FREE STATE DEPARTMENT OF
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

ANNUAL REPORT

FINANCIAL YEAR

2023/24

VOTE NO.8

cooperative governance
and traditional affairs

Department of Cooperative Governance
and Traditional Affairs
FREE STATE PROVINCE

Contents

PART A: GENERAL INFORMATION 5
1. DEPARTMENT GENERAL INFORMATION 6
2. LIST OF ABBREVIATIONS/ACRONYMS 7
3. FOREWORD BY THE MEC 9
5. REPORT OF THE ACCOUNTING OFFICER 11
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT 16
7. STRATEGIC OVERVIEW 17
   7.1. Vision 17
   7.2. Mission 17
   7.3. Values 17
8. LEGISLATIVE AND OTHER MANDATES 17
9. ORGANISATIONAL STRUCTURE 21
10. ENTITIES REPORTING TO THE MINISTER/MEC 21

PART B: PERFORMANCE INFORMATION 22
1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES 23
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE 23
   2.1 Service Delivery Environment 23
   2.2 Service Delivery Improvement Plan 24
   2.3 Organisational environment 27
   2.4 Key policy developments and legislative changes 27
3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES 27
4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION 29
5. TRANSFER PAYMENTS 71
   5.1. Transfer payments to public entities 71
   5.2. Transfer payments to all organisations other than public entities 71
6. CONDITIONAL GRANTS 73
   6.1. Conditional grants and earmarked funds paid 73
   6.2. Conditional grants and earmarked funds received 74
7. DONOR FUNDS 74
   7.1. Donor Funds Received 74

8. CAPITAL INVESTMENT 75
8.1. Capital investment, maintenance and asset management plan 75

PART C: GOVERNANCE 76
1. INTRODUCTION 77
2. RISK MANAGEMENT 81
3. FRAUD AND CORRUPTION 82
4. MINIMISING CONFLICT OF INTEREST 83
5. CODE OF CONDUCT 83
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES 84
7. PORTFOLIO COMMITTEES 84
8. PROPAC RESOLUTIONS 85
9. PRIOR MODIFICATIONS TO AUDIT REPORTS 85
10. INTERNAL CONTROL UNIT 85
11. INTERNAL AUDIT AND AUDIT COMMITTEES 86
12. AUDIT COMMITTEE REPORT 88
13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION 91

PART D: HUMAN RESOURCE MANAGEMENT 92
1. INTRODUCTION 93
2. OVERVIEW OF HUMAN RESOURCES 93
3. HUMAN RESOURCES OVERSIGHT STATISTICS 93

PART E: PFMA COMPLIANCE REPORT 131
1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES 132
1.1. Irregular expenditure 132
1.2. Fruitless and wasteful expenditure 135
1.3. Unauthorised expenditure 137
1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)) 138
2. LATE AND/OR NON-PAYMENT OF SUPPLIERS 139
3. SUPPLY CHAIN MANAGEMENT 139
3.1. Procurement by other means 139
3.2. Contract variations and expansions 139

PART F: FINANCIAL INFORMATION 140
1. REPORT OF THE AUDITOR-GENERAL 141

2. ANNUAL FINANCIAL STATEMENTS.....152

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS: OR Tambo House, 7th Floor
Cnr St. Andrews and Markgraaff Street
Bloemfontein
Free State
9301

POSTAL ADDRESS: P. O. Box 211 Private Bag
Bloemfontein
9300

TELEPHONE NUMBER/S: Head of Department: 051 405 5719
Chief Financial Officer: 051 405 5618/083 995 5179
Chief Director Corporate Services: 051 405 4481

EMAIL ADDRESS: Head of Department: Hod@fscogta.gov.za
Chief Financial Officer: Kgopotso.Moahloli@fscogta.gov.za
Chief Director: Corporate Services: Letshela.Mokoena@fscogta.gov.za

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

2. LIST OF ABBREVIATIONS/ACRONYMS

AG	Auditor-General
AGSA	Auditor General of South Africa
AO	Accounting Officer
B2B	Back-to-Basics Programme
BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CWP	Community Works Programme
CDW	Community Development Worker
CFO	Chief Financial Officer
CMIP	Consolidated Municipal Infrastructure Programme
COGTA	FS Department of Cooperative Governance and Traditional Affairs
DCOG	National Department of Cooperative Governance
DM	Disaster Management
DPSA	Department of Public Service and Administration
EU	European Union
FSGDS	Free State Growth and Development Strategy
HOD	Head of Department
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
KPI	Key Performance Indicator
LED	Local Economic Development
LGTAS	Local Government Turn-Around Strategy
MISA	Municipal Infrastructure Support Agency
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MSA	Municipal Systems Act
MIG	Municipal Infrastructure Grant
	Municipal Structure 's Act
MPRA	Municipal Property Rates Act
MTAS	Municipal Turn Around Strategies
MTEF	Medium Term Expenditure Framework
MTSF	Medium Terms Strategic Framework
NDP	National Development Plan

OPEX	Operational Expenditure
PDMC	Provincial Disaster Management Committee
PFMA	Public Finance Management Act
PILIR	Policy and Procedure on Incapacity Leave and Ill-health
PMS	Performance Management System
PSC	Public Service Commission
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SPLUMA	Spatial and Land Use Management Act
TC	Traditional Council
TR	Treasury Regulations
WSP	Work Place Skills Plan

3. FOREWORD BY THE MEC OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Hon.TZ Mokoena
MEC: Cooperative Governance and Traditional Affairs

In the year under review, the Department is celebrating a milestone of achievements in carrying out its constitutional mandate of supporting municipalities and Traditional Leaders. The state of affairs in municipalities has not reached the desired level of performance that the Department would like them to be at. This annual report addresses the last financial year of the MTSF 2019/2024 period of the 6th Administration.

The mandates of the Department of Cooperative Governance and Traditional Affairs are embodied in the Republic of South Africa Constitution, Act 108 of 1996, Sections 112 and 154 which oblige on the Department to support and capacitate in the Province, whilst Section 211 of the Constitution makes provision for the recognition of the institution, status and role of traditional leadership according to customary law by the Province. The Department has continued with fulfilling these mandates by seconding officials to act in vacant senior managers' positions in municipalities, providing oversight on the management of conditional grants and providing institutional support to Traditional Leaders.

Notwithstanding this support and oversight the state of affairs in municipalities is still facing challenges that requires more of our attention. One of the main challenges faced by Municipalities is lack of proper financial management and poor in-year financial reporting processes that meant that few of the municipalities could prepare credible financial statements. The over reliance by municipalities on private consultants in the preparation of Annual Financial Statement must be reduced, and skills transfer must be done by the consultants to build internal capacity. During the past financial year municipalities most of them were not fulfilling their service delivery mandates.

Furthermore, they struggled to perform preventative maintenance and safeguard their infrastructure and assets, because they spent only 1% of their infrastructure budget on repairs and maintenance, compared to the norm of 8% of the infrastructure budget. The Department together with Municipal Infrastructure Support Agent (MISA) has put a program to intensify its monitoring in relations to conditional grant spending and infrastructure improvement so as to ensure that expenditure reflect work done on the ground. During the year under review, 2125 temporary jobs were created during the implementation of the 2023/2024 municipal infrastructure project of which 657 were towards women empowerment, 389,719 households were serviced and 22 km of roads and storm water were constructed.

The Department is also mandated to support the recognized traditional leaders and their structures, in order to perform their functions and roles effectively and efficiently, by providing enabling resources, as espoused in the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019).
The institution of traditional leadership as the custodian of culture and customs, is responsible for the implementation of the Customary Initiation Act, 2021 (Act No. 2 of 2021) (the "CIA"), through the Provincial Initiation Coordinating Committee (the" PICC"). The Department supports financially and administratively the PICC, which coordinates all initiation schools, practices and activities in the province.
The Department will tirelessly continue to render support and assistance to municipalities and Traditional Leaders in various forms to capacitate them to improve the service delivery. This will be achieved by not only working harder, but also by working smarter in collaboration with our stakeholders and role-players, to ensure a prosperous province with institutions that are reliable to their communities. By working together, we will also succeed to restore the confidence of our people in our municipalities and Traditional Leaders, the primary delivery machines of the developmental state, and make municipalities the pride of our people.

MEC. TZ Mokoena
Executive Authority: Department of Cooperative Governance and Traditional Affairs
Date:

4. REPORT OF THE ACCOUNTING OFFICER

Names: STR Ramakarane
Title: Head of the Department

- The Department continued to implement government priorities as outlined in the National Development Plan (NDP): Vision 2030 the revised Medium-Term Strategic Framework (MTSF) for 2019-2024. The Medium-Term Strategic Framework identifies key areas, priorities, or goals for implementation by the 6th Administration. It gives me great pleasure to present the annual report of the Department of Traditional Affairs for the 2023/2024 financial year, as we have concluded by ensuring that we deliver as expected, this is a strategic report consolidated from the performance plan executed under the year review. We leveraged lessons and developed new ways of adapting to provide support to municipalities. During this period, we also concluded a comprehensive strategic review that resulted in a revised operating procedures and processes for the Department. The adaptive system brings solutions closer to where the challenges are. Enforcing implementation of the District Development Model (DDM) as one strategic and intergovernmental relation tool to enhance integrated planning for the province. This included the deployment of suitably qualified individuals as Executive Council representatives and senior managers in struggling municipalities and those identified through report.

- Municipal infrastructure plays a key role in supporting service delivery. A lack of infrastructure and the inadequate maintenance of infrastructure not only negatively affect service delivery, but often also cause harm to communities and the environment. We reported on weaknesses in infrastructure projects and inadequate maintenance and management of infrastructure assets which resulted in poor service delivery to our communities. The Department has also managed to monitor the MIG spending effectively to support this kind of services being properly executed.

- Through our various achievements, it also comprises the reconstitution of the Provincial House of Traditional and Khoi-San Leaders ("the Provincial House") in accordance with section 49 and 63(13) of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019) ("TKLA"); establishment of the Provincial Initiation Coordinating Committee ("PICC") in accordance to the Customary Initiation Act, 2021 (Act No. 2 of 2021) ("CIA"); reconstitution of the Thabo Mofutsanyana Local House of Traditional and Khoi-San Leaders ("TMLHTKL") in accordance with section 50 of the TKLA and establishment of Investigative Committee that handles traditional leadership disputes and claims. Outstanding progressive movement has been marked under the period review which gives the Department a milestone reached and we are still keen to give support to our traditional leaderships and their communities.

- Overview of the financial results of the department:
  - Departmental receipts

Departmental receipts	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	(181)	(205)	(24)	(182)	(207)	(25)
Interest, dividends and rent on land	(25)	(22)	3	(22)	(24)	(2)
Sale of capital assets	-	(8)	(8)	-	(29)	(29)
Financial transactions in assets and liabilities	(865)	(958)	(93)	(94)	(67)	27
Total	**(1 071)**	**(1 193)**	**(122)**	**(298)**	**(327)**	**(29)**

- The main reason for over-collection of revenue relates to the sale of goods and services and sale of machinery and equipment after assets were disposed during March 2024.

- The high revenue reflected under "financial transactions in assets and liabilities" relates to service terminations which were done on PERSAL for 6 officials with a backdated service termination date of 28 February 2023. PERSAL reversed the March 2023 salary (relating to the previous financial year) to Revenue funds: receipts of previous year's expenditure item and reversed the April 2023 salary to the current financial year (2023/2024). The officials were appointed at the Department of Premier and subsequently inter departmental claims were processed.

- The high revenue under "financial transactions in assets and liabilities" further relates to bad debt written off. A total amount of R148 thousand has been written of which R89 thousand relates to previous year expenditure.

➢ Tariff Policy

The 2023/2024 tariffs levied by the Department related to the sale of old cell phones and machinery and equipment. The tariffs are listed below:

Detail	Period	Fees
Sale of old cell pones	16-24 months	5% of original value
	24-36 months	R100
Sale of Machinery and equipment	More than 3 years	50% of cost price
	More than 4 years	20% of cost price
	More than 5 years	10% of cost price

➢ Programme Expenditure

Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	156 237	151 542	4 695	164 667	148 812	15 885
Local Governance	80 887	78 512	2 375	99 596	79 470	20 126
Development and Planning	74 347	66 026	8 321	64 804	48 223	16 581
Traditional Institutional Management	58 914	53 713	5 201	52 222	48 933	3 289
House of Traditional Leaders	17 277	16 785	492	17 272	14 842	2 430
Total	**387 662**	**366 578**	**21 084**	**398 561**	**340 280**	**58 281**

The budget of the Department was adjusted in March 2024 from R417.191 million to R387.662 million.
As at 31 March 2024 the Department has spent R366 578 million against the adjusted budget of R387.662 million which translate to 95% spending of the total budget (surplus of R21.084 million).
The main reasons for over/under expenditure are:

The underspending mainly relates to:

- The funds allocated for the Cleanest and Greenest Project. These funds were earmarked for procurement of tools of trade at various local municipalities. The tender process was not finalized by the end of the financial year.
- The funds allocated for Reconstitution of twelve (12) Traditional Councils in the Free State Province. Tender processes for the appointment of the Project Manager were completed during March 2024.

VIREMENT SUMMARY 2023/2024 FINANCIAL YEAR

PROGRAMME 1

FROM: PROGRAMME	ECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	ECONOMIC CLASSIFICATION	INCREASE R'000	NETT EFFECT R'000
1	Goods and Services	- 1,000	1	Compensation of Employees	9,380	
1	Households	- 272	1	Goods and Services	656	
1	Machinery and Equipment	- 584				
		- 1,856			10,036	8,180

PROGRAMME 2

FROM: PROGRAMME	ECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	ECONOMIC CLASSIFICATION	INCREASE R'000	NETT EFFECT R'000
2	Compensation of Employees	- 6,950	2	Goods and Services	1,000	
2	Goods and Services	- 824	2	Machinery and Equipment	331	
			2	Households	112	
		- 7,774			1,443	- 6,331

PROGRAMME 3

FROM: PROGRAMME	ECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	ECONOMIC CLASSIFICATION	INCREASE R'000	NETT EFFECT R'000
3	Compensation of Employees	- 2,500	3	Compensation of Employees	80	
3	Goods and Services	- 367	3	Machinery and Equipment	253	
3	Households	- 51				
		- 2,918			333	- 2,585

PROGRAMME 4

FROM: PROGRAMME	ECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	ECONOMIC CLASSIFICATION	INCREASE R'000	NETT EFFECT R'000
4	Goods and Services	- 840	4	Compensation of Employees	341	
			4	Goods and Services	2,580	
			4	Non-profit Institutions	500	
			4	Households	26	
			4	Machinery and Equipment	1,370	
		- 840			4,817	3,977

PROGRAMME 5

FROM: PROGRAMME	ECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	ECONOMIC CLASSIFICATION	INCREASE R'000	NETT EFFECT R'000
5	Goods and Services	- 2,580	5	Goods and Services	884	
5	Machinery and Equipment	- 1,370	5	Compensation of Employees	300	
	Non-profit Institutions	- 500	5	Households	25	
		- 4,450			1,209	R (3,241)

GRANT TOTAL	- 17,838		17,838	-

The main reason for virement was to accommodate expenditure for Compensation of Employees between Programs. Furthermore, virements were done in order to re-prioritize allocated funds between Programs 4 and 5.

- **Roll overs**

The Department requested roll-over of funds amounting to R6.262 078 million which is included in the commitments:

Voted Funds: Goods and Services:	R3 056 355
Voted Funds: Machinery and Equipment:	R 139 109
Voted Funds: Transfer and Subsidies:	R1 422 984
Earmarked Funds: Municipal Support Programme: Transfers and Subsidies:	R1 643 630
Total:	**R6 262 078**

- **Unauthorised expenditure**

The Department did not incur any unauthorised expenditure.

- **Fruitless and wasteful expenditure**

The opening balance of Fruitless and Wasteful cases were R5 thousand. The Department incurred R93 thousand in terms of 4 cases of Fruitless and Wasteful expenditure – mostly relating to no show accommodation and flights. R63 thousand was referred for recovery and R14 thousand written off. The closing balance for Fruitless and Wasteful cases is R21 thousand.

- **Gifts and Donations made in kind**

The Department (Traditional Leaders) made gifts in kind to the Chieftaincy during their visit in Ghana to the value of R121 thousand.

The Department also made donations in kind in the form of school shoes and bags to the Hermana Primary School in Mantsopa Municipality to the value of R100 thousand.

STR Ramakarane
Accounting Officer
Department of Cooperative Governance and Traditional Affairs
Date: 31 | 07 | 2024

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

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

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

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

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

The Annual Financial Statements (Part F) 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 2024.

Yours faithfully

STR Ramakarane

Accounting Officer

Date: 31 JULY 2024

6. STRATEGIC OVERVIEW

Vision, Mission and Values

Vision:

Integrated, responsive and developmental local governance in the Free State Province

Mission:

The Department strives to strengthen inter-sectoral cooperation and support municipalities and Traditional Leaders towards effective service delivery through:

- Integrated and sustainable planning and development
- Partnerships
- Research
- Monitoring and evaluation
- Accountability

Values:

The Department's inherent values, as informed by Batho Pele principles, are:

- Results-driven
- Professionalism and Integrity
- Responsiveness
- Accountable and Transparent
- Value for money
- Collaborative Leadership

7. LEGISLATIVE AND OTHER MANDATES

Legislative and other Mandates

Constitutional Mandate

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

Legislative Mandate

The following legislation applies to the department:

a) Public Finance Management Act No. 1 of 1999 (as amended by the Public Finance Management Amendment Act No. 29 of 1999). This Act regulates financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith

b) Division of Revenue Act of 2013. This Act provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2013/2015 financial year; to provide for reporting requirements for allocations pursuant to such divisions; to provide for the withholding and the delaying of payments; to provide for liability for cost incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and to provide for matters connected therewith.

c) The Housing Act No. 107 of 1997: Section 2 of the Housing Act, 1997 (Act No. 107 of 1997) compels all three spheres of government to give priority to the needs of the poor in respect of housing development (section 2(1) (a)). In addition, all 3 spheres of government must ensure that housing development:
   (i) provides as wide a choice of housing and tenure options as is reasonably possible
   (ii) is economically, fiscally, socially and financially affordable and sustainable
   (iii) is based on integrated development planning
   (iv) is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance (Section 2(1)(c)).

d) Subdivision of Agricultural Land Act No. 70 of 1970: This Act is used for Town Planning advice to the Department of Land Affairs on the subdivision of agricultural land.

e) The Development Facilitation Act No. 67 of 1995: This Act provides directive principles to guide the drafting, adoption and implementation of all policies and legislation for all spheres of government regulating spatial planning, land use management and land development.

f) The Physical Planning Act No. 125 of 1991: This Act governs secondarily land uses on farmland that is not agriculture related by way of permits and it also enables the amendment of guide plans and the evaluation of consistency regarding land development

g) Municipal Systems Act of 2000: The Act introduces changes towards the manner in which municipalities are organized internally, the way they plan and utilize resources, monitor and measure their performance, delegate authority, render services and manage their finances and revenue. Critically, the MSA formalizes a range of alternative service delivery mechanisms that could be used to complement traditional service rendering mechanisms / arrangements used by municipalities. This Act also enables the Integrated Development Plans (IDP). The IDP is a single and inclusive strategic plan that must be compiled and adopted by the municipality. IDPs must include a financial plan, performance management plan, disaster plan and a spatial development framework within which all sector plans should be addressed

h) Municipal Demarcation Act of 1998: The Municipal Demarcation Act of 1998 provided for the re-demarcation of municipal boundaries and this resulted in the rationalization of 843 municipal entities into 284 larger and possible economically viable entities.

i) Municipal Structures Act No. 117 of 1998 as amended in 1999 and 2000: The Act defined new institutional arrangements and systems for local government. Importantly, the Act laid a foundation for local government performance management and ward committee systems.

j) The Fund-Raising Act No. 107 of 1978: The Act provides for the declaration of a disaster by the President in order to provide relief to the Victims of disasters such as drought disaster.

k) Disaster Management Act 57 of 2002: The Act streamlines and unifies disaster management and promotes a risk reduction approach particularly at provincial and local levels. It eliminates the confusion around disaster declaration and addresses current legislative gaps.

l) National Veld and Forestry Act No. 101 of 1998: The Act emphasizes the formation of Fire Protection Associations for the purpose of predicting, preventing, managing and extinguishing veld fires

m) The National Environmental and Waste Management Act of 1999: The Act provides for environmental management strategies so as to prevent and mitigate environmental disasters

n) Traditional Leadership and Governance Framework Act No. 41 of 2003: The Act provides for the recognition of traditional leaders, their roles and functions, recognition of traditional communities, establishment of traditional councils and for matters connected therewith.

o) Public Audit Act, 2004 (Act 25 of 2004): This Act gives effect to the provisions of the Constitution establishing and assigning functions to an Auditor-General; to provide for the auditing of institutions in the public sector; to provide for accountability arrangements of the Auditor-General; to repeal certain obsolete legislation; and to provide for matters connected therewith.

p) Municipal Finance Management Act, 2003 (Act No. 56 of 2003): This Act aims to modernise budget and financial management practices in municipalities so that financially sustainable municipalities are able to meet their service delivery obligations. The Act also provides a financial governance framework that clarifies the roles and responsibilities of officials, councillors, the Provincial Treasury and this department. The department is responsible for monitoring and supporting municipalities in its implementation, to share its monitoring results and provide warning of impending financial distress. Although the department is endowed with powers of intervention, the primary responsibility to manage finances, identify and avert financial distress rests with municipalities

q) Municipal Property Rates Act, 2004 (Act No. 6 of 2004): This Act regulates the powers entrusted to municipalities to impose rates on property, to exclude certain property categories from rating and to provide a transparent and fair system for rating of properties and granting rates rebates. The Act further provides for ratepayers to have access and recourse to a process of objection and appeal against rates imposed by municipalities. The mandate of the department is to monitor and support municipalities with MPRA implementation, and to ensure that objections and appeals against property values are resolved through a fair and transparent process of appeal/review.

r) Spatial Planning and Land Use Management Act 16 of 2013): This Act provides a framework for the monitoring, coordination and review of the spatial planning and land use management system. It also provides for the establishment, functions and operation of Municipal Planning Tribunals.

s) National Building Regulations and Building Standards Act (Act 103 of 1977): This Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities for the prescribing of building standards; and for matters connected therewith.

t) Transportation of Dangerous Goods Act of 1992: This Act provides for public safety in the transportation of dangerous goods.

