PROVINCIAL TREASURY

ANNUAL REPORT

2024/25

Province of the
EASTERN CAPE
PROVINCIAL TREASURY

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EASTERN CAPE
PROVINCIAL TREASURY

ANNUAL REPORT
VOTE 12

FOR THE 2024/25 FINANCIAL YEAR

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EASTERN CAPE

1. DEPARTMENT'S GENERAL INFORMATION

EASTERN CAPE PROVINCIAL TREASURY

DEPARTMENTAL DETAILS PHYSICAL ADDRESS:

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2. LIST OF ABBREVIATIONS

AC	Audit Committee	**IRM**	Infrastructure Reporting Model
ACCF	Audit Committee Chairpersons Forum	**IT**	Information Technology
ACFE	Association of Certified Fraud Examiners	**IYM**	In-Year Monitoring
AFS	Annual Financial Statements	**LED**	Local Economic Development
AG-SA	Auditor General South Africa	**LEDPF**	Local Economic Development Procurement Framework
AIDS	Acquired Immunodeficiency Syndrome	**LOGIS**	Logistical Information System
AIP	Audit Improvement Plan	**KRAs**	Key Result Areas
AO	Accounting Officer	**KSD**	King Sabata Dalindyebo
APP	Annual Performance Plan	**LGFIDPM**	Local Government Framework for Infrastructure Delivery and Procurement Management
ART	Anti-Retroviral Treatment	**MCS**	Modified Cash Standards
BAS	Basic Accounting System	**MEC**	Member of the Executive Council
B-BBEE	Broad-Based Black Economic Empowerment	**MFMA**	Municipal Finance Management Act
BPM	Business Process Mapping	**MINCOMBUD**	Minister's Committee on the Budget
CAE	Chief Audit Executive	**MoA**	Memorandum of Agreement
CBC	Cabinet Budget Committee	**MPAC**	Municipal Public Accounts Committee
CD	Chief Director	**MPAT**	Management Performance Assessment Tool
CFE	Certified Fraud Examiners	**MTBPS**	Medium Term Budget Policy Statement
CFO	Chief Financial Officer	**MTEC**	Medium Term Expenditure Committee
CGICTPF	Corporate Governance of Information and Communication Technology Framework	**MTEF**	Medium Term Expenditure Framework
CoE	Compensation of Employees	**MTDP**	Medium Term Development Plan
COGTA	Cooperative Governance and Traditional Affairs	**mSCOA**	Municipal Standard Chart of Accounts
COI	Conflict of Interest	**MSMEs**	Macro, Small and Medium Enterprises
COVID-19	Corona Virus Disease – 2019	**MuniMEC**	Municipalities and Member of the Executive Council
CRO	Chief Risk Officer	**NDP**	National Development Plan
CSD	Central Supplier Database	**NHI**	National Health Insurance
DC	District Committee	**NQF**	National Qualifications Framework
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism	**NT**	National Treasury
DFI	Development Finance Institute	**NTR**	National Treasury Regulations
DNA	Deoxyribonucleic Acid	**OD**	Organisational Development
DoE	Department of Education	**OHS**	Occupational Health and Safety
DOEL	Department of Employment and Labour	**OHSA**	Occupational Health and Safety Act
DoH	Department of Health	**OTP**	Office of The Premier
DoRA	Division of Revenue Act	**PAIA**	Promotion of Access to Information Act
DoT	Department of Transport	**PAIP**	Provincial Audit Improvement Plan
DPSA	Department of Public Service and Administration	**PCMT**	Provincial Coordinating Monitoring Team
DPW	Department of Public Works	**PDP**	Provincial Development Plan
DRDAR	Department of Rural Development and Agrarian Reform	**PERSAL**	Personnel and Salary System
DRP	Disaster Recovery Plan	**PFMA**	Public Finance Management Act
DSL	Department of Safety and Liaison	**PIAS**	Provincial Internal Audit Services
DSRAC	Department of Sports, Recreation, Arts and Culture	**PISF**	Provincial Infrastructure Strategic Framework
EAP	Employee Assistance Programme	**PMG**	Paymaster General
EC	Eastern Cape	**PMDS**	Performance Management and Development System
ECDC	Eastern Cape Development Corporation	**POPIA**	Protection of Personal Information Act
ECGB	Eastern Cape Gambling Board	**PPP**	Public Private Partnership

