3
Language practitioners, interpreters and other communication	5	0,00	0,00	0,00	0,00
Legal-related	1	0,00	0,00	0,00	0,00
Library, mail and related clerks	4	0,00	0,00	0,00	0,00
Logistical support personnel	3	0,00	0,00	0,00	0,00
Material-recording and transport clerks	3	0,00	0,00	0,00	0,00
Messengers, porters and deliverers	7	0,00	0,00	0,00	0,00
Other administrative and related clerks and organisers	11	1	9,1	0,00	0,00
Other administrative policy and related officers	21	0,00	0,00	0,00	0,00
Other information technology personnel.	2	0,00	0,00	0,00	0,00
Other occupations	10	0,00	0,00	0,00	0,00
Secretaries and other keyboard operating clerks	31	2,00	6,50	0,00	0,00
Security guards	1	0,00	0,00	0,00	0,00
Security officers	2	0,00	0,00	0,00	0,00
Senior managers	29	1,00	3,40	18,00	62,10
Social work and related professionals	1	0,00	0,00	0,00	0,00
Total	**646,00**	**11,00**	**1,70**	**21,00**	**3,30**

3. Human resources **oversight statistics** *continued*

Table 3.5.5 Promotions by salary band for the period 1 April 2022 to 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					
Lower skilled (levels 1 – 2)	7,00	0,00	0,00	0,00	0,00
Skilled (levels 3 – 5)	27,00	0,00	0,00	0,00	0,00
Highly skilled production (levels 6 – 8)	437,00	3,00	0,70	0,00	0,00
Highly skilled supervision (levels 9 – 12)	128,00	6,00	4,70	0,00	0,00
05 Senior Management (levels >= 13), Permanent	33,00	2,00	6,10	21,00	63,60
11 Contract (levels 3 – 5), Permanent	2,00	0,00	0,00	0,00	0,00
12 Contract (levels 6 – 8), Permanent	3,00	0,00	0,00	0,00	0,00
13 Contract (levels 9 – 12), Permanent	8,00	0,00	0,00	0,00	0,00
14 Contract (levels >= 13), Permanent	1,00	0,00	0,00	0,00	0,00

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

	Male				Female				
Occupational category	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
01 Top Management, permanent	3,00	1,00	0,00	4,00	0,00	1,00	0,00	0,00	1,00
02 Senior Management, permanent	13,00	1,00	1,00	15,00	0,00	11,00	1,00	0,00	12,00
03 Professionally qualified and experienced specialists and mid-management, permanent	62,00	1,00	1,00	64,00	1,00	56,00	3,00	2,00	61,00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	153,00	2,00	0,00	155,00	3,00	243,00	12,00	3,00	258,00
05 Semi-skilled and discretionary decision-making, permanent	17,00	0,00	0,00	17,00	0,00	10,00	1,00	0,00	11,00
06 Unskilled and defined decision-making, permanent	4,00	0,00	0,00	4,00	0,00	4,00	0,00	0,00	4,00

	Male				Female				
Occupational category	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
08 Contract (Top Management), permanent	0,00	1,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00
09 Contract (Senior Management), permanent	2,00	0,00	0,00	2,00	0,00	0,00	0,00	0,00	0,00
10 Contract (Professionally Qualified), permanent	3,00	0,00	0,00	3,00	0,00	2,00	1,00	0,00	3,00
11 Contract (Skilled Technical), permanent	1,00	0,00	0,00	1,00	0,00	2,00	0,00	0,00	2,00
12 Contract (Semi-skilled), permanent	1,00	0,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00
13 Contract (Unskilled), permanent	0,00	0,00	0,00	0,00	0,00	1,00	0,00	0,00	1,00
TOTAL	**259,00**	**6,00**	**2,00**	**267,00**	**4,00**	**330,00**	**18,00**	**5,00**	**353,00**
Employees with disabilities	**8,00**	**0,00**	**0,00**	**8,00**	**0,00**	**8,00**	**0,00**	**0,00**	**8,00**

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

	Male				Female				
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	3	1,00	0,00	4,00	0,00	1,00	0,00	0,00	1
Senior Management	13	1,00	1,00	15,00	0,00	11,00	1,00	0,00	12
Professionally qualified and experienced specialists and mid-management	62	1,00	1,00	64,00	1,00	56,00	3,00	2,00	61
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	153	2,00	0,00	155,00	3,00	243,00	12,00	3,00	258
Semi-skilled and discretionary decision-making	17	0,00	0,00	17,00	0,00	10,00	1,00	0,00	11
Unskilled and defined decision-making	4	0,00	0,00	4,00	0,00	4,00	0,00	0,00	4
08 Contract (Top Management), psermanent	0,00	1,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00
09 Contract (Senior Management), permanent	2	0,00	0,00	2,00	0,00	0,00	0,00	0,00	0,00

3. Human resources **oversight statistics** *continued*

	Male				Female				
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
10 Contract (Professionally Qualified), permanent	3	0,00	0,00	3,00	0,00	2,00	1,00	0,00	3
11 Contract (Skilled Technical), permanent	1	0,00	0,00	1,00	0,00	2,00	0,00	0,00	2
12 Contract (Semi-skilled), permanent	1	0,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00
13 Contract (Unskilled), permanent	0,00	0,00	0,00	0,00	0,00	1,00	0,00	0,00	1
TOTAL	**259**	**6**	**2**	**267**	**4**	**330**	**18**	**5**	**353**

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

	Male				Female				
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	1	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1
Senior Management	0,00	0,00	0,00	0,00	0,00	1	0,00	0,00	1
Professionally qualified and experienced specialists and mid-management	2	0,00	0,00	2	0,00	4	0,00	0,00	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0,00	0,00	1	0,00	2	0,00	0,00	4
Semi-skilled and discretionary decision-making	2	0,00	0,00	2	0,00	2	0,00	0,00	6
Unskilled and defined decision-making	1	0,00	0,00	1	0,00	0,00	0,00	0,00	2
Total	**6**	**0,00**	**0,00**	**6**	**0,00**	**9**	**0,00**	**0,00**	**24**
Employees with disabilities	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

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	–	–	–	–	–	–	–	–	–
Senior Management	–	–	–	–	–	–	–	–	–
Professionally qualified and experienced specialists and mid-management	12	1	1	–	0,00	8	1	0,00	23
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0,00	0,00	–	0,00	3,00	0,00	0,00	3
Semi-skilled and discretionary decision-making	1	0,00	0,00	–	0,00	2	0,00	0,00	3
Unskilled and defined decision-making	–	–	–	–	–	–	–	–	0,00
Total	**16**	**1**	**1**	**–**	**0,00**	**13**	**1**	**0,00**	**29**
Employees with disabilities	**8**	**0**	**0**	**0**	**8**	**0**	**0**	**0**	**16**

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	0,00	0,00	0,00	0,00	1	0,00	0,00	0,00	1
Senior Management	2	0,00	0,00	0,00	4	1	0,00	0,00	7
Professionally qualified and experienced specialists and mid-management	8	0,00	0,00	0,00	12	0,00	0,00	0,00	20
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2
Semi-skilled and discretionary decision-making	1	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1
Unskilled and defined decision-making	4	0,00	0,00	0,00	4	0,00	0,00	0,00	8
Total	**1,**	**0,00**	**0,00**	**0,00**	**1**	**0,00**	**0,00**	**0,00**	**2**
Employees with Disabilities	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

3. Human resources **oversight statistics** *continued*

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

	Male				Female				
Disciplinary action	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Gross insubordination	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**

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

	Male				Female				
Occupational category	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	1	0	0	0	5	0	0	0	5
Professionals	12	0	0	0	2	1	1	0	16
Technicians and associate professionals	6	0	0	0	9	1	0	1	17
Clerks	3	0	0	0	33	3	0	0	39
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	0	0	0	0	0
Total	**26**	**0**	**0**	**0**	**49**	**5**	**1**	**1**	**82**
Employees with disabilities	**1**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**3**

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 2023

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

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2023.

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

Reasons
• Not applicable.

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
• Not applicable.

Notes

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

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 to 31 March 2023

	Beneficiary profile			Cost	
Race and gender	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	135,00	322,00	41,90	562,45	4 166,00
Male	96,00	251,00	38,20	427,79	4 456,00
Female	2,00	5,00	40,00	10,55	5 275,00
Asian	0,00	2,00	0,00	0,00	0,00
Male	7,00	18,00	38,90	42,92	6 131,00
Female	0,00	6,00	0,00	0,00	0,00
Coloured	144,00	345,00	41,70	615,92	4 277,00
Male	96,00	259,00	37,10	427,79	4 456,00
Female	6,00	9,00	66,70	19,61	3 268,00
White	2,00	4,00	50,00	8,05	4 026,00
Male	5,00	16,00	31,30	16,62	3 324,00
Female	253,00	633,00	40,00	1 088,00	4 300,00
Total	**135,00**	**322,00**	**41,90**	**562,45**	**4 166,00**

3. Human resources **oversight statistics** *continued*

Table 3.8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary profile: Number of beneficiaries	Beneficiary profile: Number of employees	Beneficiary profile: % of total within salary bands	Cost: Total cost (R'000)	Cost: Average cost per employee	Total cost as a % of the total personnel expenditure
Lower Skilled (levels 1 – 2)	6,00	8,00	75,00	3,23	539,00	6,00
Skilled (level 3 – 5)	13,00	28,00	46,40	83,94	6 457,00	13,00
Highly skilled production (level 6 – 8)	174,00	420,00	41,40	666,96	3 833,00	174,00
Highly skilled supervision (level 9 – 12)	59,00	131,00	45,00	319,95	5 423,00	59,00
Total	**0,00**	**1,00**	**0,00**	**0,00**	**0,00**	**0,00**

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary profile: Number of beneficiaries	Beneficiary profile: Number of employees	Beneficiary profile: % of total within occupation	Cost: Total cost (R'000)	Cost: Average cost per employee
Financial clerks and credit controllers	3,00	7,00	42,90	35,44	11 813,00
Human resources clerks	11,00	23,00	47,80	53,17	4 834,00
Security officers	1,00	5,00	20,00	0,84	843,00
Human resources and organisational development and related professionals	3,00	9,00	33,30	7,20	2 399,00
Messengers, porters and deliverers	4,00	7,00	57,10	5,78	1 445,00
Logistical support personnel	2,00	2,00	100,00	26,99	13 496,00
Finance and economics-related	3,00	6,00	50,00	28,09	9 364,00
Other administrative and related clerks and organisers	5,00	9,00	55,60	33,61	6 723,00
Other occupations	7,00	8,00	87,50	35,46	5 066,00
Legal-related	1,00	1,00	100,00	4,56	4 563,00
Financial and related professionals	8,00	9,00	88,90	39,83	4 979,00
Architects, town and traffic planners	5,00	7,00	71,40	16,39	3 278,00
Administrative-related	34,00	87,00	39,10	130,79	3 847,00
Communication and information-related	2,00	3,00	66,70	5,44	2 718,00

	Beneficiary profile			Cost	
Critical occupation	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Secretaries and other keyboard operating clerks	15,00	35,00	42,90	69,84	4 656,00
Cleaners in offices, workshops, hospitals, etc.	3,00	3,00	100,00	1,62	539,00
Library, mail and related clerks	1,00	3,00	33,30	5,83	5 826,00
Human resources-related	4,00	12,00	33,30	17,45	4 362,00
Head of department/chief executive officer	0,00	3,00	0,00	0,00	0,00
Language practitioners, interpreters and other communication	4,00	6,00	66,70	6,96	1 740,00
Social work and related professionals	1,00	1,00	100,00	1,23	1 228,00
Civil engineering technicians	0,00	1,00	0,00	0,00	0,00
Material-recording and transport clerks	3,00	3,00	100,00	17,65	5 883,00
Other administrative, policy and related officers	16,00	20,00	80,00	66,30	4 144,00
Bus and heavy vehicle drivers	3,00	3,00	100,00	13,19	4 397,00
Senior managers	0,00	28,00	0,00	0,00	0,00
Client information clerks (switchboard, reception, information clerks)	1,00	2,00	50,00	1,84	1 838,00
Computer system designers and analysts	1,00	2,00	50,00	1,76	1 758,00
Engineers and related professionals	2,00	5,00	40,00	8,95	4 476,00
Other information technology personnel	0,00	1,00	0,00	0,00	0,00
Engineering sciences-related	1,00	3,00	33,30	3,99	3 988,00
Food services aids and waiters	0,00	1,00	0,00	0,00	0,00
CDWs	109,00	318,00	34,30	447,78	4 108,00
Total	**253,00**	**633,00**	**40,00**	**1 088,00**	**4 300,00**

Notes

- The CORE classification, as prescribed by the DPSA, should be used for the completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

  (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria.