u) Safety and Sports and Recreational Events Act (Act 2 of 2010): To provide for measures to safeguard the physical wellbeing and safety of persons and property at sports, recreational, religious, cultural, exhibition, organisational or similar events held at stadiums, venues or along a route; to provide for the accountability of event role players to provide for certain prohibition to provide risk categorisation of events: to provide for the establishment of measures to deal with safety and security at events; to provide for accreditation of role-players at events; to provide for events ticketing; to provide for the control access of spectators and vehicles at events; to provide for the issuing of safety certificates for planned or existing stadiums or venues; to provide for the contents of safety certificates and amendments to safety certificates; to provide for appointment of inspectors and their powers of entry and inspection; to provide for the development of security services; to provide for spectator exclusion notices; to provide for prohibition notices; to provide for the establishment of an Appeal Board and for appeals; to provide for public liability insurance for events; to provide for payment of fees; to provide for offences and penalties; and to provide for matters connected therewith.

v) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005): To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations, and provide for mechanisms and procedures to facilitate the settlements of intergovernmental disputes.

w) Local Government Laws Amendment Act, to mend different acts applicable to local governments, e.g., Structures Act, in relation to the payment of out-of-pocket expenses for ward committees

x) Remuneration of Public Office Bearers Act, 1998: To provide for the effective regulation of customary initiation practices; to provide for the establishment of a National Initiation Oversight Committee and Provincial Initiation Coordinating Committees and their functions; to provide for the responsibilities, roles and functions of the various role-players involved in initiation practices as such or in the governance aspects thereof; to provide for the effective regulation of initiation schools; to provide for regulatory powers of the Minister and Premiers; to provide for the monitoring of the implementation of this Act; to provide for provincial peculiarities; and to provide for matters connected therewith

y) Traditional & Khoisan Leadership Act 03 of 2019: To provide for the recognition of traditional and Khoi-San communities, leadership positions and for the withdrawal of such recognition; to provide for the functions and roles of traditional and Khoi-San leaders;

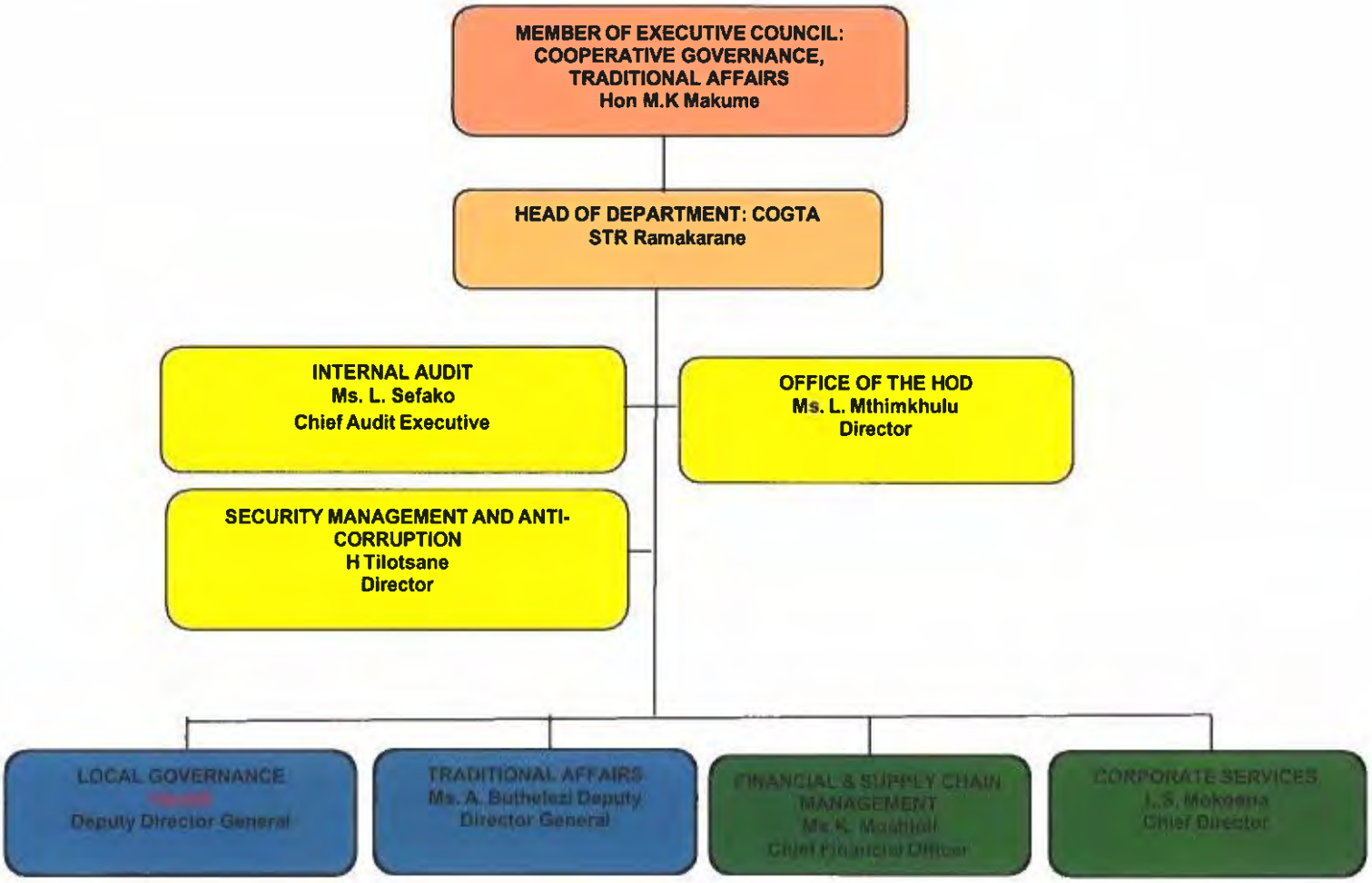
z) Free State Leadership and Governance Act 07 of 2005

aa) Free State Provincial and Local Houses of Traditional Leaders Act 7 of 2017: To provide for the establishment of a Provincial House of Traditional Leaders and Local Houses of Traditional Leaders; to provide for the composition of the Houses; to determine the roles and functions of the Houses; and to provide for matters incidental thereto

Policy Mandates

a) National Development Plan
b) 2019-2024 Medium Term Strategic Framework
c) State of the Nation Address
d) State of the Province Address
e) Budget Speech of the National Minister for Cooperative Governance and Traditional Affairs
f) MEC's Budget Vote Speech
g) Premier's Coordinating Forum
h) Local Government Turnaround Strategy
i) Government's Delivery Agreement on Outcome 9
j) Municipal Infrastructure Grant Policy
k) National Disaster Management Framework
l) Regional Industrial Development Strategy (RIDS)
m) National Local Economic Development Framework
n) Free Basic Sanitation Implementation Strategy
o) Municipal International Relations Policy Framework
p) Spatial Planning and Land use Management Act 16 of 2013
q) Traditional and Khoi-San Leadership Act
r) Integrated Sustainable Rural Development Program
s) Private Public Partnerships Regulations of 2005
t) Free Basic Services Policy of 2000
u) National guidelines on Indigent Policy and Registers Framework 2005
v) White Paper on Fire Services

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Not applicable			

PART B: PERFORMANCE INFORMATION

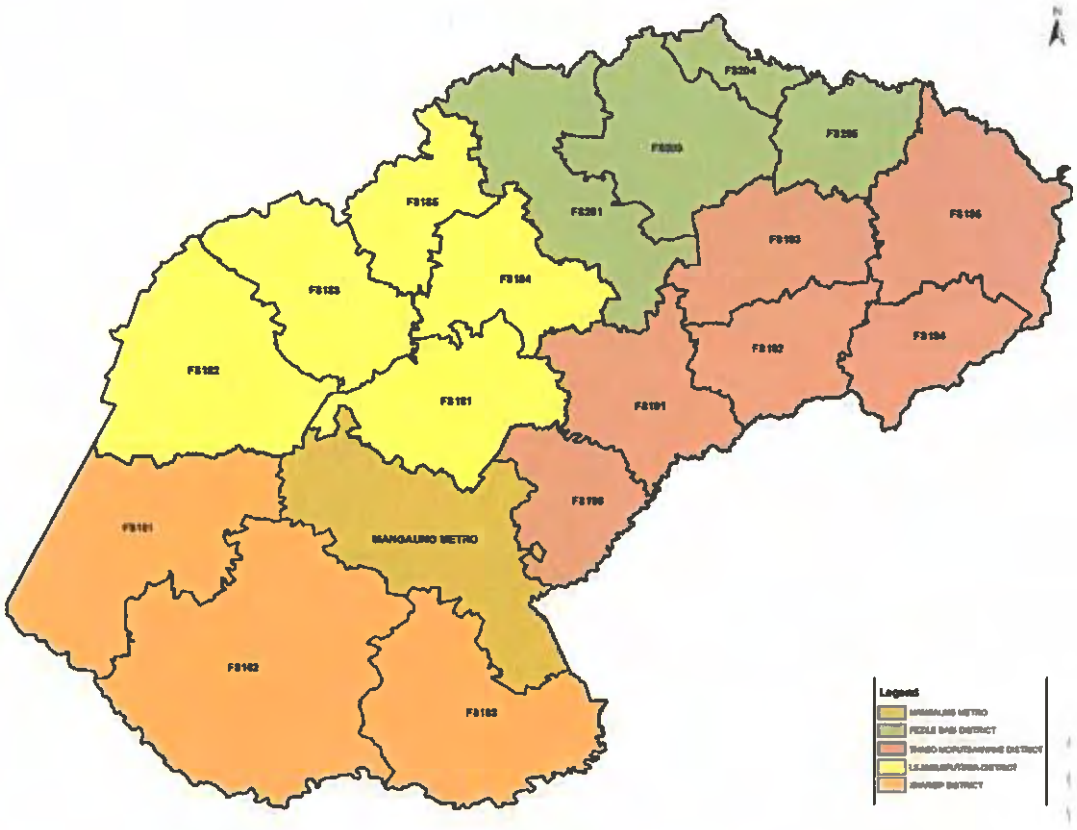
1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 141 of the Report of the Auditor-General, published as **Part F**: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Free State Province consist of, for local government purposes, of one metropolitan municipality (Mangaung) and four district municipalities. The district municipalities in turn consist of eighteen (18) local municipalities.



The constitutional responsibilities of the Free State Department of Cooperative Governance and Traditional Affairs(COGTA) are to support and capacitate the municipalities in the Free State in terms of Section 154 of the Constitution of the Republic of South Africa, 1996, as amended. The department also monitors the performance of municipalities to ensure that municipalities perform their legislative mandate of delivery of basic services to the communities of Free State Province. Furthermore, the department provides support to the House of Traditional Affairs and Traditional Leaders in the province, in its nature, the department does not deliver services directly to the communities.

The department achieved its targets that they have set in their annual performance plan. Among the challenges that the department encountered in supporting the municipalities, was the slow filing of senior

management positions and critical positions in municipalities, which resulted in the department having to second its officials to act in different senior management positions. The non-filing of these positions contributed to poor service delivery, which caused communities to embark on strikes and none payment of services accounts, resulting in poor revenue collection. Some community organizations, resorted to taking the municipalities to court and in all cases the department is cited as a core respondent. Most municipalities have unfunded budgets due to poor revenue collection, and this resulted in many litigations as the municipalities failed pay their creditors. The department found itself having to defend cases that were caused by the failure of municipalities to deliver basic services to their communities.

The department has assessed and recorded the performance of the municipalities in the State of Local Government Report. Based on this report the department had assisted the municipalities to develop and implement the Municipal Support and Improved Plans (MSIP). Three municipalities, namely, Mafube Local Municipality, Tokologo Local Municipality and Mangaung Metro are implementing Financial Recovery Plans (FRP). Furthermore, the department is in the process of the institutionalizing the implementation of the District Development Model (DDM) ,which is a tool that will improve service delivery by municipalities.

2.2 Service Delivery Improvement Plan

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

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Implementation of the initial assessment and improvement plans of the LGMIM in 09 municipalities of the Free State Province	Municipalities	4 Municipalities within Xhariep district participated in the initial assessment conducted during the 3rd and 4th quarter of 2023 and they are as follows: • Kopanong LM • Letsemeng LM • Mohokare LM • Xhariep LM	Draft Annual report available upon request.	Draft Annual report available upon request
		Improvement planning sessions were held with 5 municipalities as follows: • Fezile Dabi DM • Mafube LM • Metsimaholo LM • Moqhaka LM • Ngwathe LM		

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

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

Telephonic enquiries will be responded to immediately. Written enquiries will be responded to within 14 working days	Telephonic enquiries will be responded to immediately. Written enquiries will be responded to within 5 working days	Achieved Achieved
Openness & Transparency		
Continuous coordination on municipal support and training on Complaints Management System	Well-coordinated municipal support and training on Complaints Management System	Biannual meetings were convened with all municipalities in the period under review.

Information		
Annual publication of the Department's Annual Report reflecting amongst others the extent to which the Department has implemented / achieved its Service Delivery Improvement Plan	Annual publication of the Department's Annual Report reflecting amongst others the extent to which the Department has implemented / achieved its Service Delivery Improvement Plan	Biannual meetings were convened with all municipalities in the period under review. Quarterly reports are compiled and submitted to head of department about progress and challenges.
Redress		
Enquiries are formally addressed within 14 working days.	Written enquiries and/or complaints from affected municipalities regarding municipal support initiatives / interventions to be formally responded to within 10 working days.	Most complaints referred to the department were responded to within the timeframes. There is a team that respond to community complaints and concerns. A forum that speaks to community concerns was also established.

Service delivery information tool

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

Complaint's mechanism

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

2.3 Organisational environment

There is a need for an organisational configuration and human resources that match the abovementioned functions. Some of the critical functions within the aforementioned mandate of the Department are not catered for in the organisational structure and they do not have dedicated human resources. This anomaly negatively affects the Department's contribution to the identified government outcomes as well as the achievement of its goals and objectives. The Department has prioritised the review of the organisational structure to align the structure with the departmental mandate and strategic plan.

2.4 Key policy developments and legislative changes

The Department describe any major changes to relevant policies or legislation: that may have affected its operations during the period under.

Legislative mandates:

a) Customary Initiation Act 23 of 2021: To provide for the effective regulation of customary initiation practices; to provide for the establishment of a National Initiation Oversight Committee and Provincial Initiation Coordinating Committees and their functions; to provide for the responsibilities, roles and functions of the various role-players involved in initiation practices as such or in the governance aspects thereof; to provide for the effective regulation of initiation schools; to provide for regulatory powers of the Minister and Premiers; to provide for the monitoring of the implementation of this Act; to provide for provincial peculiarities; and to provide for matters connected therewith;

Policy mandate.

a) Free State Spatial Planning and Land Use Management Bill: To provide a framework for spatial planning and land use management in the Republic; to specify the relationship between the spatial planning and the land use management system and other kinds of planning; to provide for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government; to provide a framework for the monitoring, coordination and review of the spatial planning and land use management system; to provide a framework for policies, principles, norms and standards for spatial development planning and land use management; to address past spatial and regulatory imbalances; to promote greater consistency and uniformity in the application procedures and decision-making by authorities responsible for land use decisions and development applications; to provide for the establishment, functions and operations of Municipal Planning Tribunals; to provide for the facilitation and enforcement of land use and development measures; and to provide for matters connected therewith.

3. *ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES*

There are no amendments to the Strategic Plan 2020/2024.

Drawing from the NDP chapter on a Capable and Developmental State, by 2030, we will have a developmental local state that is accountable, focused on citizen's priorities and capable of delivering high- quality services consistently and sustainably through cooperative governance and participatory democracy. In this scenario, local government is at the forefront of participatory democracy involving citizens in meaningful deliberations regarding governance and development; is responsive to citizens' priorities and enjoys high levels of trust and credibility amongst the public; whose employees are skilled, competent and committed to delivering quality services; is able to cost-effectively increase the quantity and quality of services and operates within a supportive and empowering intergovernmental system.

In order to achieve the above vision there are a number of immediate barriers, constraints and challenges to be addressed. Proactive approach managing the intergovernmental system was introduced, to address specific weaknesses in coordination and capacity. The need to mediate agreements between district and local municipalities where there is duplication or conflict over the allocation of responsibilities and resources was implemented. The development of different modalities for the delivery of services in less well-resourced municipalities.

The 2020-2024 Medium Term Strategic Framework emphasizes that national and provincial departments and entities affecting local government will have to cooperate better and act with greater synergy in providing oversight and support to the local sphere. Therefore, the Department has improved systems of monitoring and evaluation on the assessment of supporting municipalities through various for and intervention implemented.

The Department has established Municipal Public Accounts Committee (MPAC) Forums that have led to increased capacitation of MPAC members. Based on this intervention 17 MPAC's are functional. The Department, through the Disaster Management Directorate, successfully intervened in the Jagersfontein disaster. The province has also been involved in the intervention in the town, which led to the building of 64 houses to replace the destroyed homes. The District Development office was established in the Department and in all the districts, including the Metro. These municipalities and the Metro, were assisted to develop and finalize their One Plans. The support through secondment of officials of the Department to act in senior managers' positions in municipalities has stabilized these municipalities.

In Traditional Affairs, the following have been achieved:

- Reconstitution of the Provincial House of Traditional and Khoi-San Leaders ("the Provincial House") in accordance with section 49 and 63(13) of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019) ("TKLA").
- Reconstitution of the Thabo Mofutsanyana Local House of Traditional and Khoi-San Leaders ("TMLHTKL") in accordance with section 50 of the TKLA.
- Establishment of the Provincial Initiation Coordinating Committee ("PICC") in accordance to the Customary Initiation Act, 2021 (Act No. 2 of 2021) ("CIA").
- Establishment of Investigative Committee that handles traditional leadership disputes and claims.
- There is an approved and adopted Bereavement Policy for Traditional Leaders.
- Participation of Traditional Leaders in Municipal Council in accordance to section 81 of Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended.
- Provision of vehicles to both Principal Traditional Leaders, Senior Traditional Leaders, the Members of the Executive Committee of the Provincial House and the Chairperson of TMLHTKL.
- Appointment of Deputy Traditional Leaders for Senior Traditional Leaders who are full time members of the Provincial House in accordance with the provision of section 14 of the TKLA.
- Allocation of livestock (hardy cows and bulls) to five recognised traditional communities in Province in collaboration with the Free State Department of Agriculture and Rural Development. The allocated bulls will be made available for the members of the traditional communities for breeding.
- Partial acquisition of land for the traditional community of Batlokoa-ba-Mokgalong has been achieved. However, the size of the land is too small to accommodate the members of the community. The Public Works and Infrastructure is in engagement with landowners to avail land in the vicinity of Vrede to accommodate the traditional community of Batlokoa ba Mokgalong.
- Annual cultural celebrations for the five recognised traditional communities are hosted.
- The office accommodation for Provincial House has been identified and its readiness for occu pation will be pronounced in the third quarter of 2024/25 financial year.

- Engagements between Traditional Leadership and Provincial Government in a form of Dialogue are held to promote cooperative governance.
- Monthly allowance for offices of Principal Traditional Leaders and Traditional Councils have been increased taking into account the inflation.
- Principal Traditional Leaders and Senior Traditional Leaders have been provided with laptops and cell phones to enhance their day to day performance of duties.
- Traditional Leaders undertook a trip to Ghana to benchmark on practices of their counterparts in that country.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Information must be provided in accordance with the Annual Performance Plan

4.1 Purpose of the Programme

This programme is dedicated to support the Department and all other services rendered as well as the Financial Management of the Department.

This Programme consists of the following Sub-Programmes:

- Office of the MEC
- Programme 1: Administration

Outcome: Improved institutional capacity

Programme has continued during the 2023/2024 financial year to give support to the line function of the Department in achieving its outcome and strategic plan priorities mandated for its existence. The contribution of MTSF Priority 1 of building a capable, ethical and developmental state. Providing support to the department through accurate, timely, compliant processing, monitoring and reporting on financial transactions and non- financial performance information which result into a sustained clean audit outcome, contribute to an efficient, effective administrative support provided to the Department

It has been the responsibility of Corporate Services program to organise itself in a manner that will maximise service delivery whilst fulfilling its mandate as per the Constitution of South Africa Act 108 of 1996. The Department has identified its internal organizational needs and agreed that it should reconfigure its working arrangement to enhance the internal environment through Organisational Development. With the new process of the reconfigured arrangement that is still under way of the structure, the Department anticipated becoming more vigorously responsive to the needs of its clients (municipalities).

Several trainings and workshops planned for women, youth and people with disability have been priority aspect of the Department under the period review. Human resource development unit had ensured that the Department complied fully with regard to this specific targeted group as it has been the cross-cutting measurement for the sector.

Table 2.4.4.1:

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

*(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has **re-tabled** an Annual Performance Plan in the financial year under review)*

Programme 1: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024 *until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Outcome: Improved institutional capacity	Resuscitation of departmental employee ethos (Batho Pele Principles)	Number of Information sessions conducted to Middle and lower levels officials on Batho Pele Revitalisation Strategy	2	2	1	0	-1	The achievement reported on is only for 1st and 2nd quarters.	Indicator is moved from APP to Operational Plan in order for the Department to focus on its core functions
	Establishment of the Departmental vacancy rate	Monitor and report on the filling of funded vacancies	4	3	4	2	-2	The achievement reported on is only for 1st and 2nd quarters.	Indicator is moved from APP to Operational Plan in order for the Department to focus on its core functions
	Improved coordination of the PMDS Policy implementation within the Department	Number of status reports produced on the implementation of the PMDS Policy	2	2	2	1	-1	Targets was achieved in Quarter 2 Indicator was removed from APP during APP re-tabling	Indicator is moved from APP to Operational Plan in order for the Department to focus on its core functions
	Improved	Number of reports	2	2	2	1	-1	The achievement	Indicator is

	operations in the Department	on the implementation of Operation Management Framework in the Department						reported on is only for 1st and 2nd quarters.	moved from APP to Operational Plan in order for the Department to focus on its core functions
	Reports on budget spending vs cash flow projection	Monitor and report on budget spending versus cash flow projections	12	12	12	6	-6	The achievement reported on is only for 1st and 2nd quarters.	Indicator is moved from APP to Operational Plan in order for the Department to focus on its core functions
	Irregular, unauthorized and wasteful expenditure	Report on irregular, unauthorized and wasteful expenditure	11	11	11	6	-5	The achievement reported on is only for 1st and 2nd quarters.	Indicator is moved from APP to Operational Plan in order for the Department to focus on its core functions
	Effective Key control matrix applied in the Department	Reports on compliance with Key Control Matrix (KCM) standards	4	4	4	2	-2	The indicator said "reports on compliance with Key Control Matrix" in the first APP. Therefore for the 1st and 2nd quarter.is reported as "reports". Refer to table 2.4.4.2 for annual achievements	Outputs amended to be results based and not an activity.
	Support on all issues related to	Monitor and report on the	-	2	2	1	-1	The achievement reported on is only	Indicator is moved from

	the wellness within the Department	implementation programme of Employee Wellness in the Department						for 1st and 2nd quarters	APP to Operational Plan in order for the Department to focus on its core functions

Table 2.4.4.2:

*To be used for a report against the originally tabled Annual Performance Plan (In the instance where a department **did not re-table** the Annual Performance Plan in the financial year under review) OR Report against the re-tabled Annual Performance Plan*

Programme 1: Administration								
Outcome	Output	Output indicator	Audited actual performance 21/22	Audited Actual performance 22/23	Planned Target 23/24	Actual achievement 23/24	Deviation from planned target to actual achievement 23/24	Reasons for deviation
Outcome: Improved institutional capacity	Performance of the Department compliant with APP requirements	Number of performance reviews conducted against its Annual Performance Plan	4	4	4	4	0	None
	Completed audits as per the approved internal audit plan	Percentage of completed internal audits	4	4	100%	93%	-7%	One audit was deferred due to client's request (IT Audit AUD 9). One audit was not conducted due to delay in procurement processes to appoint a service provider (IT Audit 10).
	Payment of valid invoices within 30 days	Percentage of valid invoices paid within 30 days	-	100%	100%	100%	0	None

	Effective Key control matrix applied in the Department	Percentage on compliance with Key Control Matrix (KCM) standards	4	4	100%	100%	0	None
	Create awareness to the officials on issues: *Gender equity, *youth and *non-discrimination of persons with disability	Number of awareness sessions and capacity building programmes to support gender, youth and disability mainstreaming	2	2	2	2	0	None
	40% of women owned enterprises awarded with service of procurement	Percentage of procurement awarded to women owned enterprises	-	-	40%	40.22%	+0.22%	Over-achievement of target is driven by more participation of women owned companies

Strategy to overcome areas of under performance

Not applicable because the programme achieved all its targets.