ECPACC	Eastern Cape Provincial Arts and Culture Council	PPPFA	Preferential Procurement Policy Framework Act
ECPT	Eastern Cape Provincial Treasury	PRF	Provincial Revenue Fund
ECPTA	Eastern Cape Parks and Tourism Agency	PSETA	Public Service Sector Education and Training Authority
ECPGDSC	Eastern Cape Provincial Government Debt Steering Committee	PSC	Public Service Commission
EWMP	Employee Wellness Management Policy	PSCBC	Public Service Co-ordinating Bargaining Council
ECSECC	Eastern Cape Socio-Economic Consultative Council	PSLVDC	Provincial State Land Vetting and Disposal Committee
EWP	Employee Wellness Programme	PT	Provincial Treasury
EXCO	Executive Council	QAR	Quality Assurance reviews
FASSET	Finance and Accounting Services Sector Education and Training Authority.	QLFS	Quarter Labour Force Survey
FAU	Forensic Audit Unit	RMC	Risk Management Committee
FFC	Finance and Fiscal Commission	RMCCF	Risk Management Committee Chairpersons Forum
FIDPM	Framework for Infrastructure Delivery and Procurement Management	SA	South Africa
FIS	Financial Information System	SAPS	South African Police Service
FM	Financial Management	SABC	South African Broadcasting Corporation
FMAF	Financial Management Accountability Framework	SALGA	South African Local Government Association
FMCMM	Financial management capability maturity model	SANRAL	South African National Road Agency Limited
FMCS	Financial Management Case Study	SAQA	South African Qualifications Authority
FY	Financial Year	SARS	South African Revenue Service
GAAP	Generally Accepted Accounting Practice	SETA	Sector Education Training Authority
GEMS	Government Employees Medical Scheme	SEZ	Specialised Economic Zone
GPAA	Government Pensions Administration Agency	SCM	Supply Chain Management
GPEF	Government Pension Employment Fund	SCMO	Supply Chain Management Office
GRAP	Generally Recognised Accounting Practice	SCOA	Standard Chart of Accounts
GTAC	Government Technical Advisory Centre	SCOPA	Select Committee on Public Accounts
GWEA	Government Wide Enterprise Architecture	SDIP	Service Delivery Improvement Plan
HDIs	Historically Disadvantaged Individuals	SDM	Service Delivery Model
HIBP	Have-I-Been-Paid	SHERQ	Safety , Health, Environment, Risk and Quality
HIV	Human Immunodeficiency Virus	SIPDM	Standard for Infrastructure Procurement and Delivery Management
HoD	Head of Department	SITA	State Information Technology Agency
HR	Human Resource	SLA	Service Level Agreement
HRD	Human Resource Development	SMS	Senior Management Service
HRIP	Human Resource Improvement Plan	SOP	Standard Operating Procedure
HRM	Human Resource Management	SPU	Special programmes Unit
HRP	Human Resource Plan	S&T	Subsistence and Travel
IA	Internal Audit	TVET	Technical and Vocational Education Training
IBAC	Interim Bid Advisory Committee	ToR	Terms of Reference
ICT	Information and Communications Technology	TRM	Transversal Risk Management
IDMS	Infrastructure Delivery Management System	SOP	Standard Operating Procedures
IIASA	Institute of Internal Auditors of South Africa	SDM	Service Delivery Model
IFMS	Integrated Financial Management Systems	UAMP	User Asset Management Plan
IGC	Integrated Governance Committee	UPS	Uninterrupted Power Supply
IKM	Innovations and Knowledge Management	WAN	Wide Area Network
IPMM	Infrastructure Procurement Maturity Model	WSP	Workplace Skills Plan
IPPF	International Professional Practices Framework		

3. FOREWORD BY THE MEC

The 2024/25 financial year marked the final stretch of implementing the 2020 – 2025 Strategic Plan, and once again, the Eastern Cape Provincial Treasury remained resolute in fulfilling its mandate to provide strategic and technical leadership in the management of public finances. Our journey continued against the backdrop of a strained economic environment marked by recurring load shedding, infrastructure degradation, liquidity constraints across key departments and municipalities, and the broader impact of slow economic recovery. These conditions challenged the province's ability to deliver services efficiently and underscored the critical role of Treasury in stabilising fiscal governance and ensuring public value.