  (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction.

  (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature.

  (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3. Human resources **oversight statistics** *continued*

Table 3.8.4 Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2022 to 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	0,00	21,00	0,00	0,00	0,00	0,00
Band B	0,00	8,00	0,00	0,00	0,00	0,00
Band C	0,00	4,00	0,00	0,00	0,00	0,00
Band D	0,00	2,00	0,00	0,00	0,00	0,00
Total	**0,00**	**35,00**	**0,00**	**0,00**	**0,00**	**0,00**

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 to 31 March 2023

	01 April 2022		31 March 2023		Change	
Salary band	Number	% of total	Number	% of total	Number	% Change
Lower skilled	–	–	–	–	–	–
Highly skilled production (levels 6 – 8)	–	–	–	–	–	–
Highly skilled supervision (levels 9 – 12)	1,00	100,00	1,00	100,00	0,00	0,00
Contract (levels 9 – 12)	–	–	–	–	–	–
Contract (levels 13 – 16)	–	–	–	–	–	–
Total	**100,00**	**1,00**	**100,00**	**0,00**	**0,00**	**1,00**

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

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	1	100	1	100	0,00	0,00
Professionals and managers	0,00	0,00	0,00	0,00	0,00	0,00
Total	**1**	**100**	**1**	**100**	**0,00**	**0,00**

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables indicate 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)
Highly skilled production (levels 6 – 8)	1 142	88,40	111	63,8	10	1 641,00
Highly skilled supervision (levels 9 – 12)	297	71,00	45	25,9	7	790,00
Senior management (levels 13 – 16)	130	91,50	13	7,5	10	573,00
Skilled (levels 3 – 5)	30	76,70	5	2,9	6	28,00
Total	**1 599**	**85,20**	**174**	**100**	**9**	**3 032,00**

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 sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1 – 2)	0,00	0,00	0,00	0,00	0,00	0,00
Skilled (levels 3 – 5)	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (levels 6 – 8)	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (levels 9 – 12)	0,00	0,00	0,00	0,00	0,00	0,00
Senior management (levels 13 – 16)	0,00	0,00	0,00	0,00	0,00	0,00
Total	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

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 from being paid at the time of termination of service.

3. Human resources **oversight statistics** *continued*

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
Lower skilled (levels 1 – 2)	125	16	8
Skilled (levels 3 – 5)	377	13	28
Highly skilled production (levels 6 – 8)	9 283	21	448
Highly skilled supervision (levels 9 – 12)	2 721	20	135
Senior management (levels 13 – 16)	714	21	34
Total	**3 435**	**91**	**131**

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 2023
Lower skilled (levels 1 – 2)	0,00	0,00	0,00	0,00
Skilled levels 3 – 5)	0,00	0,00	24	0,00
Highly skilled production (levels 6 – 8)	0,00	0,00	14	0,00
Highly skilled supervision (levels 9 – 12)	0,00	0,00	12	0,00
Senior management (levels 13 – 16)	0,00	0,00	54	0,00
Total	**0,00**	**0,00**	**20,8**	**0,00**

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

Table 3.10.5 Leave payouts for the period 1 April 2022 to 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	436	9	48 444
Capped leave payouts on termination of service for 2022/23	471	4	117 750
Current leave payout on termination of service for 2022/23	486	16	30 375
Total	1 394	26	

3.11 HIV/AIDS and 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 and related diseases (if any)	Key steps taken to reduce the risk
Community development workers due to the nature of their work in the field.	Wellness days inclusive of HIV counselling and testing (HCT) are coordinated. Counselling and support services are provided by the Wellness unit and the Zinakekele Wellness Programme. Other interventions are provided as per the Directorates' needs.

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 VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Director: Human Capital Management
2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		The Employee Health and Wellness Programme (EHWP) consists of 4 employees with a budget of R1 136 156,84.
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 EHWP is guided by four Pillars. The following services are provided 1) HIV/AIDS Management, which focuses on HIV prevention, 2) Health and Productivity Management, which includes employees on long-term incapacity leave, 3) Wellness Management that includes counselling and health promotion, 4) SHERQ, which includes OHS within the workplace.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the Committee and the stakeholder(s) that they represent.	x		The Department has the following committees in place: OHS Committee, and Wellness and Peer Educators Committee. The Committee consists of the following members: Mr S Ratau (16.2 and Director: Facilities Management) Ms.C Steenkamp (EHWP), Mr. V Tonga (EHWP), Ms P Tibini (EHWP), Ms M Molewa (OHS Officer), Ms I Mchalla (Policy and Research), Ms J Johannes (Finance), Mr C Nkuna (HCM), Ms P Vilakazi (Municipal Finance), Ms A Rautenbach (Facilities), Ms L Kesten (Facilities), Mr D Mahlangu (Facilities), Ms C Tlala (Disaster Management), Ms B Lisa (Disaster Management), Ms M Mashaba (Facilities), M. A Sehoole (Risk Management), Ms N Monama (Municipal Finance Support), Ms I Sehunoe (IT), Mr S Ngcobo (Risk Management), Mr N Tshobeka (Facilities), Mr P Komane (Cooperative Governance), Mr T Maimela (Knowledge and Information Management), Mr A Ndaba (HCM), Mr P Ndaba (Facilities), Mr D Lentswane (HCM), Ms D Kirsten (HCM), Ms I Maluleke (HCM), Ms S Witbooi (CDWP), Ms L Maluleke (Infrastructure Support), Ms T Lande (CDWP), Mr L Khauoe (CDWP), Mr L Tsoku (CDWP).

3. Human resources **oversight statistics** *continued*

Question	Yes	No	Details, if yes
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		The Department has an HIV and AIDS Management Policy, however, the Department is also guided by both national policies and internal policies such as the Basic Conditions of Employment Act and the internal Recruitment Policy.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.	x		The Department is guided by the above-mentioned policies to prevent discrimination. The wellness programme promotes a healthy lifestyle for all employees including those who are HIV positive. Those who have tested positive during a Wellness Day event are provided with counselling and referred by the nurse to a clinic or doctor for treatment and care.
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	x		Quarterly HIV counselling and testing is provided to all staff. Employees are encouraged to know their status for better management of HIV and AIDS and TB.
8. Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Health and utilisation reports from the respective service providers, e.g. GEMS and the Zinakekele Wellness Programme, quarterly reports compiled by the Wellness unit, attendance registers of Wellness Days and seminars.

3.12 Labour Relations

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

Subject matter	Date
PSCBC Resolution 2 of 2023 – Wage Negotiations	**31 March 2023**

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	**None**

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

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling		
Verbal warning		
Written warning		
Final written warning	1	100%
Suspended without pay		
Fine		
Demotion		
Dismissal		
Not guilty		
Case withdrawn		
Total	**1**	**100%**

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of disciplinary hearings finalised	**1**

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
Gross Insubordination	**1**	**100%**
Total	**1**	**100%**

Table 3.12.4 Grievances lodged for the period 1 April 2022 to 31 March 2023

Grievances	Number	% of total
Number of grievances resolved	9	35%
Number of grievances not resolved	17	65%
Total number of grievances lodged	**26**	**100%**

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

Disputes	Number	% of total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	**0**	**0%**

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

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

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

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

3. Human resources **oversight statistics** *continued*

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 to 31 March 2023

			Training needs identified at start of the reporting period			
Occupational category	Gender	Number of employees as at 1 April 2022	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Professionals	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Technicians and associate professionals	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Clerks	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Service and sales workers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Skilled agriculture and fishery workers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Craft and related trades workers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Plant and machinery operators and assemblers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Elementary occupations	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Sub Total	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Total		**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

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

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period: Learnerships	Skills programmes and other short courses	Other forms of training (PDP)	Total
Legislators, senior officials and managers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Professionals	Female	0,00	0,00	0,00	3	0,00
	Male	0,00	0,00	7	4	0,00
Technicians and associate professionals	Female	0,00	0,00	12	3	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Clerks	Female	0,00	0,00	17	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Service and sales workers	Female	0,00	0,00	15	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Skilled agriculture and fishery workers	Female	0,00	0,00	8	0,00	0,00
	Male	0,00	0,00	6	0,00	0,00
Craft and related trades workers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Plant and machinery operators and assemblers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Elementary occupations	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Sub Total	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Total		**0,00**	**0,00**	**65**	**10**	**0,00**

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 to 31 March 2023

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

3.15 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the Department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

(a) The rendering of expert advice.

(b) The drafting of proposals for the execution of specific tasks.

(c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

3. Human resources **oversight statistics** *continued*

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
–	–	–	–
–	–	–	–

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
–	–	–	–
–	–	–	–

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2022 to 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
–	–	–	–

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

Project title	Total number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
–	–	–	–

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
–	–	–	–

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of HDIs for the period 1 April 2022 to 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
–	–	–	–

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2022 to 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)	–	–	–	–
Skilled (levels 3 – 5)	–	–	–	–
Highly skilled production (levels 6 – 8)	–	–	–	–
Highly skilled supervision (levels 9 – 12)	–	–	–	–
Senior management (levels 13 – 16)	–	–	–	–
Total	**0,00**	**0,00**	**0,00**	**0,00**


OLDMUTUAL

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 R'000	2021/2022 R'000
Opening balance	**5 940**	5 726
Prior period errors	**198**	
As Restated	**6 138**	
Add: Irregular expenditure confirmed	**538**	214
Less: Irregular expenditure condoned	**(879)**	0
Less: Irregular expenditure not condoned and removed	**0**	0
Less: Irregular expenditure recoverable	**0**	0
Less: Irregular expenditure not recovered and written off	**0**	0
Closing balance	**5 797**	5 940

N/A

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure that was under assessment in 2022/23	**0**	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	**0**	0
Irregular expenditure for the current year	**538**	214
Total	**538**	214

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

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure under assessment	**0**	0
Irregular expenditure under determination	**5 797**	5 940
Irregular expenditure under investigation	**0**	0
Total	**5 797**	5 940

Irregular expenditure incurred during the period under review relates to R42 000 for procurement of staff and R496 000 for foreign travel of officials respectively where procurement processes were not followed.

(c) Details of current and previous year's irregular expenditure condoned

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure condoned	**879**	0
Total	**879**	0

N/A

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

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure NOT condoned and removed	**0**	0
Total	**0**	0

N/A

(e) Details of current and previous year's irregular expenditure recovered

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure recovered	**0**	0
Total	**0**	0

N/A

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

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure written off	**0**	0
Total	**0**	0

N/A

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	2022/2023 R'000	2021/2022 R'000
N/A	**0**	0
Total	**0**	0

N/A

(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 R'000	2021/2022 R'000
N/A	**0**	0
Total	**0**	0

N/A

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

Disciplinary steps taken
N/A

Include discussion here where deemed relevant.