Linking performance with budgets

The programme achieved 100% of its annual targets. Its annual appropriation was R156, 237 million and has spent R151, 542 million, translating into 96,9% of the budget. The programme has with the spending recorded, achieved performance above the acceptable standard.

Sub-programme expenditure

PROGRAMME 1: ADMINISTRATION

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over) /Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	11 686	11 010	676	12 429	11 166	1 263
Corporate Services	144 551	140 532	4 019	152 238	137 646	14 592
Total	**156 237**	**151 542**	**4 695**	**164 667**	**148 812**	**15 855**

Programme 2: Local Governance

Purpose:

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

Sub – Programmes:

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

Service rendered by the Department in terms of this programme include:

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

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

Table 2.4.4.1:

*(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has **re-tabled** an Annual Performance Plan in the financial year under review)*

Programme 2: Local Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024 *until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved municipal and traditional institutional capacity	filled vacant posts of wards councillors through by-elections	Report on support provided towards filling vacant positions of ward councillors through By—elections"	1	1	1	1	0	None	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Developed policies	Report on support provided towards the development and/or review of policies	1	1	11	0	-1	The achievement reported on is only for 1st and 2nd quarters. Refer to table 2.4.4.2 for actual achievement	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Removal and reinternment of mortal remains processed	Percentage of applications on removal and reinternment of mortal remains processed	100%	100%	100%	100%	0	None	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities

	Municipalities complied with Municipal Property Rates Act	Monitor the extent to which municipalities are MPRA compliant	1	1	1	0	-1	Target was planned for Quarter 4. Indicator was amended during re-tabling of APP. Refer to table 2.4.4.2 for annual achievement	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Municipalities with senior managers post filled	Monitor the extent to which Senior managers posts are filled within Municipalities	4	4	4	2	-2	The achievement reported on is only for 1st and 2nd quarters. . Refer to table 2.4.4.2 for actual achievement	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Municipalities with institutionalisation of PMS	Monitor the institutionalization of the Performance Management System within municipalities	4	4	4	2	-2	The achievement reported on is only for 1st and 2nd quarters. . Refer to table 2.4.4.2 for annual achievement	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Section 57 manager's Employment	Monitor the extent to which Section 57 managers	4	4	4	2	-2	The achievement reported on is	The crafted performance indicator and their

	contracts signed	have signed employment contracts and performance agreements within due dates						only for 1st and 2nd quarters. Refer to table 2.4.4.2 for annual achievement	targets planned should be more specific as to produce required outcomes on the identified municipalities
	Municipal Performance Report Compiled	No. of Section 47 reports compiled as prescribed by the MSA	1	1	1	0	-1	Target was planned for Quarter 4. Refer to table 2.4.4.2 for annual achievement	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Reduction on unauthorised, wasteful and fruitless expenditure	No. of municipalities supported to reduce unauthorised irregular wasteful and fruitless expenditure	4	22	22	0	-22	The achievement reported on is only for 1st and 2nd quarters. Refer to table 2.4.4.2 for annual achievement	With regard to the National Treasury on the Cost containment measures directives
	Functional municipal audit committees	Report on the functionality of audit committees in Municipalities	1	1	1	0	-1	The achievement reported on is only for 1st and 2nd quarters. Refer to table 2.4.4.2 for annual achievement	With regard to the National Treasury on the Cost containment measures directives

	Improved revenue management collection and debt collection in the municipalities	Number of reports on revenue management and debt collection within municipalities	4	0	4	2	-2	The achievement reported on is only for 1st and 2nd quarters. Refer to table 2.4.4.2 for actual achievement.	Outputs amended to be results based and not an activity.
	Financial Turn around plans implementation in Municipalities	Number of municipalities monitored to implement Financial Turn around plans	3	1	1	0	-1	Target was planned for quarter 4. Indicator was removed from APP during the re-tabling of APP	Indicator is moved from APP to Operational Plan in order for the Department to focus on its core functions
	Municipalities respond to community concerns	Number of municipalities supported to resolve community concerns	19	16	19	11	-8	The achievement reported on is only for 1st and 2nd quarters. Refer to table 2.4.4.2 for annual achievement.	Outputs amended to be results based and not an activity.

	Community involvement in local governance processes	Number of municipalities supported to promote participation in community based local governance processes	23	23	19	12	-7	The achievement reported on is only for 1st and 2nd quarters. . Refer to table 2.4.4.2 for actual achievement.	The Department supported the Municipal Demarcation Board Community Consultative Meeting on the redetermination of outer boundaries that was not planned for
	Functionality of IGR structures in District Municipalities	Monitor the functionality of district IGR structures	4	4	4	2	-2	The achievement reported on is only for 1st and 2nd quarters. . Indicator was adjusted during the re-tabling of APP. Refer to table 2.4.4.2 for annual achievement.	Indicator revised to effectively measure the key strategic outputs that must be delivered.
	Municipalities implementing Batho Pele customized service standards framework	Monitor the extent to which Municipalities successfully implement the Batho Pele Service Standards framework for	4	4	4	2	-2	The achievement reported on is only for 1st and 2nd quarters. Indicator was adjusted during	Indicator revised to effectively measure the key strategic outputs that must be delivered.

		local government						the re-tabling of APP. Refer to table 2.4.4.2 for annual achievement.	
	Capacity Building interventions developed and conducted	Number of capacity building interventions conducted in the Districts and Metro Municipalities	4	8	20	10	-10	The achievement reported on is only for 1st and 2nd quarters. .Indicator and Target were adjusted during the re-tabling of APP. Refer to table 2.4.4.2 for annual achievement.	With regard to the National Treasury on the Cost containment measures directives

Table 2.4.4.2:

*To be used for a report against the originally tabled Annual Performance Plan (In the instance where a department **did not re-table** the Annual Performance Plan in the financial year under review)*
OR Report against the re-tabled Annual Performance Plan

Programme 2: Local Governance								
Outcome	Output	Output indicator	Audited actual performance 21/22	Audited actual performance 22/23	Planned Target 23/24	Actual achievement 23/24	Deviation from planned target to actual achievement 23/24	Reasons for deviation
Improved municipal and traditional institutional capacity	Anti-corruption and consequence management measures are implemented	Number of municipalities monitored on the extent to which anti-corruption measures are implemented	22	22	22 (excluding Mangaung)	22	0	None
	Customised municipal by-laws adopted	No. of municipalities assisted and supported towards customizing review and/or adopting municipal by-laws	11	11	11	11	0	None
	Municipal by-laws implemented	No. of municipalities supported on the implementation of municipal by-laws	11	11	11	11	0	None
	Reduction of vacant post of ward councillors	Percentage of the municipality supported to fill vacant position of ward councillors through by-elections	1	1	100%	100%	0	None

	Developed and reviewed policies	Number of municipalities supported on the development and review of HR Policies	1	1	5	5	0	None
	Removal and reinternment of mortal remains processed	Percentage of applications on removal and reinternment of mortal remains processed	100%	100%	100%	100%	0	None
	Litigation management processed.	No of municipalities supported towards litigation management	2	2	2	2	0	None
	Municipalities complying with MSA Regulations	Number of municipalities supported to comply with MSA Regulations on the appointment of Senior Managers	16	23	23	19	-4	The Directorate had capacity challenges that hampered full service delivery
	Municipalities supported with Performance Management Systems	No. of municipalities supported to institutionalize the Performance Management System (PMS)	14	23	14	20	+6	14 municipalities were targeted, however, due to the introduction of Circular 88, more municipalities were invited.
	Municipalities with senior managers post filled	Number of municipalities monitored on the extent to which Senior Managers posts are filled	4	4	23	19	-4	The Directorate had capacity challenges that hampered full service delivery
	Municipalities with institutionalisation of PMS	Number of municipalities with functional performance management system	4	4	14	14	0	None
	Section 57 manager's Employment	Number of MSA Section 57 managers have signed employment contracts and	4	4	64	64	0	None

	contracts signed	performance agreements submitted within prescribed timeframes						
	Municipal Performance Report Compiled	No. of Section 47 reports compiled as prescribed by the MSA	1	1	1	0	-1	The Department has only compiled the draft 2021/2022 section 47 report, due to this backlog no report has been achieved for the 2023/2024 financial year
	Municipal Performance Report Compiled	No. of workshops held towards supporting municipalities on the development of their annual performance reports in terms of Section 46 of the MSA	1	1	1	1	0	The target was achieved in the 1st quarter through MFMA Circular 88 workshop.
	Employment contracts and performance agreements of Section 57 Managers signed.	No. of workshops held towards supporting municipalities on the development and signing of employment contracts and performance agreements of Section 57 Managers	1	1	1	2	+1	PMS Unit presented on 2 IGR Forums on the signing of Employment Contracts and conclusion of Performance Agreement
	Municipalities complied with Municipal	No. of municipalities guided to comply with MPRA	3	5	8	15	+7	1) Applications for extension of the

	Property Rates Act							Valuation Rolls received. 2) Valuation Appeal Board Hearings held for Municipalities that implemented the General Valuation rolls in previous years (outstanding Objections and Appeals).
	Reduction of unauthorised, wasteful and fruitless expenditure	No. of municipalities supported to reduce unauthorised, irregular, wasteful and fruitless expenditure	4	22	11	17	+6	A resolution to establish the MPAC chairpersons" forum was taken on the stakeholders meeting on 6 June 2023 and the launch of the forum took place on the 7 November 2023.
	functional municipal audit committees	Number of Municipalities with functional Audit committees	1	1	11	11	0	None
	Municipalities complied with Municipal Property Rates Act	Number of municipalities that are Municipal Property Rates Act (MPRA) compliant	1	1	19	19	0	None
	Improved revenue management collection and debt collection in the municipalities	Number of municipalities monitored on revenue management and debt collection	4	0	18	18	0	None

	Functional ward committees.	Number of municipalities supported to maintain functional ward committees	19	19	19	19	0	None
	Effective respond to community concerns	Number of municipalities supported to respond to community concerns	19	16	19	19	0	None
	Implementation of GBVF responsive programmes in municipalities	Number of municipalities monitored on the implementation of GBVF responsive programmes	4	23	19	19	0	None
	Community involvement in local governance processes	Number of municipalities supported to promote participation in community based local governance processes	23	23	19	19	0	None
	GovChat programme implemented at municipalities for service delivery improvement	Number of Provinces implementing the GovChat programme for community engagement and service delivery improvement	-	-	1	0	-1	GovChat is under business rescue
	Ward committees capacitated.	No. of Municipalities supported with training of Ward Committees	1	18	19	19	0	None
	Existing IGR structures in District	Number of District Municipalities monitored on the functionality of District	4	4	4	4	0	None

	Municipalities	IGR Structures						
	Effective implementation of Batho Pele customized service standards framework	Number of municipalities successfully implement the Batho Pele service standards framework for Local Government	4	4	4	4	0	None
	Capacity Building interventions developed and conducted	No. of capacity building interventions conducted in municipalities	4	8	10	8	-2	The reason for the under achievement was due to the fact that the department provides support to municipalities upon request from municipalities. In the year under review the department supported only 8 municipalities.

Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by filling critical vacancies identifying skills gaps and addressing such through targeted training interventions. Assign specific tasks to dedicated staff and progress reports and engagements will be held monthly to monitor progress. Adequate budget will also be availed to fund the programme's Operational Plan.

Linking performance with budgets

The programme achieved % of its annual targets. Its annual appropriation was R80, 887 million and has spent R78, 512 million, translating into 97% of the budget. The programme has with the spending recorded, achieved performance above the acceptable standard.

Sub-programme expenditure

PROGRAMME 2: LOCAL GOVERNANCE

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Municipal Administration	19 135	18 997	138	19 890	19 256	634
Municipal Finance	13 505	11 891	1 614	21 169	14 395	6 774
Public Participation	10 920	10 883	37	12 656	10 458	2 198
Capacity Development	30 849	30 327	522	36 606	27 635	8 971
Municipal Performance Monitoring, Reporting and Evaluation	6 478	6 414	64	9 275	7 726	1 549
Total	**80 887**	**78 512**	**2 375**	**99 596**	**79 470**	**20 126**

Programme 3: Development and Planning

a) Purpose

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

b) Brief description

(i) Spatial Planning / Land Use Management

(ii) Local Economic Development

(iii) Municipal Infrastructure

(iv) Disaster Management

(v) IDP Coordination

c) Core services rendered by the Programme:

(i) Promoting integrated and sustainable planning and development at local government sphere and the successful drafting, review and implementation of SDFs

(ii) Supporting municipalities on matters related to sustainable spatial planning in terms of Spatial Planning and Land

Use Management Act, Act 16 of 2013 (SPLUMA)

(iii) Ensuring the effective land use management in the Free State Province

(iv) Assisting and/or supporting municipalities on the promotion of local economic development

(v) Promoting, monitoring and supporting the successful implementation of the Municipal Infrastructure Programme within all municipalities

(vi) Assisting, supporting and monitoring municipalities towards providing free basic services to indigent people within the Free State Province

(vii) Managing, coordinating and supporting disaster prevention, -mitigation, -response and -recovery

(viii) Supporting municipalities with the development and implementation of credible municipal Integrated Development Plans (IDPs) towards integrated service delivery

(ix) Preventing, mitigating the impact of disasters and developing programmes aimed at disaster response and recovery.

Table 2.4.4.1:

*(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has **re-tabled** an Annual Performance Plan in the financial year under review)*

Programme 3: Development and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 *until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved coordination of service delivery	Implementation of SPLUMA by all municipalities	Number of municipalities supported on the implementation of SPLUMA	6	12	12	0	-12	The achievement reported on is only for 1st and 2nd quarters. Refer to table 2.4.4.2 for annual achievement	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Temporary jobs created through MIG	Number of reports submitted towards monitoring the number of temporary jobs created through MIG	4	4	4	2	-2	The achievement reported on is only for 1st and 2nd quarters. Indicator and target were adjusted during the re-tabling of APP. Refer to table 2.4.4.2 for annual achievement.	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Municipalities effectively implementing indigent policies	Number of municipalities monitored on the implementation of Indigent policies	19	19	19	10	-10	Targets were achieved in Quarter 2. Refer to table 2.4.4.2 for actual achievement.	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the

									identified municipalities
	Job created on CWP	No of work opportunities reported through the Community Works Programme	24605	27137	24800	24997	+197	Overachievement is due to excess approvals of new participants by National Cogta	
	Detailed analysis of municipalities on the LED Strategies, Units and Forums	Number of reports produced towards monitoring the following in Municipalities: The extent to which LED strategies are updated Functionality of LED Units Functionality of Business Development forums	4	4	4	2	-2	Targets were achieved in Quarter 1 and Quarter 2. Indicator was removed from APP during APP re-tabling	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	LED meeting convened with municipalities and stakeholders and related departments	Number of Provincial LED forum Meetings held	3	2	4	2	-2	The achievement reported on is only for 1st and 2nd quarters. Refer to table 2.4.4.2 for annual achievement.	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Municipalities implementing infrastructure delivery programmes	Number of municipalities monitored on the implementation of infrastructure delivery programmes: • Implementation of MIG projects	18	18	18	18	0	None	To address distress mentioned in the municipal audit report of the province

	Technical posts filled in municipalities with competent and qualified officials	Monitor the extent to which technical posts in municipalities are filled with competent persons towards improving infrastructure delivery	1	1	1	0	-1	Target was planned for Quarter 4. Refer to table 2.4.4.2 for actual achievement.	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities
	Effective spending of National Grants by Municipalities	No of districts monitored on the spending of national grants	4	4	4	4	0	None	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes on the identified municipalities

Table 2.4.4.2:

*To be used for a report against the originally tabled Annual Performance Plan (In the instance where a department **did not re-table** the Annual Performance Plan in the financial year under review) OR Report against the re-tabled Annual Performance Plan*

Programme 3: Development and Planning						
Output indicator	Audited actual performance 21/22	Audited actual performance 22/23	Planned Target 23/24	Actual achievement 23/24	Deviation from planned target to actual achievement 23/24	Reasons for deviation
Number of Districts/Metro monitored on the implementation of One Plans	1	1	1	1	0	None
Percentage of District Development Model plans which integrate priorities of women, youth and persons with disabilities	-	-	100%	100%	0	None
Number of municipalities supported with the implementation of SPLUMA	6	12	12	12	0	None
Number of municipalities supported on the development and/or maintenance of a Geographical Information System (GIS)	3	3	3	3	0	None
Number of municipalities	4	4	4	4	0	None

supported with the implementation of their Spatial Development Frameworks						
Number of meetings held by the Provincial Planning and GIS Forum	2	2	2	2	0	None
Number of Spatial Planning newsletters distributed to municipal town planning units	-	-	2	2	0	None
Number of municipalities with legally compliant IDP's	23	23	23	23	0	None
No. of municipalities monitored on the adoption of their IDPs: • Metro • District • Local	 1 4 18	 1 4 18	 1 4 18	 1 4 18	 0 0	 0 None

No. of support initiatives implemented and sustained towards improving municipal IDPs: • biannual Provincial IDP Managers Forum with quarterly meetings • Annual Provincial IDP Assessment Sessions • Municipal Engagement IDP Support Session • Bi-Annual Provincial IDP Support Team Meetings • Annual Capacity Building Sessions	4 1 1 2 2	4 1 1 2 2	2 1 1 2 1	2 1 1 2 1	0 0 0 0 0	None
No of municipalities supported on the development of LED Strategies	22	20	22	21	-1	No response from Mafube Municipality
No of municipalities supported on functional LED Units	22	20	22	21	-1	No response from Mafube Municipality
No. of municipalities supported on the establishment of business development forums	22	20	22	21	-1	No response from Mafube Municipality
Number of jobs created within Municipalities through MIG	4	4	2500	1439	-1061	Under achievement is as a result of the difference in the reporting periods. (PFMA financial year ends 31st March and MFMA year ends 30th June). The difference will only be achieved by the Municipalities in the first quarter of PFMA financial year.

No of work opportunities reported through the Community Works Programme	24605	27137	25000	24170	-830	The underachievement is based on the moratorium on recruitment of CWP participates, this is due to National COGTA being in the process of finalising the CWP re-modelling policy
Number of Provincial Economic Development Forum meetings held	3	2	4	3	-1	Meeting could not take place to due unavailability of stakeholders
Number of municipalities monitored on the implementation of infrastructure delivery programmes: • Implementation of MIG projects	18	18	18	1 8	0	None
No. of municipalities monitored on the implementation of indigent policies	19	19	19	19	0	None
No of districts monitored on the spending of national grants	4	4	4	4	0	None
No. of Project Management Units (PMU) in Municipalities monitored in terms of their functionality.	18	17	18	18	0	None

No. of municipalities monitored on the implementation indigent register for the provision of the Free Basic to qualifying households.	19	19	19	19	0	None
No. of municipalities monitored in terms of their: * Non-Financial Performance * Financial Performance	18	18	18	18	0	None
Monitor the extent to which technical posts in municipalities are filled with competent persons towards improving infrastructure delivery	1	1	1	1	0	None
Monitor and report on the extent to which municipalities implement updated indigent register.	4	1	1	1	0	None
Monitor the extent to which existing infrastructure is maintained (operation and maintenance).	4	4	4	4	0	None
No. of municipalities supported to maintain functional Disaster Management Centres District Mun Metro Mun	4 1	4 1	4 1	4 1	0	None
No. of municipalities						The department was able to support two

supported on fire brigade services.	4	4	4	7	+3	local municipalities in addition to the four districts and one metro
No. of the Provincial DM Advisory Forum convened.	4	4	4	4	0	None
No. of Provincial Fire Services Advisory Committees convened	4	3	4	4	0	None
Monitor and report on the following: Adverse and disaster incidents in the Province The state of Municipal and designated fire services in the Province The functionality of the District DM Advisory Forum Functionality of Municipal Disaster Management Centre & Advisory Forums Functional Municipal & Sector Disaster Risk Management Plans	 4 4 4 4 4	 4 4 4 4 4	 4 4 4 4 4	 4 4 4 4 4	 0 0 0 0 0	None

Strategy to overcome areas of under performance

This Programme under-performed against planned targets due to human resources constraints. The Department is in the process of filling vacant posts which include filling vacancies in the programme. The programme has embarked on a due diligence process to identify short-comings in its operations.

Linking performance with budgets

The programme used R66 026 million of its allocated budget of R74 347 million. This translates to 88,8% of the budget. The performance is low and the programme will need to develop a turnaround strategy to improve its performance.

Sub-programme expenditure

PROGRAMME 3: DEVELOPMENT AND PLANNING

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over) /Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Spatial Planning	14 588	14 520	68	18 560	15 939	2 621
Local Economic Development	4 902	4 749	153	6 352	5 335	1 017
Municipal Infrastructure	44 596	36 676	7 920	28 811	16 703	12 108
Disaster Management	10 261	10 081	180	11 081	10 246	835
Total	**74 347**	**66 026**	**8 321**	**64 804**	**48 223**	**16 581**

Programme 4: Traditional Institutional Management

a) Purpose:

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

b) Brief description :

This Programme consists of the following

Sub-Programmes:

(i) Traditional Institutional Administration

c) Services rendered by the Programme:

The following services are rendered through this

Programme: (i) Provide support to Traditional

Institutions.

(ii) Monitor, report and advise on the financial capacity and –performance of Traditional

Institutions. (iii) Facilitate disputes and claims.

(iv) Administer the establishment and recognition of traditional institutions.