Mr Mlungisi Mvoko
Honorable MEC for Finance

Despite these constraints, the Provincial Treasury maintained its unwavering commitment to fiscal discipline, cost containment and the responsible stewardship of public resources. The department implemented strict spending controls, including centralised personnel appointment approvals via PERSAL and active monitoring of the provincial wage bill. These measures contributed significantly to the province's efforts to remain within its fiscal envelope while sustaining key service delivery programmes.

We built on the revenue overcollection momentum from the previous year by intensifying the implementation of the Provincial Revenue Enhancement Strategy. Our continued engagement with key departments and municipalities resulted in a more efficient fund flow, reduced liquidity risk, and an improvement in the province's overall financial position. Treasury's oversight extended to monitoring the implementation of revenue study recommendations, providing hands-on technical support and driving financial accountability.

A key highlight of the year was the continued implementation of interventions aimed at containing medico-legal claims, which pose a persistent fiscal risk, particularly to the Department of Health. The cross-functional team led by Provincial Treasury registered positive results, with a notable decline in the number of new claims and improved processing of writs of execution. Our collaboration with the Office of the Premier and the Department of Education also intensified to stabilise finances and improve governance in these critical departments.

In the supply chain environment, the ECPT played a pivotal role in ensuring compliance with the 2022 Preferential Procurement Regulations. We supported departments in setting procurement targets for women, youth, persons with disabilities and military veterans. Provincial procurement efforts continued to prioritise local suppliers, reinforcing our commitment to empowering Eastern Cape-based businesses and driving inclusive economic growth in the province.

In terms of the expenditure on Infrastructure allocated budget by the departments; the province spent 97.35% of the adjusted infrastructure budget of R8.846 billion. The ECPT will continue to play its oversight and coordinating role to ensure that infrastructure spending remain aligned with the principles of the Infrastructure Delivery Management System (IDMS) and the Framework for Infrastructure Delivery and Procurement Management (FIDPM).

We are also encouraged by the audit outcomes for 2023/24 FY where twelve provincial departments received unqualified audit opinions, with five achieving clean audits. Public entities and municipalities showed signs of improvement, with eight public entities receiving unqualified audit outcomes, and 20 municipalities achieving unqualified audit outcomes. These results are a testament to the department's sustained efforts in implementing the Provincial Audit Improvement Plan and the Financial Management Accountability Framework (FMAF).

Internally, the Provincial Treasury maintained its reputation as a high-performing department. The department achieved clean audit outcomes for nine consecutive years and paid 100% of its invoices within 30 days receipt of valid invoices. Employment equity targets were met, with 51% of women in senior management positions, and persons with disabilities in the department at 3% of the workforce. We also continued to empower young professionals, who now make up 18% of our staff.

Looking ahead, the department remains steadfast in its commitment to drive transformation, foster good governance, to create a capable and ethical state. I wish to express my appreciation to the Head of Department, Mr. Daluhlanga Majeke, and all officials of the Provincial Treasury for their dedication and professionalism during the year under review. Their tireless efforts ensure that the Eastern Cape continues to make meaningful strides towards a prosperous province, supported by sound financial governance and resource management.

I, Mlungisi Mvoko, MEC for Finance, in terms of Section 65(1)(a) of the Public Finance Management Act and Chapter 1 of the Public Service Regulations, hereby table the Annual Report for the 2024/25 financial year.

HONOURABLE MLUNGISI MVOKO
MEC FOR FINANCE
DATE: 31 AUGUST 2025

4. REPORT OF THE ACCOUNTING OFFICER

Mr Daluhlanga Majeke
Accounting Officer

This report presents the financial and non-financial performance information for the 2024/25 fiscal year, marking the culmination of the 2020–2025 Strategic Plan. It reflects the department's continued commitment to delivering on its mandate amidst fiscal, infrastructure and service delivery challenges in the province.