1. Irregular, fruitless and wasteful, unauthorised expenditure and material losses *continued*

1.2 Fruitless and wasteful expenditure

(a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	**0**	137
Add: Fruitless and wasteful expenditure confirmed	**0**	0
Less: Fruitless and wasteful expenditure written off	**0**	(137)
Less: Fruitless and wasteful expenditure recoverable	**0**	0
Closing balance	**0**	0

Include discussion here where deemed relevant.

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	**0**	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	**0**	0
Fruitless and wasteful expenditure for the current year	**0**	0
Total	**0**	0

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

Description[2]	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure under assessment	**0**	0
Fruitless and wasteful expenditure under determination	**0**	0
Fruitless and wasteful expenditure under investigation	**0**	0
Total[3]	**0**	0

N/A

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

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure recovered	**0**	0
Total	**0**	0

N/A

Notes:

2. *Group similar items.*
3. *Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation).*

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

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

N/A

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

Disciplinary steps taken
N/A
Total

N/A

1.3 Unauthorised expenditure

(a) Reconciliation of unauthorised expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable	0	0
Less: unauthorised not recovered and written off[4]	0	0
Closing balance	0	0

N/A

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Unauthorised expenditure that was under assessment in 2022/23	0	0
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0

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

Description[5]	2022/2023 R'000	2021/2022 R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total[6]	0	0

Notes:

4. *This amount may only be written off against available savings.*
5. *Group similar items.*
6. *Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation).*

1. Irregular, fruitless and wasteful, unauthorised expenditure and material losses *continued*

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

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

Material losses through criminal conduct	2022/2023 R'000	2021/2022 R'000
Theft	**0**	137
Other material losses	**0**	0
Less: recovered	**0**	(137)
Less: not recovered and written off	**0**	0
Total	**0**	0

N/A

(b) Details of other material losses

Nature of other material losses	2022/2023 R'000	2021/2022 R'000
N/A	**0**	137
Total	**0**	0

N/A

(c) Other material losses recovered

Nature of losses	2022/2023 R'000	2021/2022 R'000
N/A		
Total	**0**	0

N/A

(d) Other material losses written off

Nature of losses	2022/2023 R'000	2021/2022 R'000
(Group major categories, but list material items)		
Total	**0**	0

N/A

2. Late and/or non-payment of suppliers

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	1 025	203 841
Invoices paid within 30 days or agreed period	1 025	203 841
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0
N/A		

3. Supply Chain Management (SCM)

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Trip to Poland	Hotel and Tourism Investment(Aerocity Travel)	Deviation	4251047854	R495
Hydronet early warning system	South African Weather Services	Deviation	RFQ15/2023	R1000
Certificate course on community development leadership	University of Johannesburg	Deviation	4251055568	R484
Total				

3.2. Contract variations and expansions

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

PART F

Financial Information

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

Report on the audit of the financial statements

For the year ended 31 March 2023

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Co-operative Governance and Traditional Affairs set out on pages 134 to 184, 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 Gauteng Department of Co-operative Governance and Traditional Affairs as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury, the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act (Act No. 1 of 2021) (Dora).

Basis for opinion

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

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

Material underspending of the budget

7. As disclosed in the appropriation statement, the department has materially underspent the budget by R5,5 million on programme 1: Administration, R11,3 million on programme 2: Local Governance, R0,2 million on programme 3: Development and planning and R4,2 million on programme 4: Traditional Institutional Management.

Other matters

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

Unaudited irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular, fruitless, and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note [] to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Gauteng Department of Co-operative Governance and Traditional Affairs. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the Gauteng Department of Co-operative Governance and Traditional Affairs. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedules

10. The supplementary information set out on pages 185 to 192 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

12. 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

13. 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.

14. 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

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2 – Local Governance	36	The sustained performance on B2B pillar serves as an indicator as to whether the Municipalities are functional and ethical which will further illustrate whether there is effective service delivery. In terms of the B2B pillars, municipalities that achieve a minimum of 80% satisfaction levels in stakeholder survey will further reflect functionality and sustainability.
Programme 3 - Development and Planning	47	The outcome spatially integrated cities and transformed communities in the Gauteng Province, is critical to achieving this outcome. Spatial integration is important in an unequal country such as South Africa. Cities and communities need to be integrated and sustainable and this is also aligned to the localization of the Sustainable Development Goals across the Gauteng City Region. There is a need to drive Integrated Development Planning (IDP) processes in line with the Gauteng Spatial Development Framework hence this outcome indicator is of relevance.

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

Report on the audit of the financial statements *continued*

For the year ended 31 March 2023

18. 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 can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as 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.
19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
20. I did not identify any material findings on the reported performance information of programme 2 – Local Governance and Programme 3 - Development and Planning of selected subject matters.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

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

Material misstatements

23. I identified material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information of Programme 2 – Local Governance. Management subsequently corrected the misstatement, and I did not include any material finding in this report.

Report on compliance with legislation

24. 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.
25. 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.
26. 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.
27. I did not identify any material non-compliance with the selected legislative requirements.

General Information
Performance Information
Governance
Human Resource Management
PFMA Compliance Report
Financial Information

Other information in the annual report

28. The accounting officer is responsible for the other information. 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 that have been specifically reported on in this auditor's report.

29. 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.

30. 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.

31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

32. 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.

33. I did not identify any significant deficiencies in internal control.

Auditor General

Johannesburg
31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

Report on the audit of the financial statements *continued*

For the year ended 31 March 2023

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 38(1)(b); 38(1)(c)(ii); Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); Sections 40(1)(a) and (b); 40(1)(c)(i); Sections 43(4); 44; 45(b); 57(b)
Treasury regulations (TR)	TR 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); TR 5.3.1; 6.3.1(a) – (d); 6.4.1(b) TR 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; TR 10.1.1(a); 10.1.2; TR 12.5.1; 15.10.1.2(c); TR 16A3.2 (fairness); 16A3.2(a); 16A6.1; TR 16A6.2(a) and (b); 16A6.3(a) – (c);16A6.3(a)(i); TR 16A6.3(e) TR 16A6.4; 16A6.5; 16A6.6; 16A7.1 TR 16A8.3; 16A8.4; TR 16A9.1;16A9.1(d)–(f); 16A9.2(a)(ii); TR 17.1.1; 18.2; 19.8.4
Annual Division of Revenue Act (DoRA)	Sections 11(6)(a);12(5) Sections 16(1);16(3) / 16(3)(a)(i)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2.1(a),(b) and (f)
Preferential Procurement regulations (PPR), 2011	Regulation 8.2 Regulation 9.1
Preferential Procurement regulations (PPR), 2017 under functionality	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulation 6.8; Regulation 7.8; Regulations 8.2; 8.5; 9.1; 10.1; 10.2; 11.1
Preferential Procurement regulations (PPR), 2022	Regulation 4.4
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 4A of 2016/17	Par 6
NT SCM Instruction Note 07 of 2017/18	Par 4.3
NT SCM Instruction Note 05 of 2020/21	Par 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 2020/21	Par 1; 2
Second Amendment to NT SCM Instruction Note 05 of 2020/21	Par 1
NT Instruction Note 11 of 2020/21	Par 3.1; 3.4(b); 3.9
PFMA Instruction Note 01 of 2021-22	Par. 4.1
NT SCM Instruction Note 02 of 2021/22	Par 3.2.1; 3.2.4;3.2.4(b); 3.3.1
PFMA SCM Instruction Note 03 of 2021/22	Par 4.1; 4.2 (b);4.3;4.4;
PFMA instruction note no.3 of 2021/22	Par. 4.2 (b)
Public Service regulations (PSR), 2016	PSR 25(1)(e)(i) and (iii) PSR 18(1) (2)
Practice Note 5 of 2009/10 par. 3.3	Par. 3.3
PRECCA 34(1)	
SBD 6.2 issued in 2015/16	

Annual Financial Statements for Co-Operative Governance and **Traditional Affairs**

For the year ended

31 March 2023

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Appropriation per programme

For the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
PROGRAMME									
1. Administration	163 198	–	1 854	165 052	159 591	5 461	96,7%	156 792	153 552
2. Local Governance	289 310	–	(12 847)	276 463	265 178	11 285	95,9%	292 494	281 994
3. Development and Planning	137 933	–	10 993	148 926	148 762	164	99,9%	127 856	127 702
4. Traditional Institutional Management	20 348	–	–	20 348	16 163	4 185	79,4%	14 930	13 004
Subtotal[1]	**610 789**	–	–	**610 789**	**589 694**	**21 095**	**96,5%**	592 072	576 252
Statutory Appropriation									
President and Deputy President salary									
Members' remuneration									
Debt service costs									
Provincial equitable share									
General fuel levy sharing with metropolitan municipalities									
Judges' and magistrates' salaries									
TOTAL	**610 789**	–	–	**610 789**	**589 694**	**21 095**	**96,5%**	592 072	576 252

Appropriation per programme *continued*

For the year ended 31 March 2023

	2022/23		2021/22	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	256		4 380	
PRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	**611 045**		596 452	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		**589 694**		576 252

Appropriation per programme *continued*

For the year ended 31 March 2023

Appropriation per economic classification

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	**581 243**	**(3 865)**	**(10 867)**	**566 511**	**545 419**	**21 092**	**96,3%**	553 205	537 493
Compensation of employees	**380 488**	**(3 505)**	**(10 867)**	**366 116**	**345 265**	**20 851**	**94,3%**	360 649	345 143
Salaries and wages	**325 376**	**(2 259)**	**(10 867)**	**312 250**	**296 319**	**15 931**	**94,9%**	309 928	296 781
Social contributions	**55 112**	**(1 246)**	**–**	**53 866**	**48 946**	**4 920**	**90,9%**	50 721	48 362
Goods and services	**200 755**	**(360)**	**–**	**200 395**	**200 154**	**241**	**99,9%**	192 556	192 350
Administrative fees	**45**	**46**	**–**	**91**	**90**	**1**	**98,9%**	58	50
Advertising	**27 307**	**(6 556)**	**(126)**	**20 625**	**20 621**	**4**	**100,0%**	38 872	38 864
Minor assets	**163**	**(160)**	**–**	**3**	**2**	**1**	**66,7%**	22	21
Audit costs: External	**4 300**	**(188)**	**–**	**4 112**	**4 111**	**1**	**100,0%**	3 581	3 581
Bursaries: Employees	**3 091**	**(927)**	**–**	**2 164**	**2 165**	**(1)**	**100,0%**	721	720
Catering: Departmental activities	**962**	**788**	**–**	**1 750**	**1 745**	**5**	**99,7%**	1 297	1 267
Communication	**17 202**	**(761)**	**–**	**16 441**	**16 439**	**2**	**100,0%**	18 207	18 206
Computer services	**10 712**	**2 431**	**–**	**13 143**	**13 138**	**5**	**100,0%**	5 465	5 464
Consultants: Business and advisory services	**25 182**	**(1 737)**	**–**	**23 445**	**23 442**	**3**	**100,0%**	22 085	22 051
Legal services	**3 971**	**(429)**	**–**	**3 542**	**3 541**	**1**	**100,0%**	822	822
Contractors	**2 250**	**902**	**–**	**3 152**	**3 151**	**1**	**100,0%**	1 297	1 295
Agency and support/outsourced services	**56 814**	**(3 220)**	**(667)**	**52 927**	**52 924**	**3**	**100,0%**	51 252	51 240
Fleet services	**9 533**	**4 552**	**–**	**14 085**	**14 084**	**1**	**100,0%**	10 404	10 399
Housing	**–**			**–**				–	
Inventory: Other supplies	**–**								
Consumable supplies	**4 978**	**7 149**	**–**	**12 127**	**12 123**	**4**	**100,0%**	3 497	3 493
Consumable: Stationery, printing and office supplies	**1 867**	**(445)**	**–**	**1 422**	**1 419**	**3**	**99,8%**	1 607	1 604