(v) Conduct anthropological – and genealogical research and advice thereon.

(vi) Keep and maintain a database on matters related to traditional leadership in the Free State Province.

(vii) Forge and maintain partnerships with all relevant stakeholders towards improved service delivery.

(viii) Facilitate and ensure the successful implementation of a comprehensive Skills Development Framework and –Strategy for Traditional Institutions.

(ix) Monitor and advice Traditional Institutions on its individual and collective performance.

(x) Co-ordinate and advice on the allocation of functions by government departments to Traditional Institutions.

Table 2.4.4.1:

*(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has **re-tabled** an Annual Performance Plan in the financial year under review)*

Programme 4: Traditional Institutional Management							
Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 *until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Percentage of Traditional Succession disputes processed	100%	0	100%	0	-100%	The achievement reported on is only for 1st and 2nd quarters. Indicator was adjusted in the re-tabled APP. Refer to table 2.4.4.2 for annual achievement.	The indicator was changed as per the Technical Indicator Description.
Monitor and report on the performance of Traditional Councils	2	2	2	1	-1	Target was achieved in Quarter 2. Indicator was removed from APP during APP re-tabling	Indicator is moved from APP to Operational Plan in order for the Department to focus on its core functions

Table 2.4.4.2:

*To be used for a report against the originally tabled Annual Performance Plan (In the instance where a department **did not re-table** the Annual Performance Plan in the financial year under review)*
OR Report against the re-tabled Annual Performance Plan

Programme 4: Traditional Institutional Management								
Outcome	Output	Output indicator	Audited actual performance 21/22	Audited actual performance 22/23	Planned Target 23/24	Actual achievement 23/24	Deviation from planned target to actual achievement 23/24	Reasons for deviation
Improved municipal and traditional institutional capacity	Fully functional Traditional Councils.	Number of Traditional Councils supported to perform their functions	12	13	13	13	0	None
	Succession claims and disputes processed	Percentage of Traditional Leadership succession claims/disputes received and processed	100%	0	100%	67%	-33%	Claims/ disputes are still under investigation. Refer to report
	Capacitated Traditional leadership	No of anti GBVF intervention/campaigns for traditional leadership	2	4	4	4	0	None
	Reduction of audit	No. of Traditional	13	13	13	13	0	None

	findings in all TC	Councils supported towards reducing audit findings						
	Advance knowledge on all cultural and heritage awareness	No. of culture and heritage awareness sessions/ celebrations held	1	1	1	1	0	None
	Advance knowledge on various aspects relating to Traditional Leaders related issues	No. of Capacity building initiatives implemented for Traditional Leaders	1	2	2	2	0	None

Strategy to overcome areas of underperformance

This Programme performed exceptionally well against planned targets. Although it did not achieve one planned target, this target was out of their control. However, human resources constraints remain an obstacle to perform exceptionally. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will enable it to mitigate human resources and capital constraints in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2023/2024 Annual Performance Plan of the Department.

Linking performance with budgets

Expenditure recorded under this programme amounted to R 53,713 million (or 94, %) against the allocated budget of R58,914 million, which resulted in an under-spending of R 5,201 million. The under spending mainly relates to compensation of employees.

Sub-programme expenditure

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Traditional Institutional Administration	58 914	53 713	5 201	52 222	48 933	3 289
Total	**58 914**	**53 713**	**5 201**	**52 222**	**48 933**	**3 289**

3.5 Programme 5: House of Traditional Leaders

a) Purpose of the Programme

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

b) Brief description

This Programme consists of the following:

(i) Administration of House of Traditional Leaders

c) Services rendered by the Programme

The following services are rendered through this Programme:

(i) Provide procedural and parliamentary services and render assistance and support on the performance of the House of Traditional Leaders

(ii) Render effective and efficient support and advisory services to the respective Committees of the House of Traditional Leaders

(iii) Facilitate research and assist and support the House on the development and implementation of policies related to indigenous law, traditions, customs and culture

(iv) Administer the finances of and render administrative support to the House of Traditional Leaders.

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

(i) All Sector Departments within the Free State Province

(ii) Municipal Councillor

(iii) Traditional / Rural Communities.

Table 2.4.4.1:

*(To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has **re-tabled** an Annual Performance Plan in the financial year under review)*

Programme 5: House of Traditional Leaders									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 *until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved Municipal and Traditional institutional capacity	Sessions convened with Local Houses of traditional leaders and Marena a Moholo/Principal Traditional Leaders towards advancing the interest of traditional communities	No. of meetings held with Marena a Moholo /Principal Traditional Leaders towards advancing the interest of traditional communities	-	2	1.	1	0	none	The crafted performance indicator and their targets planned should be more specific as to produce required outcomes.

Table 2.4.4.2:

*To be used for a report against the originally tabled Annual Performance Plan (In the instance where a department **did not re-table** the Annual Performance Plan in the financial year under review)*
OR Report against the re-tabled Annual Performance Plan

Programme 5: House of Traditional Leaders								
Outcome	Output	Output indicator	Audited actual performance 21/22	Audited actual performance 22/23	Planned Target 23/24	Actual achievement 23/24	Deviation from planned target to actual achievement 23/24	Reasons for deviation
Improved municipal and traditional institutional capacity	Memorandum of understanding (MoU's) approved by both parties	No. of MoUs facilitated to enable the House to perform their oversight functions	1	0	1	0	-1	**Facilitation of MOU was done, however due to legal opinion issued, the MOU between the House of Traditional Leaders and the National Heritage Council could not be signed**
	Advance knowledge and skills applied by Traditional Communities	No. of outreach and empowerment programmes facilitated and participated in with regards to community development and empowerment.	2	2	2	2	0	None
	Capacitated members of the house of Traditional Leaders	No. of capacity building programmes	1	2	2	2	0	None

		implemented towards capacitating members of the House						
	Action plan on the decisions taken by Leadership sessions	No. of constituency and progress meetings held with traditional councils towards ensuring the implementation of decisions of the House of Traditional Leaders.	5	10	10	9	-1	Batlokoa Ba Mokgalong suspended the engagement with the Provincial House until their land is provided by the Provincial Government
	Provincial house activity plan	No. of Provincial House activity reports submitted to the MEC	-	4	4	4	0	None
	Engagements convened with the Premier of the Province advancing the interest of traditional communities	No. of engagements convened with the Premier towards advancing the interest of traditional communities	-	2	1	1	0	None
	Sessions convened with Local Houses of traditional leaders and Marena a Moholo/Principal Traditional Leaders towards advancing the interest of traditional communities	No. of meetings held with Local Houses of traditional leaders towards advancing the interest of traditional communities	-	2	2	2	0	None

	Sessions convened with Local Houses of traditional leaders and Marena a Moholo/Principal Traditional Leaders towards advancing the interest of traditional communities	No. of meetings held with Marena a Moholo /Principal Traditional Leaders towards advancing the interest of traditional communities	-	2	2	2	0	None

Strategy to overcome under performance

This Programme performed very well despite the financial and human resources constraints. The Program will continue striving to improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme meetings. The implementation capacity of the Programme was also taken into account during the development of the 2023/2024 Annual Performance Plan of the Department

Linking performance with budgets

Expenditure recorded under this programme amounted to R 16,785 million (97.02%) against the allocated budget of R17,277 million, which resulted in a under spending of R 4,92 million.

Sub-programme expenditure

PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration of House of Traditional Leaders	17 277	16 785	492	17 272	14 842	2 430
Total	**17 277**	**16 785**	**492**	**17 272**	**14 842**	**2 430**

5 TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
SABC	Television Licences	7	7	

5.2. Transfer payments to all organisations other than public entities

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

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity

Xhariep	District Municipality	Financial Support	N/A	4 392	-	Funds were transferred on the 28/03/2024, therefore it was not possible to implement all planned projects by the end of March 2024.
Tokologo	District Municipality	Financial Support	N/A	3 356	-	
Tswelopele	Local Municipality	Financial Support	N/A	4 577	4 577	-
Phumelela	Local Municipality	Financial Support	N/A	2 219	-	R'954 was transferred during March 2024.
Metsimaholo	Local Municipality	Financial Support	N/A	1 150	-	The unspent funds were only transferred during March 2024.
Mafube	Local Municipality	Financial Support	N/A	3 278	3 278	-
Kopanong	Local Municipality	Financial Support	N/A	6 017	5 916	-
Xhariep	District Municipality	Financial Support	N/A	4 174	-	The unspent funds were only transferred during March 2024.
Traditional Institutional Management	Traditional Councils	Support	N/A	1 495	1495	-
Employee Social Benefit	Officials	Leave Gratuity	N/A	748	748	-
Employee Social Benefit	Officials	Injury on Duty	N/A	2	2	-
Employee Social Benefit	GEPF	Early Retirement penalty	N/A	2 813	2 813	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Donations	Traditional Council	128	-	

6 CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the department.

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	Tokologo Local Municipality
Purpose of the grant	To assist medium and small municipalities experiencing severe financial problems to restructure their financial positions and organisations over the medium term.
Expected outputs of the grant	Provision of Limited Financial Assistance to Tokologo Municipality
Actual outputs achieved	
Amount per amended DORA	R'5 000
Amount transferred (R'000)	R'3 356
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring department	Submission of Financial Assistance Receipt Return Certificate supported by bank statement. Proof that the full amount transferred was exclusively appropriated for the sole intended purpose as per the original application for limited financial assistance supported by invoices, payment vouchers and bank statements.

6.2. Conditional grants and earmarked funds received

The Department did not receive any conditional grants or earmarked funds for the year under review.

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

Department who transferred the grant	
Purpose of the grant	
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA	
Amount received (R'000)	
Reasons if amount as per DORA was not received	
Amount spent by the department (R'000)	
Reasons for the funds unspent by the entity	
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	

7 DONOR FUNDS

7.1. Donor Funds Received

The Department did not receive any Donor Funding during the year under review

Name of donor	-
Full amount of the funding	-
Period of the commitment	-
Purpose of the funding	-
Expected outputs	-

Actual outputs achieved	-
Amount received (R'000)	-
Amount spent by the department (R'000)	-
Reasons for the funds unspent	-
Monitoring mechanism by the donor	-

8 CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

- Not applicable for the year under review.

Infrastructure projects	2023/2024			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
- Upgrades and additions	-	-	-	-	-	-
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
Total	-	-	-	-	-	-

PART C: GOVERNANCE

1. INTRODUCTION

The Department is committed to ensuring good governance within the organisation. In this regard, the Department has established fully functional governance structures. Performance on annual and strategic objectives were monitored quarterly through the monitoring and evaluation unit. The Accounting Officer maintained an effective, efficient and transparent systems as required by section 38(1)(a)(i) of the PFMA.

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

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

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

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

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

2. RISK MANAGEMENT

The Department has an approved Risk Management Framework (Inclusive of a risk management policy, strategy, fraud risk management and annual implementation plan) for the 2023/2024 financial year. The Risk Management Strategy is inclusive of risk tolerance and appetite levels approved by executive management; these levels are qualitative, quantitative, and updated annually in order to keep up with developments and or recent practices.

The Accounting Officer has approved the Risk Governance Committee Charter for 2023/2024 financial year which communicates the Terms of Reference , the roles and responsibilities of Members of the Risk Governance Committee. The committee is a representative mixture of Executive Managers, Senior Managers, and Risk Champions per invitation of the Committee (i.e. identified officials on salary levels 1 – 12 within the Department).

As of July 2023, The Risk Governance Committee is chaired by an independent external chairperson and deputy chairperson. It should be noted that the contract of the former independent chairperson came to an end on the 31 May 2023. The Department filled this position in line with the Departments norm of nominating members from the Audit Committee. This practice is not in contravention of any statutes or standard practices. The advantage with this practice is leveraged through continuation of reporting and enhanced monitoring and mitigation of risks. The committee convened three out of four statutory quarterly meetings, apart from quarter four, which had to be delayed due to strategic risk assessments that had to be concluded prior to the sitting.

The Department continued to conduct strategic risk assessments during Strategic Planning Sessions for the final draft Annual Performance Plan. The strategic risks identified are included in the risk register. This practice allows the Department to align its risk management strategies with changes in its strategic direction with a view that the Department is able to fluidly adapt to the dynamic nature of the Departments business while making risk adjusted business decisions. The Risk Management Unit has implemented a strategic risk analysis and monitoring system in order to strengthen management efforts to stay current with external and internal elements that influence strategic risks. The system aims to bring closer the gap of mitigation plans, key risk indicators and early warning signals by visibly showing risk tolerance and appetite levels. The Risk

Management Unit continues to monitor the updated risk management register (operational and strategic) and mitigation plan processes to identify new and emerging risks per implementation plan and make recommendations which are presented in management meetings and the Risk Governance Committee.

Throughout the Risk Governance Committee meetings, the committee monitored the extent to which the recommendations made by the committee were actioned and the impact thereof towards reducing and/or mitigation of risks. The Risk Governance Committee submitted risk reports to the Audit Committee to exercise its oversight role in risk governance.

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

3. FRAUD AND CORRUPTION

The department's fraud prevention plan and the progress made in implementing the fraud prevention plan

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

The following are some of our successes to date:

- Continuously focused on and analysed corruption risks as per PFMA's risk assessment guidelines.
- Implemented fraud that address corruption risk, as required by the PFMA.
- Verified the previous employment, qualifications, citizenship and criminal record of all people before they are employed by the Department.
- Established an information system that records all allegations and provides minimum information to designated national departments. The system however needs to be reviewed during the 2024/2025 financial year.
- Ensured that the employees responsible for the minimum Anti-Corruption functions have positive security clearances, RWOPS and disclose financial interests annually. All officials that had been identified by SSA had been issued with Z 204 forms for completion and subsequent vetting.

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

The Department has a case management system in place, resulting in all cases being monitored and reported to the Audit Committee. Once investigation reports were approved by the Accounting Officer, the cases were forwarded to the relevant authority or closed, dependent on the final decision. Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption.

4. MINIMISING CONFLICT OF INTEREST

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

5. CODE OF CONDUCT

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

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

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

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

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

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Background
COGTA has been experiencing numerous office space challenging on ongoing basis that compromised the effectiveness and efficiency of in achieving the aims and objectives set for department. Most of the buildings occupied by COGTA officials are not 100% in compliance with Government Immovable Assets Management Act of 19 of 2007 and Occupational Health and Safety, Act No 85 of 1993 that regulates immovable asset management by means of contractual relationships between the Custodian and User departments.

Issues identified

- Congestion in the offices due to the building structure that doesn't permits open-plan system.
- No air-cons at all at some other buildings and at other buildings air-cons are not effectively working (poor ventilations).
- Some office buildings are inhabitable with inadequate infrastructure that do not meet our needs such as accessibility of office by physically challenged officials and community at large, old crevices, poor and unhealthy hygiene conditions and no provision of reliable network.
- Constant cut-offs of electricity and water supply due to non-payment by the PWI/Landlord.
- Allocation of space needs submitted to the Custodian takes years before attended to. **(Traditional Affairs Branch, two Local Houses of Traditional Leaders and Disaster Management)**

Most COGTA buildings inclusive of Traditional Council offices are not well maintained due to:

- Lack of funding to sustain healthy working environment **(Traditional Council offices)**.
- The Custodian doesn't have defects lists that are reflected on the U-AMP and maintenance Plan compiled for Use departments.
- Lack of constant monitoring and inspection schedules by the Custodian.
- No reporting/feedback to the User departments on the findings from the inspection conducted by the Custodians.
- No communication nor engagements by the Custodian to the User department prior conducting building safety audits.

Recommendations

- The Custodian to have a clear recorded maintenance plan in place.
- To have an effective communication tool in place
- To prioritise space needs and defects reported accordingly
- To provide feedback to the Users on inspection conducted, infrastructure request submitted, etc
- To always furnish User departments with a copy of Lease Contract of the buildings they currently occupying and those to be occupied in future.

7. PORTFOLIO COMMITTEES

The Portfolio committees for the 2023/2024 financial year were held on the following dates:

- 1st Quarter Non-financial Performance:
- Annual Report 2022/2023: Retabling
- 2nd Quarter Non-Financial Performance:
- 3rd Quarter Non-Financial Performance:

Due to 2024 being an elections year for the 7th administration, the 4th Quarter Non-Financial Performance presentations and reports could not be attended to.

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

Majority of the matters raised by the Portfolio Committee related on the state of the Municipality within the Province. As part of resolving the matters in the Municipalities, the department has appointed administrators to come up with interventions to support municipalities under sections 106,139 and 154 in respective municipalities.

8. PROPAC RESOLUTIONS

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

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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
None		

10. INTERNAL CONTROL UNIT

The current organisational structure of the department does not cater for an internal control unit. The functions of internal control are currently performed in Financial Control Unit.

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

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

- Assessing, determining and investigating cases of unwanted expenditure.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

The purpose of Internal Auditing is encapsulated in the *Purpose Statement of the Global Internal Audit Standards, which is to strengthen the organisation's ability to create, protect, and sustain value by providing the audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.*

Internal Auditing enhances the organisations:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

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

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

All the Internal Auditors are members of the Institute of Internal Auditors, SA and subscribes to the Code of Ethics.

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

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

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

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

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

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

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

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Adv. Derick Block	Baccalaureus Legum Baccalaureus Lurisprudentiae	External	N.A.	01 August 2021	31 July 2024	7
Mr. Siphiwe Ngwenya, CA (SA)	Magister in Business Administration	External	N.A.	01 August 2021	31 July 2024	6
Ms. Portia Chilwane	Baccalaureus Procurationis	External	N.A.	01 August 2021	31 July 2024	6
Mr. Suren Maharaj, CA (SA)	Honours Bachelor of Accounting Science	External	N.A.	01 August 2021	31 July 2024	7
Mr. Lebina Tsotetsi	Master of Management	External	N.A.	01 August 2021	31 July 2024	6

AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

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

The Audit Committee consists of the external members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Management Act (PFMA). In terms of the approved Audit Committee charter, seven (7) meetings were held during the 2023/24 financial year. There were two special meetings held for the review of the unaudited Annual Financial Statements and discussion of the AGSA Audit Report. The one special meeting was for discussion and approval of the internal audit plan.

Audit Committee Members

Name of Member	Number of Meetings attended
Adv. Derick Block (Chairperson)	07
Mr. Siphiwe Ngwenya	06
Ms. Porcia Prudence Chilwane	06
Mr. Suren Maharaj	07
Mr. Lebina Daniel Tsotetsi	06

The Effectiveness of Internal Control

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

The internal Audit Activity assessed the adequacy and effectiveness of the controls during assurance reviews throughout the year end as at 31 March 2024, and completed 93% of the planned audits.

The following were areas of concern:

- Slow implementation of Internal Audit recommendations hampers the value creation of Internal Audit;
- Internal Audit still reported repeated findings during the quarterly audits, on performance information;
- Management as a first line of defence, has not provided the necessary assurance to ensure that performance information is credible;
- The Department is at risk of carrying criminal sanction and a penalty regime, due to its non-compliance with the Protection of Personal Information Act 4 of 2013 (POPIA).;
- While internal audit has undertaken a gap analysis and made recommendations, the Department has not developed a readiness plan to implement a compliance framework based on POPIA;
- The accelerated roll-out of technologies which is dependent on the VPN roll-out remains key to stabilize and securing the ICT environment and to reduce unauthorized activity on the network thereby reducing the risk to cyber security breaches;

- Lack of an audit software (tools and technology) has a negative impact on the operational effectiveness of Internal Audit.
- Risk management processes requires urgent attention to ensure effective combined assurance, especially in relation to internal audit.
- The decline in o-operation by management which results in long audit turn-around times, which may lead to a regression in the level of assurance provided by Management.

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

The Audit Committee has:

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

Auditor - General's Report

We have reviewed the department's audit action plan for issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

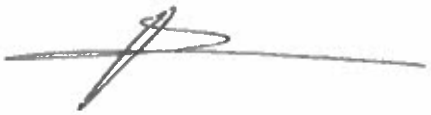
- Material misstatements in performance information quarterly reports;
- Specific information systems were not adequately implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii);
- Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information;
- Management did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting;
- IT Governance: Misalignment between departmental strategy and ICT strategy on ICT strategic objectives.

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

The Audit Committee concurs and accepts the conclusions of the Auditor-General 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 Auditor-General.

Forensic Investigations

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



Advocate Derick Block
Chairperson of the Audit Committee
Free State Department of Cooperative Governance and Traditional Affairs
30 July 2024

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The Human Resource Management's primary role is to provide strategic and transformed human resources services that supports the Department to achieve its strategic objectives. The fundamental function of the HR unit includes labour relations, recruiting and training of human resources and employee wellness.

2. OVERVIEW OF HUMAN RESOURCES

The Human Resource Management and Development is responsible for the management of the human resources matters in the Department. It consists of Human Resources Management, Skills Development and Employee Assistance Programme. As part of its functions, the directorate developed an HR Plan with key strategies to attract and recruit skilled and capable officials. The Skills Development sub-directorate is responsible for the development and upgrading of the skills level of officials in the department. In the past financial year, it has offered bursaries to various levels of employees. Low-level employees that are studying have been given opportunities to do practical work in the department. The National Treasury directive on cost containment led to the Department of Public Service and Administration issuing Circular 49, which issued directives on filling of vacant posts in departments, both national and provincial departments. This has also added the requirement of seeking concurrence for appointments from the Premier, in provinces and DPSA, in national departments. This process was tedious and has led to prolonged processes to fill vacant posts.