The department achieved 20 of its 33 output indicators (60.6%) as stipulated in the 2024/25 Annual Performance Plan. Furthermore, during the year under review, the department spent R440.089 million or 95.6% of the adjusted budget of R460.190 million.

Despite economic uncertainty and structural constraints, the department sustained its focus on fiscal consolidation and efficient resource allocation. Provincial Treasury enforced strict cost containment measures including centralised approval of appointments on PERSAL, continued enforcement of budget ceilings, and prudent wage bill management. Collaborative efforts with departments aimed at identifying and unlocking savings without undermining service delivery capacity remained a key theme.

The department intensified its revenue enhancement efforts, building on the 2023/24 over-collection trend. Continuous monitoring and partnering with departments, in terms of the implementation of the Provincial Revenue Enhancement Strategy has improved the liquidity of the province. Engagements with key departments ensured more efficient fund transfers and improved management of the Provincial Revenue Fund.

To mitigate the fiscal risks posed by medico-legal claims, the department coordinated the cross-functional team working on containment interventions. Positive traction was noted, with fewer new claims registered and improved processing of writs of execution. This intervention has been crucial in stabilising the province's financial outlook.

On supply chain reform, Provincial Treasury continued to lead the rollout of the Preferential Procurement Regulations (2022), assisting departments in setting specific procurement goals targeting women, youth, persons with disabilities and military veterans. A total of R6.812 billion, was spent on Eastern Cape-based suppliers, 42.80% of which were women-owned. Provincial Treasury also played a critical role in monitoring compliance with the Local Economic Development Procurement Framework.

To improve supplier relations and accelerate payments, the "Have I Been Paid" invoice tracking tool was enhanced. Provincial Treasury consistently paid all its suppliers within 30 days of receipt of a valid invoice. Provincial departments took 17 days to pay 289 577 invoices as at 31 March 2025. The CSD and LOGIS registration support provided to MSMEs continued to reduce access barriers to public procurement.

On infrastructure, Provincial Treasury continued to institutionalise the Infrastructure Delivery Management System (IDMS) and support departments in implementing the Framework for Infrastructure Delivery and Procurement Management (FIDPM). The province spent R8.611 billion or 97.35% of the R8.846 billion adjusted infrastructure budget. On this note, the ECPT continued to support infrastructure departments in submitting infrastructure project lists (B5s) which were aligned to the final allocations and the facilitation of Human Resource Capacitation reporting for the Department of Education and Health in compliance with DoRA. These interventions reflect Treasury's ongoing commitment to improving infrastructure governance and delivery.

Audit outcomes remained a key focus. Through the continued implementation of the Provincial Audit Improvement Plan and Financial Management Accountability Framework, Provincial Treasury strengthened financial governance across the provincial administration. Twelve (12) departments received unqualified audit outcomes—five (5) of which were clean. Municipal audit outcomes also showed modest improvement, with 20 municipalities achieving unqualified opinions.

Audit performance among public entities reflected a generally stable trend, with eight (8) entities receiving unqualified audit opinions—five (5) of which were clean audits. Improvements were noted at Mayibuye Transport Corporation and the Eastern Cape Provincial Arts and Culture Council, both of which regained unqualified status. However, the Eastern Cape Rural Development Agency regressed to a qualified opinion after having improved to a disclaimer-free outcome in the prior year. The Eastern Cape Development Corporation also retained an unqualified audit with findings. Provincial Treasury continues to monitor and support public entities to improve audit outcomes, financial controls, and compliance with governance frameworks.

These audit improvements across provincial departments, public entities, and municipalities are a direct result of the sustained support provided by Provincial Treasury through its Audit Improvement Plan, hands-on technical assistance, and oversight mechanisms aimed at strengthening financial governance and compliance.

Provincial Treasury provided focused support to departments of Health and Education and to financially distressed municipalities including Amathole, OR Tambo, Walter Sisulu and Makana. This support was anchored in recovery plans focused on governance, financial management, and service delivery. Furthermore, seven municipalities (Makana, Raymond Mhlaba, Amahlathi, Enoch Mgijima, Walter Sisulu, Inxuba Yethemba, and Dr Beyers) received assistance to participate in the ESKOM Debt Relief Programme. Four of these municipalities have received Smart Meter Grants, with Amahlathi and Raymond Mhlaba being considered for the first write-off of one-third of their debt. This write-off will bring much-needed financial relief to these financially distressed municipalities.