Appropriation per programme *continued*

For the year ended 31 March 2023

Appropriation per economic classification

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Operating leases	913	(186)	–	727	726	1	99,9%	68	68
Property payments	8 562	2 427	–	10 989	12 839	(1 850)	116,8%	9 977	9 968
Travel and subsistence	4 552	(23)	–	4 529	4 450	79	98,3%	1 810	1 799
Training and development	10 059	(4 570)	(300)	5 189	5 175	14	99,7%	5 054	5 050
Operating payments	4 786	(840)	1 851	5 797	3 944	1 853	68,0%	14 762	14 759
Venues and facilities	3 111	1 387	(758)	3 740	4 025	(285)	107,6%	1 668	1 600
Rental and hiring	395	–	–	395	–	395	–	30	29
Transfers and subsidies	26 633	3 843	10 867	41 343	41 342	1	100,0%	27 311	27 273
Provinces and municipalities	24 606	3 505	10 867	38 978	38 978	–	100,0%	25 037	25 037
Provinces									
Municipalities	24 606	3 505	10 867	38 978	38 978	–	100,0%	25 037	25 037
Municipal bank accounts	24 606	3 505	10 867	38 978	38 978	–	100,0%	25 037	25 037
Households	2 027	338	–	2 365	2 364	1	100,0%	2 274	2 236
Social benefits	2 027	338	–	2 365	2 364	1	100,0%	2 274	2 236
Payments for capital assets	2 692	5	–	2 697	2 695	2	99,9%	11 511	11 441
Machinery and equipment	2 692	5	–	2 697	2 695	2	99,9%	11 511	11 441
Transport equipment						–	–		
Other machinery and equipment	2 692	5	–	2 697	2 695	2	99,9%	11 511	11 441
Payments for financial assets	221	17	–	238	238	–	100,0%	45	45
TOTAL	610 789	–	–	610 789	589 694	21 095	96,5%	592 072	576 252

Appropriation per programme *continued*

For the year ended 31 March 2023

Appropriation per economic classification

	2022/23							2021/22	
	Adjusted Appropriation R'000	**Shifting of Funds R'000**	**Virements R'000**	**Final Appropriation R'000**	**Actual Expenditure R'000**	**Variance R'000**	**Expenditure as % of final appropriation %**	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	**581 243**	**(3 865)**	**(10 867)**	**566 511**	**545 419**	**21 092**	**96,3%**	553 205	537 493
Compensation of employees	**380 488**	**(3 505)**	**(10 867)**	**366 116**	**345 265**	**20 851**	**94,3%**	360 649	345 143
Goods and services	**200 755**	**(360**		**200 395**	**200 154**	**241**	**99,9%**	192 556	192 350
Interest and rent on land	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
			–						
Transfers and subsidies	**26 633**	**3 843**	**10 867**	**41 343**	**41 342**	**1**	**100,0%**	27 311	27 273
Provinces and municipalities	**24 606**	**3 505**	**10 867**	**38 978**	**38 978**	**–**	**100,0%**	25 037	25 037
Non-profit institutions			**–**						
Households	**2 027**	**338**	**–**	**2 365**	**2 364**	**1**	**100,0%**	2 274	2 236
			–						
Payments for capital assets	**2 692**	**5**	**–**	**2 697**	**2 695**	**2**	**99,9%**	11 511	11 441
Buildings and other fixed structures			**–**						
Machinery and equipment	**2 692**	**5**	**–**	**2 697**	**2 695**	**2**	**99,9%**	11 511	11 441
Heritage assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	–
Specialised military assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	–
Biological assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–	–
		–	**–**						
Payments for financial assets	**221**	**17**	**–**	**238**	**238**	**–**	**100,0%**	45	45
TOTAL	**610 789**	**–**	**–**	**610 789**	**589 694**	**21 095**	**96,5%**	592 072	576 252

Appropriation per programme *continued*

For the year ended 31 March 2023

PROGRAMME 1: ADMINISTRATION

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Sub programme									
1. Office of the MEC	5 491	219	3	5 713	5 710	3	99,9%	4 190	3 952
2. Corporate Services	157 707	(219)	1 851	159 339	153 881	5 458	96,6%	152 602	149 600
Total for sub programmes	163 198	–	1 854	165 052	159 591	5 461	96,7%	156 792	153 552
ECONOMIC CLASSIFICATION									
Current payments	158 258	(360)	1 854	159 752	154 294	5 458	96,6%	148 307	145 105
Compensation of employees	96 659	–	–	96 659	91 230	5 429	94,4%	92 445	89 262
Salaries and wages	84 883	240	–	85 123	80 024	5 099	94,0%	81 565	78 511
Social contributions	11 776	(240)	–	11 536	11 206	330	97,1%	10 880	10 751
Goods and services	61 599	(360)	1 854	63 093	63 064	29	100,0%	55 862	55 843
Administrative fees	45	(11)	–	34	33	1	97,1%	51	50
Advertising	9 093	(3 962)	–	5 131	5 129	2	100,0%	11 425	11 424
Minor assets	163	(160)	–	3	2	1	66,7%	22	21
Audit costs: External	4 300	(188)	–	4 112	4 111	1	100,0%	3 581	3 581
Bursaries: Employees	1 919	245	–	2 164	2 165	(1)	100,0%	705	705
Catering: Departmental activities	102	83	–	185	184	1	99,5%	121	121
Communication	4 579	(1 042)	–	3 537	3 536	1	100,0%	7 687	7 687
Computer services	7 923	2 036	–	9 959	9 955	4	100,0%	5 164	5 163
Consultants: Business and advisory services	2 506	227	–	2 733	2 732	1	100,0%	2 671	2 670
Legal services	1 990	(429)	–	1 561	1 561	–	100,0%	822	822
Contractors	1 185	895	–	2 080	2 079	1	100,0%	856	855
Agency and support/outsourced services	2 550	(1 057)	–	1 493	1 492	1	99,9%	5 125	5 124
Fleet services	9 533	845	–	10 378	10 377	1	100,0%	7 433	7 433

Appropriation per programme *continued*

For the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Consumable supplies	1 709	(1 136)	–	573	571	2	99,7%	1 351	1 351
Consumable: Stationery, printing and office supplies	1 169	125	–	1 294	1 292	2	99,8%	1 157	1 157
Operating leases	913	(186)	–	727	726	1	99,9%	68	68
Property payments	8 562	2 230	–	10 792	12 643	(1 851)	117,2%	4 247	4 247
Travel and subsistence	786	185	–	971	964	7	99,3%	590	589
Training and development	1 195	(323)	–	872	870	2	99,8%	172	172
Operating payments	1 177	181	1 851	3 209	1 358	1 851	42,3%	2 088	2 087
Venues and facilities	200	1 082	3	1 285	1 284	1	99,9%	496	487
Rental and hiring	–	–	–	–	–		–	–	–
Transfers and subsidies	2 027	338	–	2 365	2 364	1	100,0%	2 274	2 236
Households	2 027	338	–	2 365	2 364	1	100,0%	2 274	2 236
Social benefits	2 027	338	–	2 365	2 364	1	100,0%	2 274	2 236
Payments for capital assets	2 692	5	–	2 697	2 695	2	99,9%	6 166	6 166
Machinery and equipment									
Other machinery and equipment	2 692	5	–	2 697	2 695	2	99,9%	6 166	6 166
Payments for financial assets	221	17	–	238	238	–	100,0%	45	45
TOTAL	163 198	–	1 854	165 052	159 591	5 461	96,7%	156 792	153 552

Appropriation per programme *continued*

For the year ended 31 March 2023

1.1 Office of the MEC

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	5 491	219	3	5 713	5 710	3	99,9%	4 190	3 952
Compensation of employees	2 132	103	–	2 235	2 236	(1)	100,0%	2 228	1 999
Goods and services	3 359	116	3	3 478	3 474	4	99,9%	1 962	1 953
TOTAL	5 491	219	3	5 713	5 710	3	99,9%	4 190	3 952

1.2 Corporate Services

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	152 767	(579)	1 851	154 039	148 584	5 455	96,5%	144 117	141 153
Compensation of employees	94 527	(103)	–	94 424	88 994	5 430	94,2%	90 217	87 263
Goods and services	58 240	(476)	1 851	59 615	59 590	25	100,0%	53 900	53 890
Transfers and subsidies	2 027	338	–	2 365	2 364	1	100,0%	2 274	2 236
Households	2 027	338		2 365	2 364	1	100,0%	2 274	2 236
Payments for capital assets	2 692	5	–	2 697	2 695	2	99,9%	6 166	6 166
Machinery and equipment									
Payments for financial assets	221	17		238	238	–	100,0%	45	45
TOTAL	157 707	(219)	1 851	159 339	153 881	5 458	96,6%	152 602	149 600

Appropriation per programme *continued*

For the year ended 31 March 2023

PROGRAMME 2: LOCAL GOVERNANCE

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Sub programme									
1. Municipal Administration	18 482	–	(450)	18 032	15 354	2 678	85,1%	15 077	13 470
2. Municipal Finance	23 544	1 301	–	24 845	23 950	895	96,4%	22 252	22 022
3. Public Participation	208 329	(1 335)	(12 156)	194 838	190 443	4 395	97,7%	210 739	203 166
4. Capacity Development	21 962	–	(241)	21 721	20 329	1 392	93,6%	26 880	26 692
5. Municipal Performance Monitoring, Reporting and Evaluation	16 993	34	–	17 027	15 102	1 925	88,7%	17 546	16 644
Total for sub programmes	289 310	–	(12 847)	276 463	265 178	11 285	95,9%	292 494	281 994
ECONOMIC CLASSIFICATION									
Current payments	288 810	–	(12 847)	275 963	264 678	11 285	95,9%	287 494	276 994
Compensation of employees	210 630	–	(10 867)	199 763	188 660	11 103	94,4%	200 966	190 579
Salaries and wages	177 013	5	(10 867)	166 151	158 809	7 342	95,6%	169 022	160 666
Social contributions	33 617	(5)		33 612	29 851	3 761	88,8%	31 944	29 913
Goods and services	78 180		(1 980)	76 200	76 018	182	99,8%	86 528	86 415
Administrative fees	–	8	–	8	8	–	100,0%	7	–
Advertising	17 628	(2 096)	(126)	15 406	15 405	1	100,0%	26 374	26 368
Bursaries: Employees	1 172	(1 172)	–	–	–	–	–	16	15
Catering: Departmental activities	350	116	–	466	464	2	99,6%	591	569
Communication	12 623	281	–	12 904	12 903	1	100,0%	10 520	10 519
Computer services	358	326	–	684	683	1	99,9%	–	–
Consultants: Business and advisory services	1 582	(1 582)	–	–	–	–	–	4 617	4 616
Legal services	1 981	–	–	1 981	1 980	1	99,9%	–	–
Contractors	–	431	–	431	431	–	100,0%	2	1