The 2022/2023 performance assessment cycle was concluded within the prescribed periods; furthermore, performance agreements for 2023/2024 were signed off on time. The Department continued to implement health and wellness programmes to encourage health lifestyles, which include HIV, and AIDS testing, cancer awareness and wellness screening. Wellness days for employees were held but the due to budgetary constraints only two were conducted. The following challenges were identified:

- Misalignment between the organisational structure and the Department's broader mandate and strategy, which has an impact on service delivery. To address this challenge, one of the key focus areas is to review its organisational structure to align it to its Strategic Plan and mandate.
- The current approved organisational structure has 705 positions of which only 521 are filled. This has a negative impact on the Department delivering on all aspects of its mandate.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	152 271,00	108 546,00	0	0	71,30	427,00
Development & Planning	65 774,00	39 046,00	0	0	59,40	737,00
House of	16 738,00	9 806,00	0	0	58,60	409,00

Traditional Leaders						
Local Governance	78 182,00	60 377,00	**0**	**0**	77,20	839,00
Traditional Institutional Development and Support	53 667,00	48 220,00	**0**	**0**	89,90	241,00
TOTAL	**366 631,00**	**265 996,00**	**0**	**0**	**72,60**	**441,00**

As per Vulindlela

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	7 222,00	2,60	32,00	225 688,00
Skilled (level 3-5)	42 438,00	15,40	154,00	275 571,00
Highly skilled production (levels 6-8)	76 124,00	27,70	232,00	328 121,00
Highly skilled supervision (levels 9-12)	68 464,00	24,90	82,00	834 927,00
Senior and Top management (levels 13-16)	32 715,00	11,90	21,00	1 557 857,00
Total	**226 963.00**	**82.50**	**521.00**	**3 222 164.00**

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	87 407,00	79,50	112,00	0,10	3 631,00	3,30	8 709,00	7,90
Development & Planning	33 540,00	82,60	0,00	0,00	586,00	1,40	1 426,00	3,50
House of Traditional Leaders	7 180,00	86,00	0,00	0,00	128,00	1,50	248,00	3,00
Local Governance	56 987,00	86,00	3,00	0,00	661,00	1,00	1 269,00	1,90

Traditional Institutional Development and Support	42 758,00	85,70	0,00	0,00	1 477,00	3,00	2 720,00	5,50
TOTAL	**227 871,00**	**82,90**	**115,00**	**0,10**	**6 483,00**	**2,40**	**14 372,00**	**5,20**

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	4 723,00	65,40	0,00	0,00	629,00	8,70	1 169,00	16,20
Skilled (level 3-5)	29 223,00	68,80	24,00	0,10	2 672,00	6,30	6 725,00	15,80
Highly skilled production (levels 6-8)	62 990,00	82,50	41,00	0,10	2 289,00	3,00	4 801,00	6,30
Highly skilled supervision (levels 9-12	59 979,00	85,40	36,00	0,10	748,00	1,10	1 529,00	2,20
Senior management (level 13-16)	29 532,00	85,20	0,00	0,00	145,00	0,40	133,00	0,40
Total	**186 447.00**	**77.74**	**101.00**	**0.06**	**6483.00**	**3.9**	**14 357**	**8.18**

3.2 Employment and Vacancies

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION,	351,00	249,00	29,10	18,00
DEVELOPMENT AND PLANNING	70,00	53,00	24,30	3,00
HOUSE OF TRADITIONAL	40,00	24,00	40,00	7,00

LEADERS				
LOCAL GOVERNANCE	83,00	63,00	24,10	13,00
TRADITIONAL INSTITUTIONL MANAGEMENT	226,00	197,00	12,80	121,00
Total	**770,00**	**586,00**	**23,90**	**162,00**

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	39,00	32,00	17,90	0,00
Skilled (3-5)	199,00	154,00	22,60	0,00
Highly skilled production (6-8)	298,00	232,00	22,10	107,00
Highly skilled supervision (9-12)	130,00	82,00	36,90	5,00
Senior management (13-16)	39,00	21,00	46,20	4,00
Total	**705**	**521**	**29.14**	**116**

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	64,00	64,00	0,00	1,00
Architects' town and traffic planners	9,00	9,00	0,00	1,00
Building and other property caretakers	1,00	1,00	0,00	0,00
Bus and Heavy Vehicle Drivers	10,00	10,00	0,00	0,00
Cartographic Surveying and Related Technicians	2,00	2,00	0,00	0,00
Cleaners in Offices Workshops Hospitals etc	35,00	35,00	0,00	3,00
Diplomats	1,00	1,00	0,00	0,00

Engineers and Related Professionals	1,00	1,00	0,00	0,00
Financial and Related Professionals	5,00	5,00	0,00	0,00
Financial Clerks and Credit Controllers	8,00	8,00	0,00	1,00
General Legal Administration & Rel. Professionals	1,00	1,00	0,00	0,00
Human Resources Clerks	11,00	11,00	0,00	4,00
Legal Related	1,00	1,00	0,00	0,00
Library Mail and Related Clerks	4,00	4,00	0,00	0,00
Light Vehicle Drivers	2,00	2,00	0,00	2,00
Logistical Support Personnel	4,00	4,00	0,00	0,00
Material-Recording and Transport Clerks	1,00	1,00	0,00	0,00
Messengers Porters and Deliverers,	11,00	11,00	0,00	1,00
Not available,	184,00	0,00	100,00	0,00
Other Admin & Related Clerks and Organisers	27,00	27,00	0,00	12,00
Other Administrative Policy and Related Officers	78,00	78,00	0,00	3,00
Other Information Technology Personnel	11,00	11,00	0,00	1,00
Other Occupations	213,00	213,00	0,00	114,00
Secretaries & Other Keyboard Operating Clerks	26,00	26,00	0,00	6,00
Security Guards,	20,00	20,00	0,00	0,00
Security Officers	2,00	2,00	0,00	0,00
Senior Managers	38,00	38,00	0,00	13,00
TOTAL	**770,00**	**586,00**	**23,90**	**162,00**

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department (salary level 16)	1	1	100	0	0
Salary Level 15	1	2 (2 out of adjustment)	0	1	100
Salary Level 14	6	3 (2 out of adjustment 1 contract)	83.3	1	16.6
Salary Level 13	21	13 (1 Out of adjustment)	66.6	7	33.3
Total	**29**	**20**	**69**	**9**	**31**

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department (salary level 16)	1	1	100	0	0
Salary Level 15	1	2 (2 out of adjustment)	0	1	100
Salary Level 14	6	3 (2 out of adjustment 1 contract)	83.3	1	16.6
Salary Level 13	21	13 (1 Out of adjustment)	66.6	7	33.3
Total	**29**	**20**	**69**	**9**	**31**

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

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

Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total			

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Moratorium of filling of vacancies due to the directive issued by DPSA on budget constraints.

Reasons for vacancies not filled within twelve months
Moratorium of filling of vacancies due to the directive issued by DPSA on budget constraints.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Moratorium of filling of vacancies due to the directive issued by DPSA on budget constraints.

Reasons for vacancies not filled within six months
Moratorium of filling of vacancies due to the directive issued by DPSA on budget constraints.

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 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	39	0	-	0	-	0	-
Skilled (Levels 3-5)	199	0	-	0	-	0	-
Highly skilled production (Levels 6-8)	289	0	-	0	-	0	-

Highly skilled supervision (Levels 9-12)	130	0	-	0	-	0	-
Senior Management Service Band A	39	0	-	0	-	0	-
Senior Management Service Band B	6	0	-	0	-	0	-
Senior Management Service Band C	1	0	-	0	-	0	-
Senior Management Service Band D	1	0	-	0	-	0	-
Total							

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

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

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

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

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

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

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability	-	-	-	-	-

Total number of Employees whose salaries exceeded the grades determine by job evaluation	**None**

3.5 Employment Changes

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

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2)	33,00	0,00	1,00	3,00
02 Skilled (Levels 3-5)	159,00	0,00	2,00	1,30
03 Highly Skilled Production (Levels 6-8)	236,00	2,00	8,00	3,40
04 Highly Skilled Supervision (Levels 9-12)	87,00	0,00	4,00	4,60
05 Senior Management Service Band A	18,00	0,00	1,00	5,60
06 Senior Management Service Band B	3,00	0,00	0,00	0,00
07 Senior Management Service Band C	3,00	0,00	1,00	33,30
08 Senior Management Service Band D	1,00	0,00	0,00	0,00
09 Other Permanent	7,00	0,00	0,00	0,00
10 Contract (Levels 1-2)	2,00	1,00	0,00	0,00
11 Contract (Levels 3-5)	5,00	4,00	2,00	40,00
12 Contract (Levels 6-8)	22,00	3,00	3,00	13,60
13 Contract (Levels 9-12)	4,00	1,00	0,00	0,00
14 Contract Band A	5,00	0,00	1,00	20,00
15 Contract Band B	13,00	5,00	3,00	23,10
17 Contract Band D	1,00	0,00	0,00	0,00
TOTAL	**599,00**	**16,00**	**26,00**	**4,30**

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

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	68,00	1,00	5,00	7,40
Architects Town And Traffic Planners Permanent	8,00	0,00	0,00	0,00
Building And Other Property Caretakers	1,00	0,00	0,00	0,00
Bus And Heavy Vehicle Drivers	12,00	0,00	0,00	0,00
Cartographic Surveying and Related Technicians Permanent	2,00	0,00	0,00	0,00
Cleaners In Offices Workshops Hospitals Etc.	34,00	1,00	1,00	2,90
Diplomats	1,00	0,00	0,00	0,00
Engineers and Related Professionals	1,00	0,00	0,00	0,00
Financial and Related Professionals	5,00	0,00	0,00	0,00
Financial Clerks and Credit Controllers	9,00	0,00	0,00	0,00
General Legal Administration & Rel. Professionals	1,00	0,00	0,00	0,00
Human Resources Clerks	7,00	4,00	0,00	0,00
Legal Related Permanent	1,00	0,00	0,00	0,00
Library Mail and Related Clerks	5,00	0,00	0,00	0,00
Logistical Support Personnel	4,00	0,00	0,00	0,00
Material-Recording and Transport Clerks	1,00	0,00	0,00	0,00
Messengers Porters and Deliverers	10,00	1,00	2,00	20,00
Not Available Permanent	7,00	0,00	0,00	0,00
Other Admin & Related Clerks and Organisers	30,00	1,00	3,00	10,00
Other Administrative Policy and Related Officers	77,00	0,00	0,00	0,00
Other Information Technology Personnel	13,00	0,00	2,00	15,40
Other Occupations	214,00	2,00	5,00	2,30

Secretaries & Other Keyboard Operating Clerks	25,00	1,00	3,00	12,00
Security Guards	20,00	0,00	0,00	0,00
Security Officers	2,00	0,00	0,00	0,00
Senior Managers	41,00	5,00	5,00	12,20
TOTAL	**599,00**	**16,00**	**26,00**	**4,30**

Table 3.5.3 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
Death	6	23.10
Resignation	11	42.30
Expiry of contract	5	19.20
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	4	15.40
Transfer to other Public Service Departments	0	0
Other	0	0
Total	26	4.99
Total number of employees who left as a % of total employment	**4.40**	**4.99**

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

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	68,00	0,00	0,00	43,00	63,20
Architects Town and Traffic Planners	8,00	0,00	0,00	0,00	0,00
Building And Other Property Caretakers	1,00	0,00	0,00	0,00	0,00
Bus And Heavy Vehicle Drivers	12,00	0,00	0,00	6,00	50,00
Cartographic Surveying and Related Technicians	2,00	0,00	0,00	0,00	0,00
Cleaners In Offices Workshops Hospitals Etc.	34,00	0,00	0,00	26,00	76,50

Diplomats	1,00	0,00	0,00	0,00	0,00
Engineers And Related Professionals	1,00	0,00	0,00	0,00	0,00
Finance And Economics Related	0,00	0,00	0,00	1,00	0,00
Financial And Related Professionals	5,00	0,00	0,00	3,00	60,00
Financial Clerks and Credit Controllers	9,00	0,00	0,00	11,00	122,20
General Legal Administration & Rel. Professionals	1,00	0,00	0,00	0,00	0,00
Human Resources Clerks	7,00	0,00	0,00	5,00	71,40
Human Resources Related	0,00	0,00	0,00	1,00	0,00
Legal Related	1,00	0,00	0,00	0,00	0.00
Library Mail and Related Clerks	5,00	0,00	0,00	2,00	40,00
Light Vehicle Drivers	0,00	0,00	0,00	2,00	0,00
Logistical Support Personnel	4,00	0,00	0,00	4,00	100,00
Material-Recording and Transport Clerks	1,00	0,00	0,00	2,00	200,00
Messengers Porters and Deliverers	10,00	0,00	0,00	9,00	90,00
Not Available	7,00	0,00	0,00	0,00	0,00
Other Administrative & Related Clerks and Organisers	30,00	0,00	0,00	16,00	53,30
Other Administrative Policy and Related Officers	77,00	0,00	0,00	68,00	88,30
Other Information Technology Personnel	13,00	0,00	0,00	10,00	76.90
Other Occupations	214,00	1,00	0,50	93,00	43,50
Risk Management and Security Services	0,00	0,00	0,00	0,00	0,00
Secretaries & Other Keyboard Operating Clerks	25,00	0,00	0,00	21,00	84,00
Security Guards	20,00	0,00	0,00	21,00	105,00
Security Officers	2,00	0,00	0,00	0,00	0,00
Senior Managers	41,00	0,00	0,00	9,00	22,00
TOTAL	**599,00**	**1,00**	**0,20**	**354,00**	**59,10**

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

Salary Band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	33,00	0,00	0,00	22,00	66,70
Skilled (Levels3-5)	159,00	0,00	0,00	150,00	94,30
Highly skilled production (Levels 6-8)	236,00	0,00	0,00	110,00	46,60
Highly skilled supervision (Levels 9-12)	87,00	1,00	1,10	50,00	57,50
Senior Management (Level 13-16)	25,00	0,00	0,00	12,00	48,00
09 Other, Permanent	7,00	0,00	0,00	0,00	0,00
10 Contract (Levels 1-2), Permanent	2,00	0,00	0,00	3,00	150,00
11 Contract (Levels 3-5), Permanent	5,00	0,00	0,00	2,00	40,00
12 Contract (Levels 6-8), Permanent	22,00	0,00	0,00	4,00	18,20
13 Contract (Levels 9-12), Permanent	4,00	0,00	0,00	1,00	25,00
14 Contract (Levels >= 13), Permanent	19,00	0,00	0,00	0,00	0,00
Total	**599,00**	**1,00**	**0,20**	**354,00**	**59,10**

3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	27	1	0	0	7	0	0	0	35
Professionals	8	1	0	3	14	0	0	1	27
Technicians and associate professionals	70	0	0	3	60	0	0	15	148
Clerks	21	1	0	1	55	1	0	3	82
Service and sales workers	18	0	0	0	5	0	0	0	23
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	8	0	0	0	2	0	0	0	10
Elementary occupations	142	0	0	0	119	0	0	0	261
Total	**294**	**3**	**0**	**7**	**262**	**1**	**0**	**19**	**586**
Employees with disabilities	**2**	**1**	**0**	**1**	**2**	**0**	**0**	**0**	**6**

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	2	0	0	0	3
Senior Management	13	1	0	0	4	0	0	0	18
Professionally qualified and experienced specialists and mid-management	44	1	0	3	26	0	0	8	82
Skilled technical and academically qualified workers,	122	0	0	4	95	0	0	11	232

junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	71	1	0	0	82	0	0	0	154
Unskilled and defined decision making	6	0	0	0	26	0	0	0	32
Total	**257**	**3**	**0**	**7**	**235**	**0**	**0**	**19**	**521**

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

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

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0

Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	5	0	0	0	3	1	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	1	0	0	3	0	1	2	12
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	**13**	**1**	**0**	**0**	**8**	**1**	**1**	**2**	**26**
Employees with Disabilities	0	0	0	0	0	0	0	0	0

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Case withdrawn	1	0	0	0	0	0	0	0	1
Pending	6	0	0	0	5	0	0	0	11
Total	**7**	**0**	**0**	**0**	**5**	**0**	**0**	**0**	**12**

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	77	0	0	1	52	0	0	6	136
Professionals	44	0	0	2	44	3	0	1	94
Technicians and associate professionals	46	0	0	0	102	0	0	1	149
Clerks	7	0	0	0	8	0	0	0	15
Service and sales workers	148	0	0	0	272	0	0	0	420
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	02	0	0	0	18	0	0	0	20
Total	**324**	**0**	**0**	**3**	**496**	**3**	**0**	**8**	**824**
Employees with disabilities	0	0	0	0	0	0	0	0	0

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 March 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	0	0	0	0
Salary Level 15	2	2	2	100%
Salary Level 14	5	17	9	53%
Salary Level 13	24	17	15	88%
Total	**32**	**37**	**27**	**73%**

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

Reasons
Delay in the signing of appointment contracts for Administrators and secondment of one SMS to another department.

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

Reasons
SMS members losses any claim to performance incentives inclusive of pay progression

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 2023 to 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	0.00	292.00	0.00	0.00	0.00
Female	1.00	260.00	0.40	13.67	13 666.00
Asian					
Male	0.00	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00	0.00
Coloured					
Male	0.00	2.00	0.00	0.00	0.00
Female	0.00	1.00	0.00	0.00	0.00
White					
Male	0.00	6.00	0.00	0.00	0.00
Female	0.00	19.00	0.00	0.00	0.00
Total	**1.00**	**586.00**	**0.20**	**13.67**	**13 666.00**

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0.00	32.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	0.00	154.00	0.00	0.00	0.00	0.00
Highly skilled production (level 6-8)	1.00	232.00	0.40	13.67	13 666.00	0.00
Highly skilled supervision (level 9-12)	0.00	82.00	0.00	0.00	0.00	0.00
Total	1.00	500.00	0.4	13.67	13.666	0.01

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	0.00	8.00	0.00	0.00	0.00
Human Resources Clerks	0.00	11.00	0.00	0.00	0.00
Security Officers	0.00	2.00	0.00	0.00	0.00
Messengers Porters and Deliverers	0.00	11.00	0.00	0.00	0.00
Logistical Support Personnel	0.00	4.00	0.00	0.00	0.00
Other Admin & Related Clerks and Organisers	0.00	27.00	0.00	0.00	0.00
Other Occupations	0.00	213.00	0.00	0.00	0.00
Legal Related	0.00	1.00	0.00	0.00	0.00
Financial And Related Professionals	0.00	5.00	0.00	0.00	0.00
Building And Other Property Caretakers	0.00	1.00	0.00	0.00	0.00
Diplomats	0.00	1.00	0.00	0.00	0.00
Architects Town And Traffic Planners	0.00	9.00	0.00	0.00	0.00
Administrative Related	0.00	64.00	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks	1.00	26.00	3.80	13.67	13 666.00
Cleaners In Offices Workshops Hospitals etc	0.00	35.00	0.00	0.00	0.00
Library Mail and Related Clerks	0.00	4.00	0.00	0.00	0.00
General Legal Administration & Rel. Professionals	0.00	1.00	0.00	0.00	0.00
Cartographic Surveying and Related Technicians	0.00	2.00	0.00	0.00	0.00
Material-Recording and Transport Clerks	0.00	1.00	0.00	0.00	0.00
Other Administrative Policy and Related Officers	0.00	78.00	0.00	0.00	0.00
Bus And Heavy Vehicle Drivers	0.00	10.00	0.00	0.00	0.00
Senior Managers	0.00	38.00	0.00	0.00	0.00
Engineers And Related Professionals	0.00	1.00	0.00	0.00	0.00
Other Information Technology Personnel.	0.00	11.00	0.00	0.00	0.00
Light Vehicle Drivers	0.00	2.00	0.00	0.00	0.00
Security Guards	0.00	20.00	0.00	0.00	0.00
Total	**1.00**	**586.00**	**0.20**	**13.67**	**13.666.00**

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0.00	18.00	0.00	27 948.32	0.00	0.00
Band B	0.00	18.00	0.00	24 830.56	0.00	0.00
Band C	0.00	2.00	0.00	4 504.17	0.00	0.00
Band D	0.00	2.00	0.00	4 706.95	0.00	0.00
Total	**0.00**	**40.00**	**0.00**	**61 990.01**	**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 2023 and 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

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

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0
N/A	0	0	0	0	0	0

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	199,00	89,90	19,00	6,60	10,00	129,00
Skilled (levels 3-5)	864,00	93,23	98,00	34,30	9,00	709,00
Highly skilled production (levels 6-8)	849,00	85,00	88,00	30,80	10,00	1458,00
Highly skilled supervision (levels 9 -12)	426,00	85,20	53,00	18,50	8,00	1211,00
Top and Senior management (levels 13-16)	74,00	87,80	10,00	3,50	7,00	363,00
Total	**2412**	**88,22**	**268**	**18,74**	**8,80**	**3870**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	6,00	100,00	2,00	50,00	3,00	12,00
Highly skilled supervision (Levels 9-12)	11,00	100,00	2,00	50,00	6,00	25,00
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	**17,00**	**100,00**	**4,00**	**100,00**	**4,00**	**37,00**

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

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	580,00	27	21
Skilled Levels 3-5)	2940,00	146	20
Highly skilled production (Levels 6-8)	2826.00	115	25
Highly skilled supervision(Levels 9-12)	1904,00	79	24
Senior management (Levels 13-16)	359,00	22	15
Total	**8609**	**389**	**22**

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2024

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 2024
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	79
Highly skilled production (Levels 6-8)	0	0	0	36
Highly skilled supervision(Levels 9-12)	0	0	0	26
Senior management (Levels 13-16)	0	0	0	3
Total	**0**	**0**	**0**	**144**

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

Table 3.10.5 Leave pay outs for the period 1 April 2023 and 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2022/2023 due to non-utilisation of leave for the previous cycle	371,00	7,00	53 000.00
Capped leave pay outs on termination of service for 2023/2024	53,00	2,00	26 500.00
Current leave pay out on termination of service for 2023/2024	542,00	10,00	54 200.00
Total	**966**	**19**	**50.84**

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		x	The department has not formally appointed a designated SMS member to be responsible for Health Promotion and HIV/AIDS programmes. This function has been carried out by the Director: Human Resources and Development
2. Does the department have a 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		Currently 3 permanent employees in the Unit of which 1 employee (Assistant Director) being relocated away from the office, 2 employees have however been temporarily allocated as support staff. The Unit operates with an estimated budget of R400 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		The Employee Health and Wellness Sub-directorate has 4 functional pillars, they are structured as follows: 1. HIV& AIDS AND TB MANAGEMENT PILLAR To mitigate the impact of HIV& AIDS and TB epidemic and improvement of the department's service delivery to reduce the number of infections and impact on individual employees. Key Performance areas. To implement programmes on: •Prevention; •Treatment, care and support; •Human rights and access to justice; •Research, monitoring and evaluation. 2. **HEALTH AND PRODUCTIVITY MANAGEMENT PILLAR** To manage communicable and non-communicable diseases, mental health/ psychosomatic illnesses, injury on duty and incapacity due to ill-health and occupational health education in order to enhance productivity

			Key performance areas. To implement programmes on: • Disease management and chronic illnesses; • Mental health/psychological illness • Injury on duty and incapacity due to ill-health • Occupational health and education promotion 3. **SAFETY, HEALTH, ENVIRONMENT,RISK AND QUALITY (SHERQ) MANAGEMENT PILLAR** To anticipate, evaluate, educate and control health hazards in the departments to protect employee's health and wellbeing as well as to safeguard the community at large.(clients) **Key performance areas.** Implement programmes on: • Occupational health and safety; • Environmental management; • Risk and quality management. **4. WELLNESS MANAGEMENT PILLAR** To provide individual wellness and organisational wellness to improve work-life balance **Key performance areas.** Implement programmes on: • Individual wellness (physical) • Individual wellness (Psychosocial wellness) counselling and referrals • Organisational wellness Work-life balance
4. Has the department established (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	**COMMITTEE REPRESENTATIVE DATABASE PER COGTA BUILDING** **O.R Tambo House Building** Mr M. Sethuntsa – Transport – 6th floor Mr S. Nyaredi – Finance – 7th floor Mr. M. Mokgeseng – Supply Chain Management – 7th floor Ms M. Khabo – HRM – 9th floor Mr S. Sello – Auxiliary – 10th floor Mr V. Maxatshwa – IT Unit – 11th floor Mr M. Mokhele – Skills Development – 12th floor **Cogta in the L.M Trust building (Charlotte Maxeke Street)** Ms Z. Magagula – Municipal Intergovernmental – 1st floor

	Relations	
Ms N. Mbolekwa	Spatial Planning	2nd floor
Ms V. Kori	Spatial Planning	3rd floor
Mr R. Sekwe	Spatial Planning	4th floor 5th floor

Cogta in the L.T Trust building (Elizabeth Street)

Name	Unit	Floor
Mr T. Mofokeng	Traditional Affairs	1st floor
Ms M. Lempetje	Free Basic	2nd floor
Ms M. Lekhoehla	Municipal Performance Monitoring	4th floor
Ms R. Makaudi	Municipal Planning & Development	3th floor 5rd floor

Representative for Cogta in the Old SANLAM building

Mr. S. Maduna	Free State House of Traditional Leaders	3rd floor

Representative for Cogta in the Thaba Nchu office

Mr. K.G Lepogo	Barolong Hall	Ground floor
Ms N. Shuping	Barolong Boo Seleka Office	Ground floor

Representatives for Cogta in the Disaster Management Directorate

Name	Department	Floor
Mr C. Mokete	Disaster Management	Ground floor

REPRESENTATIVES FOR COGTA IN TRIBAL COUNCILS

Name	Unit
Mr. M. Moloko	Thibella Traditional Council
Mr. B. Nchabeng	Monontsha Traditional Council
Ms M. Lebatla	Bolata Traditional Council
Mr. S. Mopeli	Mabolela Traditional Council
Deceased	Namahali Traditional Council
Mr. K. Mohlaping	Public Works Offices
Mr. B. Gumbi	Kgolokweng Traditional Council
Ms Poppy Mota	Dinkoeng Traditional Council
Mr. T. Mofokeng	Thaba Bosiu Traditional Council
Ms S. Khanye	Batlokoa Ba Mokgalong Traditional Council
Ms L. Mopeli	Morena E Moholo – Bakoena

			Mr N. Mobu	Thaba Tsoeu Traditional Council
			Ms T. Tsosane	Matsieng Traditional Council
			Mr. M.S. Moji	Phomolong Traditional Council
			Mr K. Molefe	Batlokoa Royal Council
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		HIV/AIDS, STI AND TB Policy is in place as approved by the Head of Department.	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		Issues of discrimination against people living with HIV are covered by the HIV/AIDS, STI and TB Policy. An annual operation plan signed by the Head of Department is also in place, this is to guide the implementation of the policy.	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		The Unit embarks on quarterly Wellness days to facilitate for HIV Counselling and Testing (HCT) campaigns in order to ensure that employees are tested. Apart from that, the Unit embarks on ongoing mitigation strategies that seeks to promote healthy living.	
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		The indicators include, supervisor feedback and sick leave records. No particular system has been introduced.	