Organisationally, the department advanced initiatives aimed at improving operational resilience, including its Business Continuity and Business Resilience Plans. A Business Intelligence project was piloted to integrate management information for real-time decision-making. Despite challenges with load-shedding and infrastructure degradation, Treasury maintained service delivery through remote working solutions and improved ICT uptime of 99% at head office.

The department's vacancy rate was recorded at 6.6% by the end of the 2024/25 financial year, as a result of the revised organisational structure. Women at senior management positions was recorded at 51%, persons with disabilities at 3% and youth representation at 18%. These indicators reflect the department's ongoing commitment to employment equity and transformation.

In the area of human capital development, PT implemented a comprehensive Workplace Skills Plan. A total of 111 staff members were trained during the year under review, with continued focus on empowering female employees. Staff wellness remained a priority, with multiple physical and mental health campaigns successfully rolled out.

In conclusion, the department remained steadfast in delivering its constitutional and statutory mandate, navigating complex fiscal and governance challenges with agility and purpose. The outcomes and progress achieved in 2024/25 demonstrate the department's continued contribution towards sound financial management, enhanced public value, and accountable governance in the Eastern Cape.

Departmental Receipts

Departmental receipts	2024/2025			2023/2024		
	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
Sales of goods and services other than capital assets	300	206	94	287	201	86
Interest, dividends and rent on land	137 387	710 841	(573 454)	131 471	872 676	(741 205)
Transactions in financial assets and liabilities	874	99	775	836	120	716
Total	**138 561**	**711 146**	**(572 585)**	**132 594**	**872 997**	**(740 403)**

The total departmental receipts as indicated in the table above amount to R711.146 million for the 2024/25 financial year against a budget of R138.561 million. An amount of R710.841 million was earned from interest on investments made from the Provincial Revenue Fund.

The other source of revenue is the amount collected from commission on insurance deductions and garnishee orders from employees of the department.

Financial transactions in assets and liabilities are recoveries from previous financial years and they vary from year to year.

Bad debts written off

The amount of bad debts written off for 2024/25 financial year is R41 188.40. The write-off is due to irrecoverable staff debts.

Interest, dividends and rent on land

The department received higher interest than projected. The major driver was the interest earned through the Provincial Revenue Fund.

Departmental Expenditure

Programme Name	2024/2025			2023/2024		
	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	197 312	187 785	9 527	183 833	166 660	17 173
Sustainable Resource Management	81 041	77 103	3 938	78 719	75 651	3 068
Asset and Liabilities Management	28 950	28 625	325	27 286	26 713	573
Financial Governance	95 454	91 437	4 017	88 674	79 077	9 597
Municipal Financial Governance	57 433	55 139	2 294	50 934	50 883	51
Total	**460 190**	**440 089**	**20 101**	**429 446**	**398 984**	**30 461.2**

The department underspent its budget by R20.101 million from an adjusted budget of R460.190 million. Departmental unspent funds decreased compared to the 2023/24 financial year unspent funds of R30.462 million. The unspent funds are mainly in goods and services and payment of capital assets.

The reasons for unspent funds in Compensation of Employees (CoE) is mainly due to staff attrition.

The main contributors to unspent funds on goods and services are:

- Consultancy Fees - A detailed technical analysis of invoices from infrastructure service providers was conducted to assess value for money before payment. The findings were shared with the service providers, who delayed submitting the requested information needed to process the payments.
- Audit Costs - Due to the cancellation and rescheduling of forensic investigations, as well as savings from lower-than-anticipated invoices for the consolidated AFS, ICT audits and Provincial Revenue Fund audit.
- Travel and Subsistence - Savings pertains to engagements that were cancelled due to unforeseen circumstances as well as meetings held virtually.
- Contractors - Delays encountered in the SITA procurement process with the finalisation of the service level agreement for the maintenance of LAN switches.
- Training and Development - Delays encountered with the selection of an accredited service provider for CPD training as well as savings from training invoices processed being lower than anticipated.
- Catering – Savings pertains to cancellation of engagements due to unforeseen circumstances as well as meetings held virtually.
- Consumables (Stationery and Printing) - Invoice for printing of the main budget gazette received after the final payment disbursement run date for March 2025, procurement of printer cartridges which did not materialise due to unforeseen circumstances as well as savings in stationery due to lower-than-anticipated demand.
- Fleet Services - Due to technical challenges faced by the service provider in printing invoices.
- Computer Services - Mainly due to delays in installing computer server operating software licences, which require a server upgrade before installation can proceed.