Appropriation per programme *continued*

For the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Agency and support/outsourced services	26 873	3 124	(793)	29 204	29 203	1	100,0%	23 927	23 924
Fleet services	–	2 731	–	2 731	2 731	–	100,0%	900	900
Consumable supplies	2 001	1 061	–	3 062	3 061	1	100,0%	2 080	2 077
Consumable: Stationery, printing and office supplies	211	(92)	–	119	118	1	99,2%	125	124
Property payments	–	–	–	–	–	–	–	718	716
Travel and subsistence	2 218	(1 115)	–	1 103	1 047	56	94,9%	652	646
Training and development	6 291	(1 953)	(300)	4 038	4 026	12	99,7%	4 269	4 266
Operating payments	2 926	(431)	–	2 495	2 494	1	100,0%	11 192	11 192
Venues and facilities	1 571	363	(761)	1 173	1 464	(291)	124,8%	538	482
Rental and hiring	395	–	–	395	–	395	–	–	–
			–						
Transfers and subsidies	500	–	–	500	500	–	100,0%	5 000	5 000
Provinces and municipalities	500	–	–	500	500	–	100,0%	5 000	5 000
Provinces	–		–						
Municipalities	500	–	–	500	500	–	100,0%	5 000	5 000
Municipal bank accounts	500	–	–	500	500	–	100,0%	5 000	5 000
TOTAL	289 310	–	(12 847)	276 463	265 178	11 285	95,9%	292 494	281 994

Appropriation per programme *continued*

For the year ended 31 March 2023

2.1 Municipal Administration

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	18 482	–	(450)	18 032	15 354	2 678	85,1%	15 077	13 470
Compensation of employees	13 110	–	–	13 110	10 495	2 615	80,1%	12 289	10 741
Goods and services	5 372	–	(450)	4 922	4 859	63	98,7%	2 788	2 729
TOTAL	18 482	–	(450)	18 032	15 354	2 678	85,1%	15 077	13 470

2.2 Municipal Finance

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	23 544	1 301	–	24 845	23 950	895	96,4%	17 252	17 022
Compensation of employees	5 398	–	–	5 398	4 503	895	83,4%	4 567	4 337
Goods and services	18 146	1 301	–	19 447	19 447	–	100,0%	12 685	12 685
Transfers and subsidies	–	–	–	–	–	–	–	5 000	5 000
Provinces and municipalities	–	–	–	–	–	–	–	5 000	5 000
TOTAL	23 544	1 301	–	24 845	23 950	895	96,4%	22 252	22 022

Appropriation per programme *continued*

For the year ended 31 March 2023

2.3 Public Participation

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	208 329	(1 335)	(12 156)	194 838	190 443	4 395	97,7%	210 739	203 166
Compensation of employees	164 933	–	(10 867)	154 066	149 682	4 384	97,2%	158 328	150 766
Goods and services	43 396	(1 335)	(1 289)	40 772	40 761	11	100,0%	52 411	52 400
TOTAL	208 329	(1 335)	(12 156)	194 838	190 443	4 395	97,7%	210 739	203 166

2.4 Capacity Development

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	21 462	–	(241)	21 221	19 829	1 392	93,4%	26 880	26 692
Compensation of employees	11 062	–	–	11 062	9 774	1 288	88,4%	10 480	10 328
Goods and services	10 400	–	(241)	10 159	10 055	104	99,0%	16 400	16 364
Interest and rent on land									
Transfers and subsidies	500	–	–	500	500	–	100,0%	–	–
Provinces and municipalities	500	–	–	500	500	–	100,0%	–	–
TOTAL	21 962	–	(241)	21 721	20 329	1 392	93,6%	26 880	26 692

Appropriation per programme *continued*

For the year ended 31 March 2023

2.5 Municipal Performance Monitoring, Reporting and Evaluation

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	**16 993**	**34**	**–**	**17 027**	**15 102**	**1 925**	**88,7%**	17 546	16 644
Compensation of employees	**16 127**	**–**	**–**	**16 127**	**14 206**	**1 921**	**88,1%**	15 302	14 407
Goods and services	**866**	**34**	**–**	**900**	**896**	**4**	**99,6%**	2 244	2 237
TOTAL	**16 993**	**34**	**–**	**17 027**	**15 102**	**1 925**	**88,7%**	17 546	16 644

Appropriation per programme *continued*

For the year ended 31 March 2023

PROGRAMME 3: DEVELOPMENT PLANNING

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Sub programme									
1. Land Use Management	8 188	1 530	–	9 718	9 717	1	100,0%	12 932	12 922
2. IDP Coordination	22 927	(3 147)	–	19 780	19 656	124	99,4%	19 749	19 693
3. Disaster Management	68 313	4 148	10 993	83 454	83 418	36	100,0%	65 720	65 634
4. Municipal Infrastructure	38 505	(2 531)	–	35 974	35 971	3	100,0%	29 455	29 453
Total for sub programmes	137 933	–	10 993	148 926	148 762	164	99,9%	127 856	127 702
ECONOMIC CLASSIFICATION									
Current payments	113 827	(3 505)	126	110 448	110 284	164	99,9%	102 474	102 390
Compensation of employees	58 823	(3 505)	–	55 318	55 177	141	99,7%	54 856	54 820
Salaries and wages	50 973	(2 504)	–	48 469	48 383	86	99,8%	48 238	48 228
Social contributions	7 850	(1 001)	–	6 849	6 794	55	99,2%	6 618	6 592
Goods and services	55 004	–	126	55 130	55 107	23	100,0%	47 618	47 570
Administrative fees	–	49	–	49	49	–	100,0%	–	–
Advertising	586	(548)	–	38	38	–	100,0%	1 073	1 072
Minor assets	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	410	36	–	446	444	2	99,6%	528	521
Communication	–	–	–	–	–	–	–	–	–
Computer services	2 431	69	–	2 500	2 500	–	100,0%	301	301
Consultants: Business and advisory services	20 341	202	–	20 543	20 542	1	100,0%	14 775	14 765
Contractors	1 065	(614)	–	451	451	–	100,0%	439	439
Agency and support/outsourced services	24 127	(4 551)	126	19 702	19 701	1	100,0%	20 864	20 856
Fleet services	–	976	–	976	976	–	100,0%	2 071	2 066
Consumable supplies	1 268	7 224	–	8 492	8 491	1	100,0%	66	65

Appropriation per programme *continued*

For the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Consumable: Stationery, printing and office supplies	373	(370)	–	3	3	–	100,0%	325	323
Operating leases	–	–	–	–	–	–	–	–	–
Property payments	–	197	–	197	196	1	99,5%	5 012	5 005
Travel and subsistence	1 028	209	–	1 237	1 222	15	98,8%	325	322
Training and development	1 923	(1 644)	–	279	279	–	100,0%	333	332
Operating payments	683	(590)	–	93	92	1	98,9%	1 346	1 344
Venues and facilities	769	(645)	–	124	123	1	99,2%	160	159
Rental and hiring	–	–	–	–	–	–	–	–	–
Transfers and subsidies	24 106	3 505	10 867	38 478	38 478	–	100,0%	20 037	20 037
Provinces and municipalities	24 106	3 505	10 867	38 478	38 478	–	100,0%	20 037	20 037
Municipalities	24 106	3 505	10 867	38 478	38 478	–	100,0%	20 037	20 037
			–						
Payments for capital assets	–	–	–	–	–	–	–	5 345	5 275
Machinery and equipment	–	–	–	–	–	–	–	5 345	5 275
Transport equipment	–	–	–	–	–	–	–	–	–
Other machinery and equipment	–	–	–	–	–	–	–	5 345	5 275
TOTAL	137 933	–	10 993	148 926	148 762	164	99,9%	127 856	127 702

Appropriation per programme *continued*

For the year ended 31 March 2023

3.1 Land Use Management

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	8 188	1 530	–	9 718	9 717	1	100,0%	12 932	12 922
Compensation of employees	8 188	1 530	–	9 718	9 717	1	100,0%	10 683	10 679
Goods and services	–	–	–	–	–	–	–	2 249	2 243
TOTAL	8 188	1 530	–	9 718	9 717	1	100,0%	12 932	12 922

3.2 IDP Coordination

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	22 927	(3 147)	–	19 780	19 656	124	99,4%	19 749	19 693
Compensation of employees	17 106	(2 818)	–	14 288	14 178	110	99,2%	13 417	13 387
Goods and services	5 821	(329)	–	5 492	5 478	14	99,7%	6 332	6 306
TOTAL	22 927	(3 147)	–	19 780	19 656	124	99,4%	19 749	19 639

Appropriation per programme *continued*

For the year ended 31 March 2023

3.3 Disaster Management

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	46 313	643	126	47 082	47 046	36	99,9%	42 375	42 359
Compensation of employees	16 980	(2 324)	–	14 656	14 628	28	99,8%	15 843	15 842
Goods and services	29 333	2 967	126	32 426	32 418	8	100,0%	26 532	26 517
Transfers and subsidies	22 000	3 505	10 867	36 372	36 372	–	100,0%	18 000	18 000
Provinces and municipalities	22 000	3 505	10 867	36 372	36 372	–	100,0%	18 000	18 000
Payments for capital assets	–	–	–	–	–	–	–	5 345	5 275
Transport equipment		–	–	–	–	–	–	–	–
Other machinery and equipment								5 345	5 275
TOTAL	68 313	4 148	10 993	83 454	83 418	36	100,0%	65 720	65 634

3.4 Municipal Infrastructure

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	36 399	(2 531)	–	33 868	33 865	3	100,0%	27 418	27 416
Compensation of employees	16 549	107	–	16 656	16 654	2	100,0%	14 913	14 912
Goods and services	19 850	(2 638)	–	17 212	17 211	1	100,0%	12 505	12 504
Transfers and subsidies	2 106	–	–	2 106	2 106	–	100,0%	2 037	2 037
Provinces and municipalities	2 106	–	–	2 106	2 106	–	100,0%	2 037	2 037
TOTAL	38 505	(2 531)	–	35 974	35 971	3	100,0%	29 455	29 453

Appropriation per programme *continued*

For the year ended 31 March 2023

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Sub programme									
1. Traditional Institution Administration	10 549	1 271	–	11 820	10 155	1 665	85,9%	7 192	6 353
2. Traditional Resource Administration	7 439	(660)	–	6 779	5 007	1 772	73,9%	6 537	5 583
3. Rural Development Facilitation	553	(553)	–	–	–	–	–	15	–
4. Traditional Land Administration	1 807	(58)	–	1 749	1 001	748	57,2%	1 186	1 068
Total for sub programmes	20 348	–	–	20 348	16 163	4 185	79,4%	14 930	13 004
ECONOMIC CLASSIFICATION									
Current payments	20 348	–	–	20 348	16 163	4 185	79,4%	14 930	13 004
Compensation of employees	14 376	–	–	14 376	10 198	4 178	70,9%	12 382	10 482
Salaries and wages	12 507	–	–	12 507	9 103	3 404	72,8%	11 103	9 376
Social contributions	1 869	–	–	1 869	1 095	774	58,6%	1 279	1 106
Goods and services	5 972	–	–	5 972	5 965	7	99,9%	2 548	2 522
Advertising	–	50	–	50	49	1	98,0%	–	–
Audit costs: external	–	–	–	–	–	–	–	–	–
Bursaries: Employees	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	100	553	–	653	653	–	100,0%	57	56
Consultants: Business and advisory services	753	(584)	–	169	168	1	99,4%	22	–
Contractors	–	190	–	190	190	–	100,0%	–	–
Agency and support/outsourced services	3 264	(736)	–	2 528	2 528	–	100,0%	1 336	1 336
Consumable supplies	114	(108)	–	6	6	–	100,0%	–	–
Travel and subsistence	520	698	–	1 218	1 217	1	99,9%	243	242
Training and development	650	(650)	–	–	–	–	–	280	280

Appropriation per programme *continued*

For the year ended 31 March 2023

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
Operating payments	–	–	–	–	–	–	–	136	136
Venues and facilities	571	587	–	1 158	1 154	4	99,7%	474	472
Rental and hiring	–	–	–	–	–	–	–	–	–
TOTAL	20 348	–	–	20 348	16 163	4 185	79,4%	14 930	13 004