3.12 Labour Relations

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

Subject matter	Date
No collective agreements were signed during the reporting period	**n/a**

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 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0

Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	1	8,33%
Pending	11	91,66%
Total	**12**	**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 2023 and 31 March 2024

Type of misconduct	Number	% of total
Improper conduct	1	8.33%
Contravention of Treasury Regulations	7	58,33%
Absent without approval	2	16,66%
Failure to perform official duties	2	16,66%
Total	**12**	**100%**

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

Grievances	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	5	100%
Total number of grievances lodged	**5**	**100%**

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

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

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

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

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

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

3.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	78	Executive Development Program	Leadership Development, Fire fighter, Advanced Computer, Advanced Data analytics and optimizations, Basic of IT Auditing revised, Bookkeeping	OHS /EAPA Conference IIA-SA conference/forums HRDC/NSA/PSTF Forum 023 ACFE African Anti-Corruption Conference	78
	Male	58				58

				managers, Advanced Records Management, Advanced Training on investigation, Change Management, Computer skills, Disaster Management course/workshop, Excel training, Geographic Information system, Intergovernmental Relations, Labour Relations, Leadership & Management, Local Government and Development, Mentoring and Coaching, Microsoft Outlook, 2010 Intermediate Organizational Development, PDMS Courses, Project Management, Public Participation, Risk Management, Financial Management, Office Management, Project Management, Records Management, Report Writing, Evidence Based Policy Making and Implementation, Public Finance Management Act, Advanced Excel	2023ACFEAFRICA-Anti Corruption Conference	

				for Internal Auditors, Association of certified fraud examiners, Capacity Building, Assessors Training, Inventory Production, Advanced Record Management, Diversity Management, Facilitation course, Municipal Finace Management Act, Microsoft Operation Framework, Minutes Taking, Report Writing, Microsoft SharePoint administration, Assessing your protection of personal Identity information. Certified Internal Auditors part 123. How to audit performance information for public sector internal auditors.		
Professionals	Female	46	Management Leadership	A+8n International Certificate, Advanced Computer, BAS Disbursement Financial report/general journal/payment, CCNA, Advanced		46
	Male	48			023 ACFE Africa-Anti Corruption Conference Regional Summit held by the Institute of Internal Auditors	48

				Excel, Budget Management, Computer Skills, Evidence Based Policy Making and Implementation, Financial Management, SCOA, Advanced Excel for Internal Auditors, Assessing your protection of personal identification information, Certified Risk Management, Certified Information system auditors part3, Combined Assurance, Control Adequate Evaluation, Effective Report writing, Ethics for Auditors, Fraud Risk identification, Assessment and anti-fraud control approach and techniques.	SA	
Technicians and associate professionals	Female	46	Management Leadership	Asset Management, BID Evaluation, Computer skills, Contract Management, Facilitation course, Fleet Management, Forensic investigation, knowledge Management Leadership and Management, Logis, Time Management, Report Writing, SCOA, Advanced Excel, Disaster Management, Ethics Management for local government, Financial Management, First AID, Graphic		46
	Male	103				103

				Design and Web programming skills, Implementing the promotion of Administration of Justice act, Induction of logis, Information Technology, Labour Relations, Logis, Monitoring and Evaluation, Occupational Health and Safety, Project Management, Taxation, Advanced Record Keeping/filling, Budget Management, Code of conduct, Diversity Management, Public Management Act, Public Finance Management Act, Risk Management, Supply Chain Management, Research Methodology, Minutes Taking, Public Management,		
Clerks	Female	7		Logis 1&2, Report Writing and minutes taking, First Aid, Human Resource, Leadership & Management, Office Management, Project Management, Public Finance Management Act, Record Management		7
	Male	8				8
Service and sales workers	Female	272			Labour law, Minutes taking, Report writing, Occupational Hygiene, Service delivery in public	272
	Male	148				148

					sector, Supply chain in public service' Conflict Management, Customer care, Anti –Corruption, First Aid, Fire fighter, Safety and security management,	
Skilled agriculture and fishery workers	Female	0	-	-	-	0
	Male	0	-	-	-	0
Craft and related trades workers	Female	0	-	-	-	0
	Male	0	-	-	-	0
Plant and machine operators and assemblers	Female	4			Admin Clerk, Computer skill, Disaster Management, Filling, Fire fighter, Labour relations, Local government strategic strategic management, Office Management, Policy Development, Provincial and local government, Leadership and management, Public Management for Public Managers, Protective driving, Batho Pele principles, Customer care, Conflict management.	4
	Male	24				24
Elementary occupations	Female	27			Customer Care, Conflict management, Occupational hygiene, Fire fighter, Office Management, First Aid	27
	Male	22				22
Sub Total	Female	519				519
	Male	372				372
Total		892				892

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

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	07				07
	Male	03		Occupational Certified in ICT Internal Auditor Avoiding Fruitless and Wasteful Expenditure Certified Director Examination Citizen Centered Service Delivery Evidence Based Police Making and Implementation Certified Internal Auditor Examination Part 2	EAPA SA-Edu week Conference 11 SA AIDS Conference	03
Professionals	Female	09				09
	Male	10		Citizen Centred Service Delivery Occupational Certified in ICT Internal Auditor Advanced Certificate Fraud Examination Avoiding Fruitless and Wasteful Expenditure Evidence	EAPA SA-Edu week Conference Public Sector Forum 11 SA AIDS Conference Institute for Risk Management of SA	10

				Based Police Making and Implementation Certified Director Examination How to Audit Performance to Public Sector Internal Auditors First Aid		
Technicians and associate professionals	Female	06				06
	Male	10		Legislative Drafting workshop Supply Chain Management Public Service Evidence Based Police Making and Implementation First Aid		10
Clerks	Female					
	Male					
Service and sales workers	Female	69				69
	Male	52		Customer Care Conflict Management First Aid		52
Skilled agriculture and fishery workers	Female	0				0
	Male	0				0
Craft and related trades workers	Female	0				0
	Male	0				0
Plant and machine operators and assemblers	Female	0				0
	Male	0				0
Elementary occupations	Female	18				18
	Male	02		First Aid		02
Sub Total	Female	109				109
	Male	77				77

Total		**186**				**186**

3.14 Injury on duty

The following tables provide basic information on injury on duty.

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

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

3.15 Utilisation of Consultants

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Thandile Health Risk manager	1	365	Per rates negotiated in the Public Service
Gijima A Holdings	1	365	Per rates in the Public Service

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0
0	0	0	0

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

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

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

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0

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

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2023 and 31 March 2024

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

PART E: PFMA COMPLIANCE REPORT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	79 100	78 561
Adjustment to opening balance	-	-
Opening balance as restated	79 100	78 561
Add: Irregular expenditure confirmed	3124	548
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(4127)	(9)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**78 097**	**79 100**

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year		-
Irregular expenditure for the current year	3124	548
Total	**3124**	**548**

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

Description[1]	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	2623	-
Irregular expenditure under determination	501	4482
Irregular expenditure under investigation	-	-
Total	**3124**	**4482**

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000

[1] Group similar items

Irregular expenditure condoned	-	-
Total	-	-

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	4127	9
Total	**4127**	**9**

e) Details of irregular expenditure recoverable

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

f) Details of irregular expenditure written off (irrecoverable)

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

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
Total

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)[2]

Description	2023/2024[3]	2022/2023
	R'000	R'000

[2] Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023
[3] Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

	-	-
	-	-
	-	-
	-	-
Total	-	-

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

Disciplinary steps taken
Berco Indoor Gardens: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 15th May 2023; • Official did respond to the intention to charge letter; • A final report with recommendations was drafted and submitted to the HOD for approval on the 18th August 2023.
Canon Bloemfontein: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 15th May 2023; • Official did respond to the intention to charge letter; • A final report with recommendations was drafted and submitted to the HOD for approval on the 18th August 2023.
Dhlamini SS: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 15th May 2023; • The official responded to the intention to charge; • A final report was drafted and is with the office of the HOD for his attention; • Two other officials out of service.
Chell Engineering: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 15th May 2023; • Official did respond to the intention to charge letter; • A final report with recommendations was drafted and submitted to the HOD for approval on the 18th August 2023.
Morerishi General Trading: • Matter referred to the Office of the Premier for further handling on the 22nd May 2023; • One other official is out of service.
Tourvest Travel Services: • Letter written to Bloem Water, referring matter for their attention; • Letter written to Office of the Premier on the 22nd May 2023, referring the case to OTP for further handling.
The Eton Group: • Letter written to Bloem Water, referring matter for their attention.
Intergr8 IT: • Letter written to Bloem Water, referring matter for their attention; • The other official is out of service.
Dots Design Agency: • Letter written to Bloem Water, referring matter for their attention.
Nonofo Trading: • Letter written to Bloem Water, referring matter for their attention.
Fezi Auditors and Consultants:

• Official out of service.
Avanti Security: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 06th June 2023; • Official did respond to the intention to charge letter; • A final report with recommendations was drafted and submitted to the HOD for approval on the 18th August 2023.
Pikoko Boutique Hotel: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 29th May 2023; • Official did respond to the intention to charge letter; • A final report with recommendations was drafted and submitted to the HOD for approval on the 18th August 2023; • Two other officials are out of service.
Bloem Spa Lodge: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 06th May 2023; • Official did respond to the intention to charge letter; • A final report with recommendations was drafted and submitted to the HOD for approval on the 18th August 2023; • One other official is out of service.
VIP Toilets: • Intention to charge letter was drafted, singed by HOD and issued to the official on the 09th May 2023; • Official did respond to the intention to charge letter; • A final report with recommendations was drafted and submitted to the HOD for approval on the 18th August 2023; • One other official is out of service.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	5	-
Adjustment to opening balance	-	-
Opening balance as restated	5	-
Add: Fruitless and wasteful expenditure confirmed	94	38
Less: Fruitless and wasteful expenditure not recoverable and written off	(14)	(29)
Less: Fruitless and wasteful expenditure recoverable 6	(63)	(4)
Closing balance	**22**	**5**

Reconciling notes

Description	2023/2024	2022/20234
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the	-	-

[4] Record amounts in the year in which it was incurred

current year		
Fruitless and wasteful expenditure for the current year	94	38
Total	**94**	**38**

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

Description[5]	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	1	-
Fruitless and wasteful expenditure under determination	93	38
Fruitless and wasteful expenditure under investigation	-	-
Total	**94**	**38**

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	63	4
Total	**(63)**	**(4)**

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

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	14	29
Total	**14**	**29**

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

Disciplinary steps taken
None
Total

[9] Group similar items

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

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

Reconciling notes

Description	2023/2024	2022/2023[8]
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

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

Description[9]	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

[6] Transfer to receivables
[7] This amount may only be written off against available savings
[8] Record amounts in the year in which it occurred
[9] Group similar items

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))[10]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	16	34
Other material losses	55	37
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**71**	**71**

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)		
Loss of Laptop	55	37
Total	**55**	**37**

c) Other material losses recoverable

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

d) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)		
Loss of Laptop	374	-
Total	**374**	**-**

[10] Information related to material losses must be disclosed in the annual financial statements.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1217	41325
Invoices paid **within** 30 days or agreed period	1213	41253
Invoices paid **after** 30 days or agreed period	4	72
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	-	-
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	2434	82 650
A total of 102 invoices for Nexus Travel are currently in dispute. The Department requested intervention of the Provincial Treasury in resolving the dispute. At the end the reporting period, the matter had not been resolved.		

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Catering services	Be Human	Procurement by other means of soul supplier	CG-230211	58
Attendance of a conference event	Dira Sengwe Conferences	Procurement by other means of soul supplier	CG-230239	19
Attendance of a conference event	Leadership Academy	Procurement by other means of soul supplier	RQ-230483	52
Attendance of a conference event	Leadership Academy	Procurement by other means of soul supplier	RQ-230485	29
Attendance of a conference event	Africa Training Academy	Procurement by other means of single source	RQ-230578	60
Service of wildland fire fighters	Fs Umbrella Fire Project	Procurement by other means of single source	CG-230953	146
Attendance of a conference event	Acfe	Procurement by other means of single source	CG-230520	56
Service of wildland fire fighters*	Fs Umbrella Fire Project	Procurement by other means of single source	CG-230952	193
Procurement of Binding Machines and plus flex covers	Csx Knowledge Solutions	Procurement by other means of soul supplier	BFN/RR/PD/COGTA/RR N107FS	121
Total				**740**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R '000	R'000
Labour Saving Devices	Gerox Trading	Expansion	RFA1818-2018	5 764-		866
Total				**5 764**	**-**	**866**

PART F: FINANCIAL INFORMATION

Report of the auditor-general to Free State Provincial Legislature on Vote 8: Department of Cooperative Governance and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs set out on pages 152 to 208, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance and Traditional Affairs as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Contingent liabilities

7. As disclosed in note 17 to the financial statements, the department is the defendant in various legal claims. The department is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result was made in the financial statements.

Restatement of corresponding figures

8. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2023 were restated because of errors in the financial statements of the department, for the year ended 31 March 2024.

Other matter

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

Unaudited supplementary schedules

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

Responsibilities of the accounting officer for the financial statements

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

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. This description, which is located on page 148, forms part of my 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 the 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 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2 – local governance	34	This programme provides for the implementation of an institutional, administrative, financial and public participation framework in terms of the Constitution of the RSA, 1996
Programme 3 – development and planning	48	This programme aims to support the municipalities with simplified Integrated Development Plan.
Programme 4 – traditional institutional management	59	This programme aims to support and enhance the capacity of Traditional Authorities.

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.

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
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets

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

20. I did not identify any material findings on the reported performance information for programme 3: development and planning and programme 4: traditional institutional management.

21. The material findings on the reported performance information for programme 2: local governance are as follows:

Local governance

Number of municipalities with functional audit committees

22. The indicator was not clearly defined during the planning process because the department did not define how municipal audit committees will be assessed as "fully functional" nor defined the department's role in supporting municipal audit committees to become "fully functional." Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

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

25. The following tables provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 34 to 70.

Local governance

Targets achieved: 82.76 %. *Budget spent: 97.1%*		
Key indicator not achieved	**Planned target**	**Reported achievement**

Number of Provinces implementing the GovChat programme for community engagement and service delivery improvement	1	0
No. of Section 47 reports compiled as prescribed by the MSA	1	0
Number of municipalities supported to comply with MSA Regulations on the appointment of Senior Managers	23	19
Number of municipalities monitored on the extent to which Senior Managers posts are filled	23	19
No. of capacity building interventions conducted in municipalities	10	8

Development and planning

Targets achieved: 80 %.
Budget spent: 88.8 %

Key indicator not achieved	Planned target	Reported achievement
Number of work opportunities reported through Community Works Programme	25 000	24170
No of municipalities supported on the development of LED Strategies	22	21
No of municipalities supported on functional LED Units	22	21
No. of municipalities supported on the establishment of business development forums	22	21
Number of jobs created within Municipalities through MIG	2500	1439
Number of Provincial Economic Development Forum meetings held	4	3

Traditional institutional management

Targets achieved: 83.33 %.
Budget spent: 91,2 %

Key indicator not achieved	Planned target	Reported achievement
Percentage of Traditional Leadership succession claims/ disputes received and processed	100%	67%

Material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for local

governance and development and planning. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

27. 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.

28. 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.

29. 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.

30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Strategic planning and performance management

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

Other information in the annual report

32. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

33. 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.

34. 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.

35. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2024

6. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Internal control deficiencies

38. 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.

39. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

40. Management did not in all instances implement controls over daily and monthly processing and reconciling of transactions, as material misstatements were identified on the annual performance report.

41. Management did not prepare regular, accurate and complete performance reports that were supported and evidenced by reliable information.

42. Oversight responsibility regarding financial and performance reporting, compliance and related internal controls, was not effective in all instances to prevent internal control deficiencies.

Auditor General

Bloemfontein

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); Section 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; Regulation 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3; Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2); Regulation 16A8.3; ; 16A8.4; 16A9.1(b)(ii); Regulation; 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2;
Division of Revenue Act 5 of 2022	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); Section 16(3)(a)(ii) (bb)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
National Treasury SCM Instruction Note 4A of 2016-17	Paragraph 6
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations of 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury instruction Note 5 of 2020-21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 1
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraph 2

Legislation	Sections or regulations
National Treasury SCM Instruction Note 3 of 2021-22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction Note 11 of 2020-21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction Note 2 of 2021-22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;
Practice Note 7 of 2009-10	Paragraph 4.1.2
Practice Note 11 of 2008-09	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009-10	Paragraph 3.3
Public Service Regulations 2016	Regulation 25(1)(e)(i) and 25(1)(e)(iii)

Table of Contents

Appropriation Statement	*153*
Notes to the Appropriation Statement	*160*
Statement of Financial Performance	*162*
Statement of Financial Position	*163*
Statement of Changes in Net Assets	*164*
Cash Flow Statement	*165*
Notes to the Annual Financial Statements (including Accounting Policies)	*166*
Annexures	*200*

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation per programme

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1.Administration	155 185	-	1 052	156 237	151 542	4 695	97.0%	164 667	148 812
2.Local Governance	82 290	-	(1 403)	80 887	78 512	2 375	97.1%	99 596	79 470
3.Development and Planning	74 381	-	(34)	74 347	66 026	8 321	88.8%	64 804	48 223
4.Traditional Institutional Management	58 573	-	341	58 914	53 713	5 201	91.2%	52 222	48 933
5.House of Traditional Leaders	17 233	-	44	17 277	16 785	492	97.2%	17 272	14 842
TOTAL	**387 662**	**-**	**-**	**387 662**	**366 578**	**21 084**	**94.6%**	**398 561**	**340 280**
Reconciliation with statement of financial performance									
Actual amounts per statement of financial performance (total revenue)				**387 662**				**398 561**	
Actual amounts per statement of financial performance (total expenditure)					**366 578**				**340 280**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation per economic classification									
	2023/24							**2022/23**	
	Approved Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Economic classification									
Current payments	**337 671**	**-**	**160**	**337 831**	**327 699**	**10 132**	**97.0%**	**355 306**	**318 539**
Compensation of employees	265 847	-	651	266 498	265 943	555	99.8%	279 656	263 149
Goods and services	71 813	-	(491)	71 322	61 746	9 576	86.6%	75 640	55 390
Interest and rent on land	11	-	-	11	10	1	90.9%	10	-
Transfers and subsidies	**40 311**	**-**	**(160)**	**40 151**	**34 228**	**5 923**	**85.2%**	**32 620**	**16 830**
Provinces and municipalities	34 180	-	-	34 180	29 163	5 017	85.3%	27 355	12 026
Departmental agencies and accounts	8	-	-	8	7	1	87.5%	10	7
Non-profit institutions	1 500	115	-	1 615	1 495	120	92.6%	715	663
Households	4 623	(115)	(160)	4 348	3 563	785	81.9%	4 540	4 134
Payments for capital assets	**9 680**	**-**	**-**	**9 680**	**4 503**	**5 177**	**46.5%**	**10 635**	**4 711**
Machinery and equipment	9 680	-	-	9 680	4 503	5 177	46.5%	10 635	4 711
Payments for financial assets	-	-	-	-	148	(148)	-	-	200
TOTAL	**387 662**	**-**	**-**	**387 662**	**366 578**	**21 084**	**94.6%**	**398 561**	**340 280**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 1: ADMINISTRATION									
	2023/24							**2022/23**	
	Adjusted Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final Budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. OFFICE OF THE MEC	11 674	12	-	11 686	11 010	676	94.2%	12 429	11 166
2. CORPORATE SERVICES	143 511	(12)	1 052	144 551	140 532	4 019	97.2%	152 238	137 646
Total for sub programmes	**155 185**	**-**	**1 052**	**156 237**	**151 542**	**4 695**	**97.0%**	**164 667**	**148 812**
Economic classification									
Current payments	**145 874**	**-**	**1 636**	**147 510**	**146 539**	**971**	**99.3%**	**154 843**	**144 623**
Compensation of employees	107 676	-	980	108 656	108 546	110	99.9%	107 883	107 728
Goods and services	38 187	-	656	38 843	37 983	860	97.8%	46 950	36 895
Interest and rent on land	11	-	-	11	10	1	90.9%	10	-
Transfers and subsidies	**2 586**	**-**	**-**	**2 586**	**2 275**	**311**	**88.0%**	**1 922**	**1 614**
Departmental agencies and accounts	8	-	-	8	7	1	87.5%	10	7
Households	2 578	-	-	2 578	2 268	310	88.0%	1 912	1 607
Payments for capital assets	**6 725**	**-**	**(584)**	**6 141**	**2 692**	**3 449**	**43.8%**	**7 902**	**2 570**
Machinery and equipment	6 725	-	(584)	6 141	2 692	3 449	43.8%	7 902	2 570
Payments for financial assets	**-**	**-**	**-**	**-**	**36**	**(36)**	**-**	**-**	**5**
Total	**155 185**	**-**	**1 052**	**156 237**	**151 542**	**4 695**	**97.0%**	**164 667**	**148 812**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 2: LOCAL GOVERNANCE									
	2023/24							**2022/23**	
	Adjusted Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final Budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. MUNICIPAL ADMINISTRATION	19 574	-	(439)	19 135	18 997	138	99.3%	19 890	19 256
2. MUNICIPAL FINANCE	13 440	-	65	13 505	11 891	1 614	88.0%	21 169	14 395
3. PUBLIC PARTICIPATION	10 884	-	36	10 920	10 883	37	99.7%	12 656	10 458
4. CAPACITY DEVELOPMENT	31 640	-	(791)	30 849	30 327	522	98.3%	36 606	27 635
5. MUNICIPAL PERFORM, MON, REP, EVALUATION	6 752	-	(274)	6 478	6 414	64	99.0%	9 275	7 726
Total for sub programmes	**82 290**	**-**	**(1 403)**	**80 887**	**78 512**	**2 375**	**97.1%**	**99 596**	**79 470**
Economic classification									
Current payments	**71 416**	**-**	**(1 574)**	**69 842**	**69 102**	**740**	**98.9%**	**83 253**	**68 185**
Compensation of employees	61 235	-	(750)	60 485	60 378	107	99.8%	73 872	61 932
Goods and services	10 181	-	(824)	9 357	8 724	633	93.2%	9 381	6 253
Transfers and subsidies	**10 085**	**-**	**(160)**	**9 925**	**8 247**	**1 678**	**83.1%**	**14 982**	**9 980**
Provinces and municipalities	9 399	-	-	9 399	7 748	1 651	82.4%	14 355	9 365
Households	686	-	(160)	526	499	27	94.9%	627	615
Payments for capital assets	**789**	**-**	**331**	**1 120**	**1 092**	**28**	**97.5%**	**1 361**	**1 158**
Machinery and equipment	789	-	331	1 120	1 092	28	97.5%	1 361	1 158
Payments for financial assets	**-**	**-**	**-**	**-**	**71**	**(71)**	**-**	**-**	**147**
Total	**82 290**	**-**	**(1 403)**	**80 887**	**78 512**	**2 375**	**97.1%**	**99 596**	**79 470**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 3: DEVELOPMENT AND PLANNING									
	2023/24							**2022/23**	
	Adjusted Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final Budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. SPATIAL PLANNING	14 594	-	(6)	14 588	14 520	68	99.5%	18 560	15 939
2. LOCAL ECONOMIC DEVELOPMENT	4 927	-	(25)	4 902	4 749	153	96.9%	6 352	5 335
3. MUNICIPAL INFRASTRUCTURE	44 538	-	58	44 596	36 676	7 920	82.2%	28 811	16 703
4. DISASTER MANAGEMENT	10 322	-	(61)	10 261	10 081	180	98.2%	11 081	10 246
Total for sub programmes	**74 381**	**-**	**(34)**	**74 347**	**66 026**	**8 321**	**88.8%**	**64 804**	**48 223**
Economic classification									
Current payments	**49 045**	**-**	**(287)**	**48 758**	**44 005**	**4 753**	**90.3%**	**49 221**	**43 027**
Compensation of employees	38 988	-	80	39 068	39 046	22	99.9%	41 288	39 377
Goods and services	10 057	-	(367)	9 690	4 959	4 731	51.2%	7 933	3 650
Transfers and subsidies	**25 080**	**-**	**-**	**25 080**	**21 501**	**3 579**	**85.7%**	**14 619**	**4 278**
Provinces and municipalities	24 781	-	-	24 781	21 415	3 366	86.4%	13 000	2 661
Households	299	-	-	299	86	213	28.8%	1 619	1 617
Payments for capital assets	**256**	**-**	**253**	**509**	**505**	**4**	**99.2%**	**964**	**905**
Machinery and equipment	256	-	253	509	505	4	99.2%	964	905
Payments for financial assets	**-**	**-**	**-**	**-**	**15**	**(15)**	**-**	**-**	**13**
Total	**74 381**	**-**	**(34)**	**74 347**	**66 026**	**8 321**	**88.8%**	**64 804**	**48 223**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 4: TRADITIONAL INSTITUTIONAL MANAGEMENT									
	2023/24							**2022/23**	
	Adjusted Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final Budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. TRADITIONAL INSTITUT.ADMIN.	58 573	-	341	58 914	53 713	5 201	91.2%	52 222	48 933
Total for sub programmes	**58 573**	**-**	**341**	**58 914**	**53 713**	**5 201**	**91.2%**	**52 222**	**48 933**
Economic classification									
Current payments	**54 268**	**-**	**341**	**54 609**	**51 379**	**3 230**	**94.1%**	**50 788**	**47 923**
Compensation of employees	47 884	-	341	48 225	48 167	58	99.9%	47 595	45 125
Goods and services	6 384	-	-	6 384	3 212	3 172	50.3%	3 193	2 798
Transfers and subsidies	**2 495**	**-**	**-**	**2 495**	**2 141**	**354**	**85.8%**	**1 095**	**957**
Non-profit institutions	1 500	115	-	1 615	1 495	120	92.6%	715	663
Households	995	(115)	-	880	646	234	73.4%	380	294
Payments for capital assets	**1 810**	**-**	**-**	**1 810**	**167**	**1 643**	**9.2%**	**339**	**22**
Machinery and equipment	1 810	-	-	1 810	167	1 643	9.2%	339	22
Payments for financial assets	**-**	**-**	**-**	**-**	**26**	**(26)**	**-**	**-**	**31**
Total	**58 573**	**-**	**341**	**58 914**	**53 713**	**5 201**	**91.2%**	**52 222**	**48 933**

APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 5: HOUSE OF TRADITIONAL LEADERS									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMIN OF HOUSE OF TRAD LEAD.	17 233	-	44	17 277	16 785	492	97.2%	17 272	14 842
Total for sub programmes	**17 233**	**-**	**44**	**17 277**	**16 785**	**492**	**97.2%**	**17 272**	**14 842**
Economic classification									
Current payments	**17 068**	**-**	**44**	**17 112**	**16 674**	**438**	**97.4%**	**17 201**	**14 781**
Compensation of employees	10 064	-	-	10 064	9 806	258	97.4%	9 018	8 987
Goods and services	7 004	-	44	7 048	6 868	180	97.4%	8 183	5 794
Transfers and subsidies	**65**	**-**	**-**	**65**	**64**	**1**	**98.5%**	**2**	**1**
Households	65	-	-	65	64	1	98.5%	2	1
Payments for capital assets	**100**	**-**	**-**	**100**	**47**	**53**	**47.0%**	**69**	**56**
Machinery and equipment	100	-	-	100	47	53	47.0%	69	56
Payments for financial assets	-	-	-	-	-	-	-	-	4
Total	**17 233**	**-**	**44**	**17 277**	**16 785**	**492**	**97.2%**	**17 272**	**14 842**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Administration	156 237	151 542	4 695	3%
The spending is on par at 97%.				
Local Governance	80 887	78 512	2 375	3%
The spending is on par at 97%.				
Development and planning	74 347	66 026	8 321	11%
The underspending is mainly due to funds allocated for the Cleanest and Greenest Project. These funds were earmarked for procurement of tools of trade at various Local Municipalities. The tender process was not finalized by the end of the financial year.				
Traditional Institutional Management	58 914	53 713	5 201	9%
The underspending is mainly due to the funds allocated for Reconstitution of twelve (12) Traditional Councils in the Free State Province. Tender processes for the appointment of the Project Manager was completed during March 2024.				
House of Traditional Leaders	17 277	16 785	492	3%
The spending is on par at 97%.				

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	266 498	265 943	555	0%
Goods and services	71 322	61 746	9 576	13%
Interest and rent on land	11	10	1	9%
Transfers and subsidies				
Provinces and municipalities	34 180	29 163	5 017	15%
Departmental agencies and accounts	8	7	1	13%
Non-profit institutions	1 615	1 495	120	7%
Households	4 348	3 563	785	18%
Payments for capital assets				
Machinery and equipment	9 680	4 503	5 177	53%
Payments for financial assets	-	148	(148)	

Compensation of employees	The spending is on par.
Goods and services	The underspending is mainly due to funds allocated for the Cleanest and Greenest Project. These funds were earmarked for procurement of tools of trade at various Local Municipalities. The tender process was not finalized by the end of the financial year. The underspending is also due to the funds allocated for Reconstitution of twelve (12) Traditional Councils in the Free State Province. Tender processes for the appointment of the Project Manager was completed during March 2024.
Transfer payments	The underspending attributes to slow spending by Tswelopele and Tokologo Local Municipalities to the amount of R1,423 million and R1,644 million respectively.
Payments for Capital assets	The underspending is due to the expiry of the contract for labour saving devices (awaiting finalization of SITA procurement processes) and procurement of tools of trade for Traditional Leaders (Procurement process underway).

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	387 662	398 561
TOTAL REVENUE		**387 662**	**398 561**
EXPENDITURE			
Current expenditure		**327 699**	**318 539**
Compensation of employees	3	265 943	263 149
Goods and services	4	61 746	55 390
Interest and rent on land	5	10	-
Transfers and subsidies		**34 228**	**16 830**
Transfers and subsidies	7	34 228	16 830
Expenditure for capital assets		**4 503**	**4 711**
Tangible assets	8	4 503	4 711
Payments for financial assets	6	**148**	**200**
TOTAL EXPENDITURE		**366 578**	**340 280**
SURPLUS FOR THE YEAR		**21 084**	**58 281**
Reconciliation of Net Surplus for the year			
Voted funds		**21 084**	**58 281**
Annual appropriation		21 084	58 281
SURPLUS FOR THE YEAR		**21 084**	**58 281**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets		**21 123**	**58 333**
Cash and cash equivalents	9	20 567	57 969
Prepayments and advances	10	-	6
Receivables	11	556	358
Non-current assets		**560**	**527**
Receivables	11	560	527
TOTAL ASSETS		**21 683**	**58 860**
LIABILITIES			
Current liabilities		**21 235**	**58 444**
Voted funds to be surrendered to the Revenue Fund	12	21 084	58 281
Departmental revenue to be surrendered to the Revenue Fund	13	28	21
Payables	14	123	142
TOTAL LIABILITIES		**21 235**	**58 444**
NET ASSETS		**448**	**416**
Represented by:			
Recoverable revenue		448	416
TOTAL		**448**	**416**

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
Recoverable revenue			
Opening balance		416	392
Transfers:		**32**	**24**
Irrecoverable amounts written off	*6.1*	(89)	-
Debts revised		13	-
Debts recovered (included in departmental revenue)		(186)	(146)
Debts raised		294	170
Closing balance		**448**	**416**
TOTAL		**448**	**416**

CASH FLOW STATEMENT
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**388 847**	**398 859**
Annual appropriation funds received	1.1	387 662	398 561
Departmental revenue received	2	1 163	274
Interest received	2.2	22	24
Net (increase)/decrease in net working capital		(211)	983
Surrendered to Revenue Fund		(59 467)	(29 883)
Current payments		(327 689)	(318 539)
Interest paid	5	(10)	-
Payments for financial assets	6	(148)	(200)
Transfers and subsidies paid	7	(34 228)	(16 830)
Net cash flow available from operating activities	15	**(32 906)**	**34 390**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(4 503)	(4 711)
Proceeds from sale of capital assets	2.3	8	29
(Increase)/decrease in non-current receivables	11	(33)	(442)
Net cash flow available from investing activities		**(4 528)**	**(5 124)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		32	24
Net cash flows from financing activities		**32**	**24**
Net increase/(decrease) in cash and cash equivalents		(37 402)	29 290
Cash and cash equivalents at beginning of period		57 969	28 679
Cash and cash equivalents at end of period	9	**20 567**	**57 969**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

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

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

8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9.	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
10.	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments relates to subsistence and travelling advances paid to officials.

11.	**Receivables** Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
12.	**Financial assets**
12.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
13.	**Payables** Payables recognised in the statement of financial position are recognised at cost.
14.	**Capital assets**
14.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2005 may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

14.3	**Intangible capital assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2005 may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
14.4	**Project costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
15.	**Provisions and contingents**
15.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
15.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
15.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

15.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
17.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
18.	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
19.	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
20.	**Departures from the MCS requirements** The Department did not depart from the MCS requirements.
21.	**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.
22.	**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.
23.	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
24.	**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.
25.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

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

	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested/not received	Final Budget	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	156 237	156 237	-	164 667	164 667	-
Local Governance	80 887	80 887	-	99 596	99 596	-
Development and planning	74 347	74 347	-	64 804	64 804	-
Traditional Institutional Management	58 914	58 914	-	52 222	52 222	-
House of Traditional Leaders	17 277	17 277	-	17 272	17 272	-
Total	**387 662**	**387 662**		**398 561**	**398 561**	

2. Departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services other than capital assets	2.1	205	207
Interest, dividends and rent on land	2.2	22	24
Sales of capital assets	2.3	8	29
Transactions in financial assets and liabilities	2.4	958	67
Total revenue collected		**1 193**	**327**
Less: Own revenue included in appropriation	15	(1 193)	(327)
Total		-	-

2.1. Sales of goods and services other than capital assets

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services produced by the department			
Other sales		205	207
Sales of scrap, waste and other used current goods			
Total	2	**205**	**207**

2.2. Interest, dividends and rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest		22	24
Total	2	**22**	**24**

2.3. Sales of capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment		8	29
Total	2	**8**	**29**

2.4. Transactions in financial assets and liabilities

	Note	2023/24 R'000	2022/23 R'000
Receivables		222	66
Other receipts including Recoverable Revenue		736	1
Total	2	**958**	**67**

3. Compensation of employees

3.1. Analysis of balance

	Note	2023/24 R'000	2022/23 R'000
Basic salary		186 378	178 653
Performance award		14	-
Service based		572	410
Compensative/circumstantial		5 990	5 862
Periodic payments		711	552
Other non-pensionable allowances		39 524	45 435
Total		**233 189**	**230 912**

3.2. Social contributions

Employer contributions	Note	2023/24 R'000	2022/23 R'000
Pension		18 138	18 379
Medical		14 527	13 749
Bargaining council		55	55
Insurance		34	54
Total		**32 574**	**32 237**
Total compensation of employees		**265 943**	**263 149**
Average number of employees		584	599

Board Members (Valuation Appeal, Audit Committee and Traditional Council Board Members excluded).

4. Goods and services

	Note	2023/24 R'000	2022/23 R'000
Administrative fees		1 004	723
Advertising		555	904
Minor assets	4.1	416	415
Bursaries (employees)		1 658	1 316
Catering		2 698	1 602
Communication		1 791	1 888
Computer services	4.2	8 216	6 725
Consultants: Business and advisory services	4.9	882	803
Legal services		2 122	1 295
Contractors		5 701	5 336
Entertainment		-	1
Audit cost - external	4.3	3 133	3 834
Fleet services		4 937	4 774
Inventories	4.4	100	241
Consumables	4.5	3 493	2 048
Operating leases		5 584	5 874
Property payments	4.6	49	29
Transport provided as part of the departmental activities		519	177
Travel and subsistence	4.7	16 416	13 801
Venues and facilities		527	1 674
Training and development		1 020	940
Other operating expenditure	4.8	925	990
Total		**61 746**	**55 390**

A restatement of R'192 was done within goods and services in order to correct SCOA classifications from "o/p printing and publication notices" (from R'1 182 to R'990) towards "Advertising" (from R'712 to R'904). Subnote 4.8 was also rectified accordingly.

A restatement of R'1 290 was done from Finance Lease Expenditure (capital) towards goods and services - communication in order to correct a SCOA classification for monthly subscription of outright purchased data and cellphone devices. The expenditure of Goods and services - communication was increased from R'598 to R'1 888.

A restatement of R'63 was done from goods and services - minor assets to Finance Lease Expenditure (capital) after it was established that 23 minor cellphones were not outright purchased, but leased. The expenditure on Goods and services – minor assets were decreased from R'478 to R'415.

The total net effect of these restatements is a decrease of R'1 227 on Goods and Services from R'54 163 to R'55 390.

4.1. Minor assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment		416	415
Total	4	**416**	**415**

A restatement of R'63 was done from goods and services -minor assets to Finance Lease Expenditure (capital) after it was established that 23 minor cellphones were not outright purchased, but leased. The expenditure on Goods and services – minor assets were decreased from R'478 to R'415.

4.2. Computer services

	Note	2023/24 R'000	2022/23 R'000
SITA computer services		2 954	2 010
External computer service providers		5 262	4 715
Total	4	**8 216**	**6 725**

4.3. Audit cost - external

	Note	2023/24 R'000	2022/23 R'000
Regularity audits		3 133	3 834
Total	4	**3 133**	**3 834**

4.4. Inventories

	Note	2023/24 R'000	2022/23 R'000
Other supplies	4.4.1	100	241
Total	4	**100**	**241**

4.4.1. Other supplies

	Note	2023/24 R'000	2022/23 R'000
Assets for distribution			
Other assets for distribution		100	241
Total	4.4	**100**	**241**

4.5. Consumables

	Note	2023/24 R'000	2022/23 R'000
Consumable supplies		929	316
Uniform and clothing		17	72
Household supplies		596	201
Building material and supplies		57	22
IT consumables		50	17
Other consumables		209	4
Stationery, printing and office supplies		2 564	1 732
Total	4	**3 493**	**2 048**

- *Included under "other consumables" are gifts made in cash by the Department (Traditional Leaders) to the Chieftaincy during their visit in Ghana to the value of R'32.*
- *Also included under other consumables" are gifts made in kind by the Department (Traditional Leaders) to the Chieftaincy during their visit in Ghana to the value of R'121 and reported under note 7.1 as well.*

4.6. Property payments

	Note	2023/24 R'000	2022/23 R'000
Municipal services		49	29
Total	4	**49**	**29**

4.7. Travel and subsistence

	Note	2023/24 R'000	2022/23 R'000
Local		15 024	13 786
Foreign		1 392	15
Total	4	**16 416**	**13 801**

The majority of the expenditure of R'1 392 on foreign travel and subsistence expenses relates to the visit by Traditional Leaders to the Chieftaincy in Ghana.

4.8. Other operating expenditure

	Note	2023/24 R'000	2022/23 R'000
Professional bodies, membership and subscription fees		193	34
Resettlement costs		187	129
Other		545	827
Total	4	**925**	**990**

A restatement of R'192 was done within goods and services in order to correct SCOA classifications from "o/p printing and publication notices" (from R'1 182 to R'990) towards "Advertising" (from R'712 to R'904) "O/p printing and publication notices" is included in "other "in note 4.8 above.

4.9. Remuneration of members of a commission or committee of inquiry (*Included in Consultants: Business and advisory services)*

Name of Commission / Committee of Inquiry	Note 4	2023/24 R'000	2022/23 R'000
Audit Committee appointed from 1 Aug 21 to 31 Jul 24		212	246
Risk Committee		14	13
Commission of Inquiry		76	159
Valuation Appeal Board appointed from 1 Apr 22 to 31 Mar 26		58	-
Total		**360**	**418**

5. Interest and rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest paid		10	-
Total		**10**	**-**

6. Payments for financial assets

	Note	2023/24 R'000	2022/23 R'000
Debts written off	6.1	148	200
Total		**148**	**200**

6.1. Debts written off

Nature of debts written off	Note	2023/24 R'000	2022/23 R'000
Recoverable revenue written off			
Loss Control cases		89	-
Total		**89**	**-**
Other debt written off			
Ex-Employees debt (Salaries, Tax, Telephone)		58	200
Loss Control (Excess fees)		1	-
Total		59	200
Total debt written off	6	**148**	**200**

7. Transfers and subsidies

	Note	2023/24 R'000	2022/23 R'000
Provinces and municipalities	28 and Annex 1A	29 163	12 026
Departmental agencies and accounts	Annex 1B	7	7
Non-profit institutions	Annex 1C	1 495	663
Households	Annex 1D	3 563	4 134
Total		**34 228**	**16 830**

7.1. Gifts, donations and sponsorships made in kind (*not included in the main note*)

	Note	2023/24 R'000	2022/23 R'000
	Annex 1E		
Gifts		121	-
Donations		100	241
Total		**221**	**241**

2023/2024

- *The Department (Traditional Leaders) made gifts in kind to the Chieftaincy during their visit in Ghana to the value of R'121.*
- *The Department also made donations in kind in the form of school shoes and bags to the Hermana Primary School in Mantsopa Municipality to the value of R'100.*

8. Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment	25	4 503	4 711
Total		**4 503**	**4 711**

8.1. Analysis of funds utilised to acquire capital assets – 2023/2024

	2023/24	
	Voted funds	Total
	R'000	R'000
Tangible capital assets		
Machinery and equipment	4 503	4 503
Total	**4 503**	**4 503**

8.2. Analysis of funds utilised to acquire capital assets – 2022/2023

	2022/23	
	Voted funds	Total
	R'000	R'000
Tangible capital assets		
Machinery and equipment	4 711	4 711
Total	**4 711**	**4 711**

A restatement of R'1 290 was done from Finance Lease Expenditure (capital) towards goods and services -communication in order to correct a SCOA classification for monthly subscription of outright purchased data and cellphone devices. The expenditure of Finance Lease Expenditure (capital) was decreased with R'1 290.

A restatement of R'63 was done from goods and services - minor assets to Finance Lease Expenditure (capital) after it was established that 23 minor cellphones were not outright purchased, but leased. The expenditure on Finance Lease Expenditure (capital) were increased with R'63.

The total restatement of R'1 227 (decrease of R'1 290 and increase of R'63) had the effect that the Expenditure for capital assets were decreased from R'5 938 to R'4 711.

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2023/24	2022/23
		R'000	R'000
Tangible capital assets			
Machinery and equipment		596	1 286
Total		**596**	**1 286**

A restatement of R'1 290 was done from Finance Lease Expenditure (capital) towards goods and services -communication in order to correct a SCOA classification for monthly subscription of outright purchased data and cellphone devices. The expenditure of Finance Lease Expenditure (capital) was decreased with R'1 290.