4.1 Traditional Institution Administration

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	10 549	1 271	–	11 820	10 155	1 665	85,9%	7 192	6 353
Compensation of employees	6 231	–	–	6 231	4 567	1 664	73,3%	5 286	4 457
Goods and services	4 318	1 271	–	5 589	5 588	1	100,0%	1 906	1 896
TOTAL	10 549	1 271	–	11 820	10 155	1 665	85,9%	7 192	6 353

4.2 Traditional Resource Administration

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	7 439	(660)	–	6 779	5 007	1 772	73,9%	6 537	5 583
Compensation of employees	6 659	–	–	6 659	4 888	1 771	73,4%	5 948	4 994
Goods and services	780	(660)	–	120	119	1	99,2%	589	589
TOTAL	7 439	(660)	–	6 779	5 007	1 772	73,9%	6 537	5 583

Appropriation per programme *continued*

For the year ended 31 March 2023

4.3 Rural Development Facilitation

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	553	(553)	–	–	–	–	–	15	–
Compensation of employees	–	–	–	–	–	–	–	–	–
Goods and services	553	(553)	–	–	–	–	–	15	–
TOTAL	553	(553)	–	–	–	–	–	15	–

4.4 Traditional Land Administration

	2022/23							2021/22	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual expenditure R'000
ECONOMIC CLASSIFICATION									
Current payments	1 807	(58)	–	1 749	1 001	748	57,2%	1 186	1 068
Compensation of employees	1 486	–	–	1 486	743	743	50,0%	1 148	1 031
Goods and services	321	(58)	–	263	258	5	98,1%	38	37
Interest and rent on land									
TOTAL	1 807	(58)	–	1 749	1 001	748	57,2%	1 186	1 068

Appropriation per programme *continued*

For the year ended 31 March 2023

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
1: Administration	165 052	159 591	5 461	96,7%
2: Local Governance	276 463	265 178	11 285	95,9%
3: Development Planning	148 926	148 762	164	99,9%
4: Traditional Institutional Management	20 348	16 163	4 185	79,4%
TOTAL	**610 789**	**589 694**	**21 095**	**96,5%**

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Current payments	**566 511**	**545 419**	**21 092**	**96%**
Compensation of employees	366 116	345 265	20 851	94%
Goods and services	200 395	200 154	241	100%
Interest and rent on land				
Transfers and subsidies	**41 343**	**41 342**	**1**	**100%**
Provinces and municipalities	38 978	38 978	–	100%
Non-profit institutions				
Households	2 365	2 364	1	100%
Payments for capital assets	2 697	**2 695**	**2**	**100%**
Machinery and equipment	2 697	2 695	2	100%
Payments for financial assets	238	238	–	100%
TOTAL	**610 789**	**589 694**	**21 095**	**96.5%**

4.3 Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Expanded Public Works Programme	2 106	2 106	–	100%

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

Statement of Financial Performance

For the year ended **31 March 2023**

	Note	**2022/23 R'000**	2021/22 R'000
REVENUE			
Annual appropriation	1	**610 789**	592 072
Departmental revenue	2	**256**	4 380
TOTAL REVENUE		**611 045**	596 452
EXPENDITURE			
Current expenditure			
Compensation of employees	3	**345 265**	345 143
Goods and services	4	**200 154**	192 350
Total current expenditure		**545 419**	537 493
Transfers and subsidies			
Transfers and subsidies	6	**41 342**	27 273
Total transfers and subsidies		**41 342**	27 273
Expenditure for capital assets			
Tangible assets	7	**2 695**	11 441
Total expenditure for capital assets		**2 695**	11 441
Payments for financial assets	5	**238**	45
TOTAL EXPENDITURE		**589 694**	576 252
SURPLUS FOR THE YEAR		**21 351**	20 200
Reconciliation of Net Surplus for the year			
Voted funds		**21 095**	15 820
Annual appropriation		**21 095**	15 820
Conditional grants		**–**	–
Departmental revenue and PRF Receipts	11	**256**	4 380
SURPLUS FOR THE YEAR		**21 351**	20 200

Statement of Financial Position

As at **31 March 2023**

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		**21 610**	19 748
Cash and cash equivalents	8	**20 566**	18 598
Receivables	9	**1 044**	1 150
TOTAL ASSETS		**21 610**	19 748
Current liabilities		**21 126**	19 320
Voted funds to be surrendered to the Revenue Fund	10	**21 095**	15 820
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	11	**17**	33
Payables	12	**14**	3 467
Non-current liabilities			
Payables			
TOTAL LIABILITIES		**21 126**	19 320
NET ASSETS		**484**	428

	2022/23 R'000	2021/22 R'000
Represented by:		
Recoverable revenue	**484**	428
TOTAL	**484**	428

Statement of changes in **Net Assets**

For the year ended **31 March 2023**

	2022/23 R'000	2021/22 R'000
Recoverable revenue		
Opening balance	**428**	472
Transfers:	**56**	(44)
Debts recovered (included in departmental receipts)	**56**	(44)
Closing balance	**484**	428
TOTAL	**484**	428

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		**611 045**	596 452
Annual appropriated funds received	1.1	**610 789**	592 072
Departmental revenue received		**242**	4 326
Interest received	2.2	**14**	54
Net (increase)/decrease in working capital		**(3 347)**	2 799
Surrendered to Revenue Fund		**(16 092)**	(55 980)
Current payments		**(545 419)**	(537 493)
Payments for financial assets	5.1	**(238)**	(45)
Transfers and subsidies paid	6	**(41 342)**	(27 273)
Net cash flow available from operating activities	13	**4 607**	(21 540)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		**–**	–
Payments for capital assets	7	**(2 695)**	(11 441)
Net cash flows from investing activities		**(2 695)**	(11 441)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		**56**	(44)
Net cash flows from financing activities		**56**	(44)
Net increase/(decrease) in cash and cash equivalents		**1 968**	(33 025)
Cash and cash equivalents at beginning of period		**18 598**	51 623
Cash and cash equivalents at end of period	8	**20 566**	18 598

Accounting Policies

For the year ended **31 March 2023**

Summary of significant accounting policies

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

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

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

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

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

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

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid Assistance

9.1 Aid assistance received

9.2 Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances are expensed during the trip and the return of the official on business travel.

12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13. Investments

Investments are recognised in the statement of financial position at cost.

14. Financial assets

14.1 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.

14.2 Financial assets (not covered elsewhere)

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.

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.

Accounting Policies *continued*

For the year ended **31 March 2023**

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

17. Provisions and Contingents

17.1 Provisions

rovisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits because of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

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

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

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

Accounting Policies *continued*

For the year ended **31 March 2023**

21.	**Changes in accounting estimates and errors** Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22.	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23.	**Departures from the MCS requirements** The Annual Financial Statements have been prepared in accordance with the modified cash basis of accounting. There were no departures from the modified cash standards.
24.	**Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
25.	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
26.	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
27.	**Inventories** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.

28.	**Public-Private Partnerships** Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
29.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
30.	**Transfers of functions** Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
31.	**Mergers** Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

1. Annual Appropriation

1.1 Annual Appropriation

	2022/23		2021/22	
	Final Appropriation	**Actual Funds Received**	Final Appropriation	Actual Funds Received
	R'000	**R'000**	R'000	R'000
Administration	**165 052**	**165 052**	156 792	156 792
Local Governance	**276 463**	**276 463**	292 494	292 494
Development Planning	**148 926**	**148 926**	127 856	127 856
Traditional Institutional Management	**20 348**	**20 348**	14 930	14 930
Total	**610 789**	**610 789**	592 072	592 072

1.2 Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	25	**2 106**	2 037
Provincial grants included in Total Grants received		**2 106**	2 037

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

- Lesedi Local Municipality R1 066 000
- Merafong Local Municipality R500 000
- Mogale City Local Municipality R540 000

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	2.1	**202**	202
Interest, dividends and rent on land	2.2	**14**	54
Transactions in financial assets and liabilities	2.3	**40**	4 124
Departmental revenue collected		**256**	4 380

The Department derive most of its revenue from payroll related activities. During the reporting period the Department derived almost all its revenue from payroll activities. The decrease on financial transactions in financial assets is because of an amount received by the Department from the service provider which was paid in error during the prior year.

2.1 Sales of goods and services other than capital assets

	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the Department	**202**	202
Sales by market establishment	**202**	202
Total	**202**	202

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

2.2 Interest, dividends and rent on land

	2022/23 R'000	2021/22 R'000
Interest	**14**	54
Total	**14**	54

2.3 Transactions in financial assets and liabilities

	2022/23 R'000	2021/22 R'000
Receivables	**40**	4 124
Total	**40**	4 124

3. Compensation of employees

3.1 Salaries and Wages

	2022/23 R'000	2021/22 R'000
Basic salary	**227 371**	226 142
Performance award	**1 088**	324
Service Based	**412**	165
Compensative/circumstantial	**10 149**	12 690
Periodic payments	**33**	7
Other non-pensionable allowances	**57 266**	57 453
Total	**296 319**	296 781

An increase in the performance awards is due to payment of outstanding 2021/22 performance award, moreover a reduction in basics salary was because of significant number of terminations.

3.2 Social contributions

	2022/23 R'000	2021/22 R'000
Employer contributions		
Pension	**29 253**	29 082
Medical	**19 408**	19 021
Insurance	**212**	187
Bargaining council	**73**	72
Total	**48 946**	48 362
Total Compensation of Employees	**345 265**	345 143
Average number of employees	**657**	668

4. Goods and services

	Note	2022/23 R'000	2021/22 R'000
Administrative fees		**90**	50
Advertising		**20 621**	38 864
Minor assets	4.1	**2**	21
Bursaries (employees)		**2 165**	720
Catering		**1 745**	1 267
Communication		**16 439**	18 206
Computer services	4.2	**13 138**	5 464
Consultants: Business and advisory services		**23 442**	22 051
Legal services		**3 541**	822
Contractors		**3 151**	1 295
Agency and support/outsourced services		**52 924**	51 240
Audit cost – external	4.3	**4 111**	3 581
Fleet services		**14 084**	10 399
Consumables	4.4	**13 542**	18 289
Operating leases		**726**	68
Property payments	4.5	**12 839**	9 968
Rental and hiring		**–**	29
Travel and subsistence	4.6	**4 450**	1 798
Venues and facilities		**4 025**	1 600
Training and development		**5 175**	5 051
Other operating expenditure	4.7	**3 944**	1 567
Total		**200 154**	192 350

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

- Fleet Services increased mainly due to increasing international oil price which negatively affect local fuel price as well as increasing interest rate which affect the financing cost of vehicles at G-Fleet level
- Catering increased as part of returning to a normal of operating. Activities such as gender-based violence campaigns and increasing number of physical meetings also had a bearing.
- Bursaries increased because of payments to various academic institutions who submitted claims for students during the reporting period late than expected.
- Property payments increased due to increase on tariffs for municipal services, and normal escalations on existing contract such as cleaning services, security services, garden services and fumigations in all three buildings occupied by the Department.
- Computer services increased significantly due to additional Microsoft licenses which were procured in support of local municipalities.
- Legal services increased due to delayed claims from the Department of Justice, most of the claims relate to litigations undertaken in the previous financial year. The above claims combined with the service rendered in the current financial year had negative effect on legal fees.
- Venues and Facilities increased due to increasing number of physical meetings.
- Other operating expenditure includes media buying, material for floods payment and storage facility for own assets pending securing of own building.

4.1 Minor assets

	2022/23 R'000	2021/22 R'000
Tangible assets	**2**	21
Machinery and equipment	**2**	21
Total	**2**	21

4.2 Computer services

	2022/23 R'000	2021/22 R'000
SITA computer services	**163**	1 473
External computer service providers	**12 975**	3 991
Total	**13 138**	5 464

The increase in external computer services expenditure was mainly due to additional Microsoft Licences procured for local municipalities.