A restatement of R'63 was done from goods and services - minor assets to Finance Lease Expenditure (capital) after it was established that 23 minor cellphones were not outright purchased, but leased. The expenditure on Finance Lease Expenditure (capital) were increased with R'63.

A restatement of R'12 was also done after it was established that 2 major assets (cellphones) were not outright purchased but leased and therefore Finance Leases expenditure was increased with R'12

The net effect of these restatements on Finance lease expenditure is a total decrease of R'1 215 (decrease of R'1 290; increase of R'63 and an increase of R'12) from R'2 501 to R'1 286

9. Cash and cash equivalents

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General Account		20 417	57 939
Disbursements		120	-
Cash on hand		30	30
Total		**20 567**	**57 969**

10. Prepayments and advances

	Note	2023/24 R'000	2022/23 R'000
Travel and subsistence		-	6
Total		**-**	**6**
Analysis of Total Prepayments and advances			
Current Prepayments and advances		-	6
Total		**-**	**6**

11. Receivables

		2023/24			2022/23		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	133	-	**133**	49	-	**49**
Recoverable expenditure	11.2	13	-	**13**	31	-	**31**
Staff debt	11.3	349	548	**897**	278	516	**794**
Other receivables	11.4	61	12	**73**	-	11	**11**
Total		**556**	**560**	**1 116**	**358**	**527**	**885**

11.1. Claims recoverable

	Note	2023/24 R'000	2022/23 R'000
Provincial departments		133	49
Total	11	**133**	**49**

11.2. Recoverable expenditure

	Note	2023/24 R'000	2022/23 R'000
Disallowance accounts:			
Sal Medical Aid account		9	-
Sal Pension Fund account		3	31
Sal Tax Debt account		1	-
Total	*11*	**13**	**31**

11.3. Staff debt

	Note	2023/24 R'000	2022/23 R'000
Breach of contract (study)		196	189
Losses and damages		17	27
Ex-employees		515	544
Salary overpayments		169	19
Tax debt		-	6
Subsistence and Travel		-	8
Sale of Assets		-	1
Total	*11*	**897**	**794**

11.4. Other receivables

	Note	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure		73	11
Total	*11*	**73**	**11**

11.5. Impairment of receivables

	Note	2023/24 R'000	2022/23 R'000
Estimate of impairment of receivables		488	189
Total		**488**	**189**

12. Voted funds to be surrendered to the Revenue Fund

	Note	2023/24 R'000	2022/23 R'000
Opening balance		58 281	29 571
Transferred from statement of financial performance (as restated)		21 084	58 281
Paid during the year		(58 281)	(29 571)
Closing balance		**21 084**	**58 281**

13. Departmental revenue to be surrendered to the Revenue Fund

	Note	2023/24 R'000	2022/23 R'000
Opening balance		21	6
Own revenue included in appropriation		1 193	327
Paid during the year		(1 186)	(312)
Closing balance		**28**	**21**

14. Payables - current

	Note	2023/24 R'000	2022/23 R'000
Clearing accounts	*14.1*	123	142
Total		**123**	**142**

14.1. Clearing accounts

Description	Note	2023/24 R'000	2022/23 R'000
Sal GEHS refund control account		123	106
Sal Income Tax account		-	36
Total	*14*	**123**	**142**

15. Net cash flow available from operating activities

	Note	2023/24 R'000	2022/23 R'000
Net surplus as per Statement of Financial Performance		21 084	58 281
Add back non-cash/cash movements not deemed operating activities		(53 990)	(23 891)
Decrease in receivables		(198)	912
Decrease in prepayments and advances		6	17
Increase in payables - current		(19)	54
Proceeds from sale of capital assets		(8)	(29)
Expenditure on capital assets		4 503	4 711
Surrenders to Revenue Fund		(59 467)	(29 883)
Own revenue included in appropriation		1 193	327
Net cash flow generating		**(32 906)**	**34 390**

After a restatement of Capital expenditure (decrease of R'1 227 as per note 8 from R'5 938 to R'4 711) this note had to be restated as well to reflect the correct net cash flow available from operating activities. Therefore this note was decreased with R'1 227 from R'35 617 to R'34 390.

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

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General account		20 417	57 939
Disbursements		120	-
Cash on hand		30	30
Total		**20 567**	**57 969**

17. Contingent liabilities and contingent assets

17.1. Contingent liabilities

Liable to	Nature	Note	2023/24 R'000	2022/23 R'000
Claims against the department		*Annex 2A*	3 510	4 210
Intergovernmental payables		*Annex 4*	-	72
Total			**3 510**	**4 282**

The Department is uncertain on the possible amount as well as the timing of any possible outflow as the outcome of the cases are not within the control of the Department.

18. Capital commitments

	Note	2023/24 R'000	2022/23 R'000
Machinery and equipment		106	880
Total		**106**	**880**

19. Accruals and payables not recognised

19.1. Accruals

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		2 950	276	**3 226**	3 683
Interest and rent on land		-	-	**-**	10
Capital assets		56	-	**56**	742
Total		**3 006**	**276**	**3 282**	**4 435**

		2023/24	2022/23
Listed by programme level	Note	R'000	R'000
Administration		2 178	3 580
Local Governance		307	404
Development and Planning		101	86
Traditional Institutional Management		570	115
House of Traditional Leaders		126	250
Total		**3 282**	**4 435**

A Prior Period misstatement of R'36 was corrected under "Accruals – assets" after it was established that assets of R'36 was received in 2022/2023 but paid in 2023/2024. Therefore "Accruals-assets" was increased with R'36 from R'706 to R'742.

A restatement of R'3 179 was done from note 19.1 "Accruals-transfers" (from R'3 141 to R0) and "Accruals – other" (from R38 to R0) towards note 20 "Employee benefits (other) in order to correct a classification error relating to employee cost.

19.2. Payables not recognised

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		21	55	**76**	888
Transfers and subsidies		20	100	**120**	85
Capital assets		19	-	**19**	-
Total		**60**	**155**	**215**	**973**

A restatement of R'1 322 was done from note 19.2 "Payable not recognised – other" (from R'1 322 to R0) towards note 20 "Employee benefits (other)" in order to correct a classification error relating to employee cost.

		2023/24	2022/23
Listed by programme level	*Note*	**R'000**	**R'000**
Administration		95	362
Local Governance		-	259
Development and Planning		-	141
Traditional Institutional Management		120	113
House of Traditional Leaders		-	98
Total		**215**	**973**

		2023/24	2022/23
Included in the above totals are the following:	*Note*	**R'000**	**R'000**
Confirmed balances with departments	*Annex 4*	-	16
Confirmed balances with other government entities	*Annex 4*	1 293	955
Total		**1 293**	**971**

20. Employee benefits

		2023/24	2022/23
	Note	**R'000**	**R'000**
Leave entitlement		12 098	13 446
Service bonus		5 558	5 354
Capped leave		2 101	2 228
Other		1 527	4 712
Total		**21 284**	**25 740**

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

A total restatement of R'4 501 (from R'211 to R'4 712) was done from note 19 (Accruals (R'3 179) and payables not recognised (R'1 322) towards note 20 "Employee benefits (other)" in order to correct a classification error relating to employee cost.

Included in the above totals are the following:	*Note*	**2023/24 R'000**	**2022/23 R'000**
Confirmed balances with departments	*Annex 4*	75	
Total		**75**	

21. Lease commitments

21.1. Operating leases

	2023/24	
	Machinery and equipment	**Total**
	R'000	**R'000**
Not later than 1 year	4 730	**4 730**
Later than 1 year and not later than 5 years	8 355	**8 355**
Total lease commitments	**13 085**	**13 085**

	2022/23	
	Machinery and equipment	**Total**
	R'000	**R'000**
Not later than 1 year	2 733	**2 733**
Later than 1 year and not later than 5 years	2 492	**2 492**
Total lease commitments	**5 225**	**5 225**

The Department has entered into a service level agreement with fleet management (FS Government Transport) for the provision of vehicles to the Department. A total number of 51 vehicles were leased by the Department as at 31 March 2024.

No assets are sub-leased by the Department.

There are no sale and lease back agreements entered into by the Department.

21.2. Finance leases **

	2023/24	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	120	**120**
Later than 1 year and not later than 5 years	6	**6**
Total lease commitments	**126**	**126**

	2022/23	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	1 598	**1 598**
Later than 1 year and not later than 5 years	167	**167**
Total lease commitments	**1 765**	**1 765**

The Transversal contract for office outcome solutions expired on 31 May 2022 of which the Department is still leasing 2 devices (copiers) in terms of the transversal contract. The Department also has 31 cellphones leased contracts in terms of the leased contracts

No assets are sub-leased by the Department.

No escalation is applicable on the agreements.

No restrictions are applicable on the agreements.

22. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2023/24	2022/23
		R'000	R'000
Irregular expenditure - current year		3 124	548
Fruitless and wasteful expenditure - current year		94	38
Total		**3 218**	**586**

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

23. Related party transactions

The MEC is shared with the Department of Human Settlements from 14 February 2022. The transactions between the two Departments occur within a normal relationship on terms and conditions not more or less favourable than those applicable to other Departments.

There are no transactions between the Department and its key management personnel except for the remuneration paid for their employment contracts.

24. Key management personnel

	2023/24 R'000	2022/23 R'000
Political office bearers	2 198	1 824
Officials:		
Level 15 and 16	7 798	8 018
Level 14	5 912	7 196
Other	2 594	2 533
Family members of key management personnel	970	929
Total	**19 472**	**20 500**

Political Office Bearer: 1 Member of Executive Council

25. Movable Tangible Capital Assets

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

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**39 433**	**3 253**	**(1 204)**	**41 482**
Computer equipment	26 547	2 098	(1 107)	**27 538**
Furniture and office equipment	11 116	996	(16)	**12 096**
Other machinery and equipment	1 770	159	(81)	**1 848**
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**39 433**	**3 253**	**(1 204)**	**41 482**

Included under additions are 2 assets (Computer equipment) of R'75 received in 2023/2024 but not yet paid.

Movable Tangible Capital Assets under investigation

	Note	Number	Value
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			R'000
Machinery and equipment		139	2 148
Total		**139**	**2 148**

After physical verification, some assets could not be verified and therefore are still under investigation.

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

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**38 102**	**4 167**	**(2 836)**	**39 433**
Computer equipment	**26 508**	2 624	(2 585)	**26 547**
Furniture and office equipment	**10 097**	1 237	(218)	**11 116**
Other machinery and equipment	**1 497**	306	(33)	**1 770**
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**38 102**	**4 167**	**(2 836)**	**39 433**

25.1.1 Prior period error

		2022/23
Nature of prior period error	*Note*	**R'000**
Relating to 2022/23	*25.1*	**661**
Computer equipment		578
Other machinery and equipment		83
Total prior period errors		**661**

Prior period error relates to assets received in 2022/2023 but paid in 2023/2024 of R'673 as well as a restatement (decrease of R'12) on 2 cellphones not outright purchased but leased (refer to note 8 for more detail) (increase of R'673 and decrease of R'12 = Increase of R'661)

25.2 Minor assets

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

	2023/24		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	18	7 632	**7 650**
Additions		416	**416**
Disposals		(98)	**(98)**
Total Minor assets	**18**	**7 950**	**7 968**

10 minor assets to the value of R'16 were received (and included on the register) but still to be paid

	2023/24		
	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	215	215
Number of minor assets at cost	5	4 664	4 669
Total number of minor assets	**5**	**4 879**	**4 884**

Minor Assets under investigation

		Number	Value
Included in the above total of the minor capital assets per the asset register that are under investigation:	*Note*		R'000
Machinery and equipment		324	551
Total		**324**	**551**

After physical verification, some assets could not be verified and therefore are still under investigation.

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

	2022/23		
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	19	7 953	**7 972**
Additions	-	430	**430**
Disposals	(1)	(751)	**(752)**
Total Minor assets	**18**	**7 632**	**7 650**

	2022/23		
	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	247	247
Number of minor assets at cost	5	4 565	4 570
Total number of minor assets	**5**	**4 812**	**4 817**

25.2.1 Prior period error

Nature of prior period error	*Note*	2022/23 R'000
Relating to 2022/23	*25.2*	**63**
Machinery and equipment (additions)		63
Total prior period errors		**63**

A restatement of R'63 was done from goods and services -minor assets to Finance Lease Expenditure (capital) after it was established that 23 minor cellphones were not outright purchased, but leased.

26. Intangible Capital Assets

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

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	496	-	-	496
TOTAL INTANGIBLE CAPITAL ASSETS	**496**	**-**	**-**	**496**

26.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	496	-	-	**496**
TOTAL INTANGIBLE CAPITAL ASSETS	**496**	-	-	**496**

27. Prior period errors

27.1. Correction of prior period errors

		2022/23		
	Note	Amount before error correction	Prior period error	Restated
		R'000	R'000	R'000
Expenditure:				
Goods and services::	4			
Advertising		712	192	904
Other Operating Expenditure		1 182	(192)	990
Communication		598	1 290	1 888
Minor assets		478	(63)	415
Capital expenditure	8			
Machinery and equipment		5 938	(1 227)	4 711
Net effect		**8 908**	**-**	**8 908**

A restatement of R'192 was done within goods and services in order to correct SCOA classifications from "o/p printing and publication notices" (from R'1 182 to R'990) towards "Advertising" (from 'R712 to 'R904).

A restatement of R'1 290 was done from Finance Lease Expenditure (capital) towards goods and services - communication in order to correct a SCOA classification for monthly subscription of outright purchased data and cellphone devices. The expenditure of Goods and services - communication was increased from R'598 to R'1 888.

A restatement of R'63 was done from goods and services - minor assets to Finance Lease Expenditure (capital) after it was established that 23 minor cellphones were not outright purchased, but leased. The expenditure on Goods and services – minor assets were decreased from R'478 to R'415.

The total restatement of R'1 227 (decrease of R'1 290 and increase of R'63) had the effect that the Expenditure for capital assets were decreased from R'5 938 to R'4 711.

		2022/23		
		Amount before error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Assets:				
Moveable tangible assets	*25.1*			
Computer Equipment		2 046	578	2 624
Other Machinery and equipment		223	83	306
Net effect		**2 269**	**661**	**2 930**

Prior period error relates to assets received in 2022/2023 but paid in 2023/2024 of R'673 as well as a restatement (decrease of R'12) on 2 cellphones not outright purchased but leased (refer to note 8 for more detail) (increase of R'673 and decrease of R'12 = Increase of R'661)

		2022/23		
		Amount before error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Liabilities:				
Accruals and payables not recognised:				
Accruals:	19.1			
Transfers and Subsidies		3 141	(3 141)	-
Capital assets		706	36	742
Other		38	(38)	-
Payables not recognised:	19.2			
Other		1 322	(1 322)	-
Employee benefits	20			
Other		211	4 501	4 712
Net effect		**5 418**	**36**	**5 454**

A Prior Period misstatement of R'36 was corrected under "Accruals – assets" after it was established that assets of R'36 was received in 2022/2023 but paid in 2023/2024. Therefore "Accruals-assets" was increased with R'36 from R'706 to R'742.

A restatement of R'3 179 was done from note 19.1 "Accruals-transfers" (from R'3 141 to R0) and "Accruals –other" (from R38 to R0) towards note 20 "Employee benefits (other) in order to correct a classification error relating to employee cost. A restatement of R'1 322 was also done from note 19.2 "Payable not recognised – other" (from R'1 322 to R0) towards note 20 "Employee benefits (other)" in order to correct a classification error relating to employee cost. A total restatement of R'4 501 (from R'211 to R'4 712) was therefore done from note 19 (Accruals (R'3 179) and payables not recognised (R'1 322) towards note 20 "Employee benefits -other" in order to correct a classification error relating to employee cost.

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

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
Name of municipality	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal Fin Performance Monitoring									
Xhariep	4 392	-	-	4 392	4 392	-	-	9 366	9 366
Tokologo	-	-	5 000	5 000	3 356	-	-	-	-
Unallocated	7 000	-	(6 993)	7	-	-	-	4 989	-
Provincial Municipal Infrastructure									
Tswelopele	3 000	3 000	-	6 000	4 577	-	-	3 000	-
Phumelela	1 251	969	-	2 220	2 219	-	-	2 717	1 748
Metsimaholo	-	1 370	-	1 370	1 150	-	-	2 283	912
Mafube	-	5 000	-	5 000	3 278	-	-	5 000	-
Kopanong	-	-	6 017	6 017	6 017	-	-	-	-
Xhariep	-		4 174	4 174	4 174	-	-	-	-
TOTAL	**15 643**	**10 339**	**8 198**	**34 180**	**29 163**	**-**		**27 355**	**12 026**

All funds were transferred into the primary bank accounts of the respective municipalities. Unspent funds by Municipalities should not be refunded to the Department.

29. 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.

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by Municipality	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipal Fin Performance Monitoring													
Xhariep	4 392	-	-	4 392	4 392	-	-	4 392	-	4 392	-	9 366	9 366
Tokologo	-	-	5 000	5 000	3 356	-	-	3 356	-	3 356	-	-	-
Unallocated	7 000	-	(6 993)	7	-	-	-	-	-	-	-	4 989	-
Provincial Municipal Infrastructure													
Tswelopele	3 000	3 000	-	6 000	4 577	-	-	4 577	4 577	-	100%	3 000	-
Phumelela	1 251	969	-	2 220	2 219	-	-	2 219	-	2 219	-	2 717	1 748
Metsimaholo	-	1 370	-	1 370	1 150	-	-	1 150	-	1 150	-	2 283	912
Mafube	-	5 000	-	5 000	3 278	-	-	3 278	3 278	-	100%	5 000	-
Kopanong	-	-	6 017	6 017	6 017	-	-	6 017	5 916	101	98.3%	-	-
Xhariep	-	-	4 174	4 174	4 174	-	-	4 174	-	4 174	-	-	-
TOTAL	**15 643**	**10 339**	**8 198**	**34 180**	**29 163**	**-**		**29 163**	**13 771**	**15 392**		**27 355**	**12 026**

All funds were transferred into the primary bank accounts of the respective municipalities. Unspent funds by Municipalities should not be refunded to the Department.

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2023/24						2022/23	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SABC TV License	8	-	-	8	7	87.5%	10	7
TOTAL	**8**	**-**	**-**	**8**	**7**		**10**	**7**

ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
	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								
Traditional Institutional Management	1 500	-	115	1 615	1 495	92.6%	715	663
TOTAL	**1 500**	**-**	**115**	**1 615**	**1 495**		**715**	**663**

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
H/H empl s/ben leave gratuity	1 350	-	(160)	1 190	748	62.9%	1 771	1 472
H/H empl s/ben injury on duty	73	-	-	73	2	2.7%	25	5
H/H empl s/ben early retirement pens penalty	3 072	-	(115)	2 957	2 813	95.1%	2 569	2 567
H/H donations and gifts (cash)	128	-	-	128	-	-	175	90
TOTAL	**4 623**		**(275)**	**4 348**	**3 563**		**4 540**	**4 134**

ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2023/24	2022/23
	R'000	R'000
Made in kind		
Gifts		
Gifts made in kind by Traditional Leaders to the Chieftaincy in Ghana:		
African floor mats	73	-
Sotho hats	10	-
Sotho blankets	17	-
Beverages	21	-
Total gifts	**121**	**-**
Donations		
Donations to Masilonyana Municipality in celebration of Nelson Mandela Day:		
Blankets	-	88
Toiletries	-	31
School shoes	-	31
Food parcels	-	65
Donations to J.C. Motumi High School, Kutlwanong within Matjabeng Municipality for Heritage Day Sport tournament event:		
Soccer and netball kits, balls, medals and trophies	-	26
Donations to Hermana Primary School, Manstopa Municipality		
School shoes and bags	100	-
Total donations	**100**	241
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**221**	**241**

ANNEXURE 2A
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Matlole (constructive dismissal)	1 500	-	-		1 500
C.Mepha (breach of contract)	210	-	-	-	210
Mangaung Metro Municipality (invalid appointment)	400	-	-		400
Mantsengu (breach of contract)	800	-	(800)	-	-
Manele (unfair labour practice	1 200	-	-		1 200
Mogoaladi (unfair labour practice)	100	-	(100)		-
M.J. Mazingo (Constitutional Court Appeal)	-	200	-		200
TOTAL	**4 210**	**200**	**(900)**	**-**	**3 510**

The contingent Liability of Mantsengu (breach of contract) was cancelled after a settlement agreement was reached and the official's post level as adjusted accordingly. Therefore a decrease of R'800.

The contingent Liability of Mogoaladi (Unfair Labour Practice) was reduced with R'100 after a settlement agreement was reached.
An amount of R'14 was paid to the claimant (reflected under COE expenditure of the Department) and R'86 was cancelled. Therefore a total decrease of R'100 on this case..

ANNEXURE 3
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Free State Department of Provincial Treasury	-	18	-	-	-	18
Free State Department of DESTEA	-	10	-	-	-	10
Free State Department of the Premier	-	4	-	-	-	4
Free State Department of Human Settlements	-	10	-	-	-	10
Free State Department of Public Works	124	-	-	-	124	-
Free State Department of Health	1	-	-	-	1	-
Subtotal	**125**	**42**	**-**	**-**	**125**	**42**
Other Government Entities						
Fleet Management	8	7	-	-	8	7
Subtotal	**8**	**7**	**-**	**-**	**8**	**7**
TOTAL	**133**	**49**	**-**	**-**	**133**	**49**

ANNEXURE 4
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Free State Department of the Premier	-	16	-	-	-	16	28/03/2024	83
Free State Department of Social Development	-	-	-	-	-	-	28/03/2024	138
Free State Econ, Small, Bus Dev and Tourism	-	-	-	-	-	-	28/03/2024	5
North West Department of Social Devlopment	75	-	-	-	75	-		
Subtotal	**75**	**16**	**-**	**-**	**75**	**16**		**226**
OTHER GOVERNMENT ENTITY								
Current								
Fleet Management	1 293	955	-	72	1 293	1 027		-
Subtotal	**1 293**	**955**	**-**	**72**	**1 293**	**1 027**		
TOTAL INTERGOVERNMENT PAYABLES	**1 368**	**971**	**-**	**72**	**1 368**	**1 043**		-

ANNEXURE 5
INVENTORIES

Inventories for the year ended 31 March 2024	Other supplies	Total
	R'000	R'000
Opening balance	-	-
Add: Additions/Purchases – Cash	100	100
(Less): Issues	(100)	(100)
Closing balance	**-**	**-**

Inventories for the year ended 31 March 2023	Other supplies	Total
	R'000	R'000
Opening balance	-	-
Add: Additions/Purchases – Cash	241	241
(Less): Issues	(241)	(241)
Closing balance	**-**	**-**

2023/2024:

Inventory items were distributed to communities for re-opening of school

2022/2023:

Inventory items were distributed to communities for Mandela day and to sporting communities for Heritage sport tournament