4.3 Audit cost – External

	2022/23 R'000	2021/22 R'000
Regulatory audits	**4 111**	3 581
Total	**4 111**	3 581

Payments for regulatory audits are for services rendered by the office of the Auditor-General during the year under-review. It also includes residue of payments in relation to the audit of the previous financial year.

4.4 Consumables

	2022/23 R'000	2021/22 R'000
Consumable supplies	**12 123**	3 493
Uniform and clothing	**337**	1 815
Household supplies	**9 912**	1 534
Building material and supplies	**–**	–
IT consumables	**34**	92
Other consumables	**1 840**	52
Stationery, printing, and office supplies	**1 419**	14 796
Total	**13 542**	18 289

4.5 Property payments

	2022/23 R'000	2021/22 R'000
Municipal services	**1 247**	1 075
Property management fees	**–**	118
Property maintenance and repairs	**2 236**	720
Other	**9 356**	8 055
Total	**12 839**	9 968

Notes to the Annual Financial Statements *continued*

For the year ended **31 March 2023**

4.6 Travel and subsistence

	2022/23 R'000	2021/22 R'000
Local	**3 587**	1 798
Foreign	**863**	–
Total	**4 450**	1 798

4.7 Other operating expenditure

	2022/23 R'000	2021/22 R'000
Other	**3 944**	1 567
Total	**3 944**	1 567

Expenditure incurred on other operating expenditure relates to storage facility for departmental assets, material procured for civic awareness and media buying for flood awareness.

5. Payments for financial assets

	2022/23 R'000	2021/22 R'000
Debts written off	**238**	45
Total	**238**	45

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

5.8 Debts written off

	2022/23 R'000	2021/22 R'000
Other debt written off	**238**	45
Total debt written off	**238**	45

6. Transfers and subsidies

	2022/23 R'000	2021/22 R'000
Provinces and municipalities Annexure 1A	38 978	25 037
Households Annexure 1G	2 364	2 236
Total	**41 342**	**27 273**

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

1. R 36 million for Functional Fire and Rescue Services

- West Rand District Municipality R2 200 000.00
- Midvaal Local Municipality R7 800 000.00
- Emfuleni Local Municipality R7 800 000.00
- Lesedi Local Municipality R4 200 000.00
- West Rand District Municipality R14 372 000.00

2. R0.5 million for Organisational structure Design software: ORGPLUS

- Merafong City Local Municipality R250 000.00
- Sedibeng District Municipality R250 000.00

3. R2.1 million for Expanded Public Works Project as follows:

- Merafong Local Municipality R500 000.00
- Lesedi Local Municipality R1 066 000.00
- Mogale City Local Municipality R540 000.00

7. Expenditure for capital assets

	2022/23 R'000	2021/22 R'000
Tangible assets	**2 695**	11 441
Machinery and equipment	**2 695**	11 441
Total	**2 695**	11 441

7.1 Analysis of funds utilised to acquire capital assets – 2022/23

	Voted funds R'000	Voted funds R'000	Total R'000
Tangible assets	**2 695**	–	**2 695**
Machinery and equipment	**2 695**	–	**2 695**
Total	**2 695**	–	**2 695**

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

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

8. Cash and cash equivalents

	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account	**20 566**	18 598
Total	**20 566**	18 598

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

9. Receivables

		2022/23			2021/22		
		Current	**Non-current**	**Total**	Current	Non-current	Total
	Note	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000
Claims recoverable	9.1	**–**	**–**	**–**	40	–	40
Recoverable expenditure	9.2	**99**	**–**	**99**	57	–	57
Staff debt	9.3	**945**	**–**	**945**	1 053	–	1 053
Total		**1 044**	**–**	**1 044**	1 150	–	1 150

9.1 Claims recoverable

		2022/23	2021/22
	Note	**R'000**	R'000
Provincial departments	9	**–**	40
Total		**–**	40

9.2 Recoverable expenditure (disallowance accounts)

		2022/23	2021/22
	Note	**R'000**	R'000
(Group major categories, but list material items)			
Sal Recoverable	9	**99**	57
Total		**99**	57

9.3 Staff debt

		2022/23	2021/22
	Note	**R'000**	R'000
Debt accounts	9	**945**	1 053
Total		**945**	1 053

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

10. Voted funds to be surrendered to the Revenue Fund

	2022/23 R'000	2021/22 R'000
Opening balance	**15 820**	51 549
Transfer from statement of financial performance	**21 095**	15 820
Paid during the year	**(15 820)**	(51 549)
Closing balance	**21 095**	15 820

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

Compensation of Employees	R20 851 000
Goods and Services	R241 000
Households	R1 000
Capital Assets	R2 000
Total	**R21 095 000**

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

	2022/23 R'000	2021/22 R'000
Opening balance	**33**	84
Transfer from Statement of Financial Performance	**256**	4 380
Paid during the year	**(272)**	(4 431)
Closing balance	**17**	33

12. Payables – current

	Note	2022/23 R'000	2021/22 R'000
Other payables	12.1	**14**	3 467
Total		**14**	3 467

12.1 Other payables

	2022/23 R'000	2021/22 R'000
Sal: ACB recall CA	**4**	798
Sal: Income Tax	**6**	(48)
Sal: Pension	**–**	2
Sal: Medical	**–**	2 607
Sal: Insurance	**–**	105
Sal: Financial institution study loan	**–**	2
Sal: Finance Other Institutions	**2**	1
Sal: Garnishee	**2**	–
Total	**14**	3 467

Notes to the **Annual Financial Statements** *continued*

For the year ended **31 March 2023**

13. Net cash flow available from operating activities

	2022/23 R'000	2021/22 R'000
Net surplus as per Statement of Financial Performance	**21 351**	20 200
Add back non-cash/cash movements not deemed operating activities	**(16 744)**	(41 740)
Increase/decrease in receivables	**106**	(212)
Increase/(decrease) in payables – current	**(3 453)**	3 011
Expenditure on capital assets	**2 695**	11 441
Surrenders to Revenue Fund	**(16 092)**	(55 980)
Net cash flow generated by operating activities	**4 607**	(21 540)

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

	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account	**20 566**	18 598
Total	**20 566**	18 598

15. Contingent liabilities and contingent assets

15.1 Contingent liabilities

	2022/23 R'000	2021/22 R'000
Liable to Nature		
Intergovernmental payables (unconfirmed Balances)	**189**	–
Total	**189**	–

The unconfirmed balances of R189 000 were owed to the two Departments i.e. Office of the Premier and National Department of Agriculture and Rural Development but not confirmed and claimed by the departments during the reporting period hence were included under contingent liabilities and under Annexure 5.

16. Capital commitments

	2022/23 R'000	2021/22 R'000
Office furniture and equipment	**–**	2 591
Total	**–**	2 591

17. Accruals and payables not recognised

17.1 Accruals

Listed by economic classification	30 Days	30+ Days	2022/23 R'000 Total	2021/22 R'000 Total
Goods and services	12 158	–	12 158	39 645
Capital assets	41	–	41	–
Transfers and Subsidies	–	–	–	–
Other	–		–	–
Total	12 199	–	12 199	39 645

Listed by programme level	2022/23	2021/22
Administration	3 847	14 324
Local Governance	3 900	18 893
Development planning	2 578	6 175
Traditional Institutional Management	1 874	253
Total	12 199	39 645

17.2 Payables not recognised

Listed by economic classification	30 Days	30+ Days	2022/23 R'000 Total	2021/22 R'000 Total
Goods and services	817	–	817	987
Interest and rent on land	–			
Transfers and subsidies	–	–	–	
Capital assets	28		28	–
Other (Employees Benefit)	–	–	–	–
Total	845	–	845	987

Listed by programme level	2022/23	2021/22
Administration	792	474
Local Governance	–	428
Development Planning	53	85
Traditional Institutional Management	–	–
Total	845	987

Included in the above totals are the following:	2022/23 R'000	2021/22 R'000
Confirmed balances with other departments	176	2 665
Confirmed balances with other government entities	1 021	3 122
Total	1 197	5 787

18. Employee benefits

	2022/23 R'000	2021/22 R'000
Leave entitlement	**23 802**	25 273
Service bonus	**8 809**	8 751
Performance awards	**–**	1 760
Capped leave	**1 138**	1 749
Other	**188**	141
Total	**33 937**	37 674

Included in other for employee benefits is long service award liability for 20- and 30-years' service respectively (6 officials) amounted to R76 000, Salary related payments due to Departments for officials transferred amounts to R48 000, R35 000 and R29 000 respectively.

19. Lease commitments

19.1 Operating leases

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2022/23					
Not later than 1 year	–	–	–	**2 106**	**2 106**
Later than 1 year and not later than 5 years	–	–	–	–	–
Later than five years	–	–	–	**1 201**	**1 201**
Total lease commitments	–	–	–	**3 307**	**3 307**
2021/22					
Not later than 1 year	–	–	–	2 783	2 783
Later than 1 year and not later than 5 years	–	–	–	–	–
Later than five years	–	–	–	2 101	2 101
Total lease commitments	–	–	–	4 884	4 884

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

20. Unauthorised Irregular and Fruitless and wasteful expenditure

	2022/23 R'000	2021/22 R'000
Irregular expenditure – relating to current year	**736**	214
Total	**736**	214

Irregular expenditure incurred during the year under review relates to services which were procured based on one quotation instead of minimum of three. All officials involved were not supply chain management officials. The Department is following the procedure prescribed by National Treasury on irregular expenditure. Department incurred Irregular expenditure of R42 000.00 and R496 000 respectively for the year under review because of non-compliance to procurement processes and R198 000 that relates to prior year but identified in the financial year under review.

21. Related party transactions

Department has a related party relationship with Gauteng Department of e-Gov because both departments have one Political Head.

22. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers	**2 263**	2 000
Level 15 to 16	**7 689**	8 090
Level 14	**11 530**	11 785
Total	**21 482**	21 875

23. Movable Tangible Capital Assets

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

	Opening balance R'000	Value Adjustment R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	**48 902**	**–**	**2 764**	**1 842**	**49 824**
Transport assets	**926**	**–**	**–**	**–**	**926**
Computer equipment	**33 032**	**–**	**1 610**	**814**	**33 828**
Furniture and office equipment	**9 502**	**–**	**142**	**652**	**8 992**
Other machinery and equipment	**5 442**	**–**	**1 012**	**376**	**6 078**
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**48 902**	**–**	**2 764**	**1 842**	**49 824**

Included in additions for capital assets is an amount of R69 000 for assets procured during the reporting period but the invoice was only settled in the current year.

Movable Tangible Capital Assets under investigation 2022/23

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Computer equipment	**36**	**939**
Office Equipment	**1**	**10**
Other machinery	**2**	**52**
TOTAL	**39**	**1 001**

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

Movable Capital Assets under investigation 2021/22

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

Notes to the Annual Financial Statements *continued*

For the year ended **31 March 2023**

23.1 Additions

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

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

23.2 Movement for 2021/22

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**36 113**	**–**	**12 789**	**–**	**48 902**
Transport assets	926	–	–	–	926
Computer equipment	21 003	–	12 029	–	33 032
Furniture and office equipment	8 742	–	760	–	9 502
Other machinery and equipment	5 442	–	–	–	5 442
SPECIALISED MILITARY ASSETS					
Specialised military assets					
BIOLOGICAL ASSETS					
Biological assets					
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**36 113**	**–**	**12 789**	**–**	**48 902**

23.3 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	–	–	–	3 712	–	3 712
Additions	–	–	–	2	–	2
Disposals				(953)	–	(953)
TOTAL MINOR ASSETS	–	–	–	2 761	–	2 761

Included in the minor assets, valued at R 911 000.00, are disposals of redundant assets and R42 000,00 of derecognition of non- assets from the register.

Minor Assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	–	–	–	3 374	–	3 374
Prior period error	–	–	–	–	–	–
Additions	–	–	–	338	–	338
Disposals	–	–	–			
TOTAL MINOR ASSETS	–	–	–	3 712	–	3 712

23.4 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off					2 795	2 795
TOTAL MOVABLE ASSETS WRITTEN OFF					2 795	2 795

Included in movable assets for write-offs is R42 000 write-offs, section 42 of R304 000 of assets transferred to the Department of Infrastructure Development (DID) and disposals to an amount of R2,4 million which includes major and minor.

23.5 S42 Movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA – 31 MARCH 2022

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

SECTION 42

23.6 S42 Movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA – 31 MARCH 2023

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets				**2**		**2**
Value of the assets (R'000)				**304**		**304**

Movable assets on section 42 are transferred to the Department of Infrastructure Development during the reporting period.

23.7 S42 Movable minor assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA – 31 MARCH 2022

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

24. Prior period errors

24.1 Correction of prior period errors

	Amount before error correction 2021/22 R'000	Prior period error 2021/22 R'000	Restated Amount 2021/22 R'000
Expenditure:			
Employee Benefits: Leave entitlement	25 616	(343)	25 273
Net effect	**25 616**	**(343)**	**25 273**

The leave taken was captured in the current financial year, although the leave taken relates to the previous financial period. Thus, resulting in prior year Leave entitlement disclosed under Employee Benefits being overstated by R343 112,58.

Annexures to the **Annual Financial Statements** *continued*

For the year ended **31 March 2023**

25. Statement of conditional grants received

	GRANT ALLOCATION					SPENT				2021/22	
NAME OF GRANT	**Division of Revenue Act/Provincial Grants R'000**	**Roll Overs R'000**	**DORA Adjustment R'000**	**Other Adjustment R'000**	**Total Available R'000**	**Amount received by department R'000**	**Amount spent by department R'000**	**Under/ (Over-spending) R'000**	**% of available funds spent by department %**	Division of Revenue Act R'000	Amount spent by department R'000
Expanded Public Works Programme	2 106				2 106	2 106	2 106	–	100%	2 037	2 037
	2 106				**2 106**	**2 106**	**2 106**	**–**	**100%**	**2 037**	**2 037**

Annexures to the Annual Financial Statements *continued*

For the year ended **31 March 2023**

26. Unaudited statement of conditional grants and other transfers paid to municipalities

	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	DoRA and other transfers R'000	Actual Transfer R'000
Merafong City Local Municipality (EPWP)	**500**	–	–	**500**	**500**	–	–	500	500
Mogale City Local Municipality (EPWP)	**540**	–	–	**540**	**540**	–	–	537	537
Lesedi Local Municipality (EPWP)	**1 066**	–	–	**1 066**	**1 066**	–	–	1 000	1 000
West Rand District Municipality (Leased Fire fighting vehicles)	**2 200**	–	–	**2 200**	**2 200**	–	–	7 000	7 000
Midvaal Local municipality (Improve Fire and Rescue services Responses)	**7 800**	–	–	**7 800**	**7 800**	–	–	2 000	2 000
Lesedi Local Municipality (Fire and Rescue services)	**4 200**	–	–	**4 200**	**4 200**	–	–	2 000	2 000
Emfuleni Local Municipality (Municipality Grass fire unit with equipment)	**7 800**	–	–	**7 800**	**7 800**	–	–	7 000	7 000
Lesedi Local Municipality (GRAP 17)	–	–	–	–	–	–	–	1 000	1 000
Randwest City Municipality (GRAP 17)	–	–	–	–	–	–	–	1 000	1 000
Merafong City Local Municipality (GRAP 17)	–	–	–	–	–	–	–	1 000	1 000
Mogale City (GRAP 17)	–	–	–	–	–	–	–	1 000	1 000

Annexures to the **Annual Financial Statements** *continued*

For the year ended **31 March 2023**

	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	DoRA and other transfers R'000	Actual Transfer R'000
West Rand District Municipality	–	–	–	–	–	–	–	1 000	1 000
Merafong City Local Municipality (Software Licensing)	250	–	–	250	250	–	–	–	–
Sedibeng Municipality (Software License	250	–	–	250	250	–	–	–	–
West Rand District Municipality (Fire and Rescue Services)	14 372	–	–	14 372	14 372	–	–	–	–
	38 978	–	–	38 978	38 978	–	–	25 037	25 037

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

27. Broad Based Black Economic Empowerment Performance

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

28. Covid-19 Response Expenditure

	Note	2022/23	2021/22
	Annexure 11	R'000	R'000
Compensation of employees			
Goods and services		**12 675**	19 868
Transfers and subsidies			
Expenditure for capital assets			
Other			
Total		**12 675**	19 868

Annexures to the **Annual Financial Statements** *continued*

For the year ended **31 March 2023**

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER			SPENT				2021/22	
NAME OF MUNICIPALITY	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	DoRA and other transfers R'000	Actual Transfer R'000
Merafong City Local Municipality (EPWP)	500	–	–	500	500	–	–	500	429	–	86%	500	500
Mogale City Local Municipality (EPWP)	540	–	–	540	540	–	–	540	441	–	82%	537	537
Lesedi Local Municipality (EPWP)	1 066	–	–	1 066	1 066	–	–	1 066	811	–	76%	1 000	1 000
West Rand District Municipality (Leased Fire fighting vehicles)	2 200	–	–	2 200	2 200	–	–	2 200	–	–	0%	7 000	7 000
Midvaal Local municipality (Improve Fire and Rescue services Responses)	7 800	–	–	7 800	7 800	–	–	7 800	228	–	3%	2 000	2 000
Lesedi Local Municipality (Fire and Rescue services)	4 200	–	–	4 200	4 200	–	–	4 200	996	–	24%	2 000	2 000

Annexures to the Annual Financial Statements *continued*

For the year ended **31 March 2023**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2021/22	
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	DoRA and other transfers R'000	Actual Transfer R'000
Emfuleni Local Municipality (Municipality Grass fire unit with equipment)	7 800	–	–	7 800	7 800	–	–	7 800	–	–	0%	7 000	7 000
Mogale City Local municipality (Valuation management system)	–	–	–	–	–	–	–	–	–	–	–	–	–
Lesedi Local Municipality (GRAP 17)	–	–	–	–	–	–	–	–	–	–	–	1 000	1 000
Randwest City Municipality (GRAP 17)	–	–	–	–	–	–	–	–	–	–	–	1 000	1 000
Merafong City Local Municipality (GRAP 17)	–	–	–	–	–	–	–	–	–	–	–	1 000	1 000
Mogale City (GRAP 17)	–	–	–	–	–	–	–	–	–	–	–	1 000	1 000
West Rand District Municipality (GRAP 17)	250	–	–	250	250	–	–	250	–	–	0%	1 000	1 000

Annexures to the Annual Financial Statements *continued*

For the year ended **31 March 2023**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2021/22	
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	DoRA and other transfers R'000	Actual Transfer R'000
Merafong City Local Municipality (Software Licensing)	250	–	–	250	250	–	–	250	248	–	99%	–	–
West Rand District Municipality (Fire and Rescue Services)	14 372	–	–	14 372	14 372	–	–	14 372	–	–	0%	–	–
Total	**38 978**	**–**	**–**	**38 978**	**38 978**	**–**	**–**	**38 978**	**3 153**	**–**	**8%**	**25 037**	**25 037**

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

Annexures to the **Annual Financial Statements** *continued*

For the year ended **31 March 2023**

ANNEXURE 1G

UNAUDITED STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
HOUSEHOLDS	**Adjusted Budget R'000**	**Roll Overs R'000**	**Adjustments R'000**	**Total Available R'000**	**Actual Transfer R'000**	**% of Available funds transferred %**	Final Budget R'000	Actual Transfer R'000
Transfers								
H/H EMPL S/BEN:PST RETIRMT BENEF								
Keyhealth Med Scheme	–	–	–	–	487	–	–	470
National Treasury	–	–	–	–	–	–	–	68
MEC	–	–	–	–	–	–	–	–
H/H EMPL S/BEN: INJURY ON DUTY	–	–	–	–	5	–	–	2
Clinics, drs, compensation Commissioner	–	–	–	–	–	–	–	–
H/H EMPL SBEN LEAVE GRATUITY	–	–	–	–	1 872		–	1 696
	–	**–**	**–**	**–**	**2 364**	**–**	**–**	**2 236**
Subsidies	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**2 364**	**–**	**–**	**2 236**

ANNEXURE 4

UNAUDITED CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22*	
	31/03/2023	31/03/2022	**31/03/2023**	31/03/2022	**31/03/2023**	31/03/2022	Receipt date up to six (6) working days after year end	Amount
Government Entity	**R'000**	R'000	**R'000**	R'000	**R'000**	R'000		R'000
Department								
Department of Infrastructure	–	40	–	–	–	40	–	–
Gauteng Department of Human settlement	–	–	**51**	–	**51**	–	–	–
	–	–	–	–	–	–	–	–
Other Government Entities								
TOTAL	–	40	**51**	–	**51**	40	–	–

ANNEXURE 5

UNAUDITED INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22*	
	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
DEPARTMENTS								
Current								
Gauteng Office of the Premier	**–**	769	**91**	–	**91**	769		
Gauteng Department of Justice	**93**	1 643	**–**	–	**93**	1 643		
E-Government	**–**	244	**–**	–	**–**	244		
Department of Infrastructure	**–**	9	**–**	–	**–**	9		
National Co-Operative Governance and Traditional Affairs	**35**	–	**–**	–	**35**	–		
National Department of Agriculture, Land Reform & Rural Development	**–**	–	**98**	–	**98**	–		
Gauteng Department of Health	**48**	–	**–**	–	**48**	–		
Subtotal	**176**	2 665	**189**	–	**365**	2 665		–
Non-current	**–**	–	**–**	–	**–**			
Subtotal	**–**	–	**–**	–	**–**	–		–
Total Departments	**176**	2 665	**189**	–	**365**	2 665		–

Annexures to the **Annual Financial Statements** *continued*

For the year ended **31 March 2023**

OTHER GOVERNMENT ENTITY							
Current							
G-Fleet	**1 021**	2 962	**–**	–	**1 021**	2 962	
Government Printing	**–**	160	**184**	–	**184**	160	
Subtotal	**1 021**	3 122	**184**	–	**1 205**	3 122	
Non-current	**–**	–	**–**		**–**		
Subtotal	**–**	–	**–**	–	**–**	–	
Total Other Government Entities	**1 021**	3 122	**184**	–	**1 205**	3 122	
TOTAL INTERGOVERNMENTAL PAYABLES	**1 197**	5 787	**373**	–	**1 570**	5 787	

ANNEXURE 11

UNAUDITED COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

	2022/23					2021/22
Expenditure per economic classification	**Q1 R'000**	**Q2 R'000**	**Q3 R'000**	**Q4 R'000**	**Total R'000**	Total R'000
Compensation of employees						
Goods and services	**11 823**	**536**	**316**	**–**	**12 675**	19 868
List all applicable SCOA level 4 items:						
Advertising	**11 823**	**536**	**316**	**–**	**12 675**	17 795
Cns: Bus&Adv Ser: Research Advisor						189
Contractors						–
Cons Supplies						–
Property payments						483
Operating payments						–
Cons Hous Sup: Wash/Clean Dete						1 401
P/P: Pest Cntrl/ Fumigation Ser						
O/P: Printing Publications Serv						
Advert: Marketing						
Cns: Bus&Adv Ser: Research Advisor						
Contractors: Audio-Visual Serv						
Transfers and subsidies						
List all applicable SCOA level 4 items						
Expenditure for capital assets						
List all applicable SCOA level 4 items						

Notes:

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