Unspent funds in transfers and subsidies mainly pertain to leave gratuity payments due to staff attrition and is immaterial.

Unspent funds in Payment for Capital Assets pertains to invoice for desktop computers received after the final payment disbursement run date for March 2025 as well as delays in finalising installation of safety features for MEC's motor vehicle.

Virements

The department recorded the following virements due to a shortfall in the payment of salaries and wages and social contributions.

- Savings amounting to R35 000 was shifted from Programme 1: Administration to Programme 3: Asset and Liability Management.
- Savings amounting to R58 000 was shifted from Programme 1: Administration to Programme 4: Financial Governance.

Rollovers

The department did not apply for any rollovers in 2024/25.

Unauthorised, fruitless and wasteful expenditure

Unauthorized expenditure: The department did not incur any unauthorized expenditure during the 2024/25 FY.

Irregular expenditure: The department did not incur any irregular expenditure during the 2024/25 FY. However, the department had an opening balance of R50 925.00 emanating from previous financial years and was as a result of exceeding a contract amount during an SCM training conducted by CAT Admin Services in the 2019/20 FY. This balance was confirmed to be condoned during June 2024. The department then closed the 2024/25 FY with NIL balance under irregular expenditure.

Fruitless & Wasteful expenditure: The department opened the 2024/25 FY with a balance of R9 532.14, made up of R9 273.14 and R259.00, emanating from previous financial years. This balance was then approved for a write-off during May 2024 (R9 273.14) and June 2024 (R259.00). Furthermore, the department then incurred a fruitless & wasteful expenditure during the 2024/25 FY, amounting to R8 951.10, and was made up of two transactions which were R3 695.25 (incurred during June 2024) and R5 255.85 (incurred during July 2024), which were both as a result of missed flights. The official that missed the flights was found liable for the expenditure and the monies were recovered from the official through the debt take-on process.

Public Private Partnerships

The department does not have any public private partnerships under its control but has oversight responsibility over departments with PPP operations mainly the Department of Public Works.

Discontinued activities

There were no activities that were discontinued for the year under review.

New or proposed activities

There were no new or proposed activities for the year under review.

Supply Chain Management

The department did not receive or conclude any unsolicited bid proposals during the year under review. Supply Chain Management processes and systems are in place to address irregular expenditure. The department applied for deviations in cases where it was impractical to follow normal procurement process, and these were approved by the Accounting Officer in terms of the National Treasury guidelines and prescripts.

Gifts and Donations received in kind from non-related parties

Gifts and donations are disclosed in the annexures of the Annual Financial Statements (AFS).

Exemptions and deviations received from the National Treasury

There were no exemptions or deviations requested or received from National Treasury during the 2024/25 financial year.

Adjusting events after the reporting date

There were no adjusting events after the reporting date.

Acknowledgement and Appreciation

I wish to thank the MEC for his stewardship, and all my staff members for their hard work and dedication during the 2024/25 financial year. I would also like to encourage all staff to continue doing the same in 2025/26 financial year in an endeavour to serve the department and indeed our province with pride.

Conclusion

It is encouraging to have achieved a fairly good performance during the 2024/25 financial year despite the challenging operational and service delivery environment. Our performance reflects a steady progress towards realising the ECPT strategic outcomes.

MR DALUHLANGA MAJEKE
ACCOUNTING OFFICER
DATE: 31 AUGUST 2025

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 2025.

Yours faithfully

MR DALUHLANGA MAJEKE
ACCOUNTING OFFICER
DATE: 31 AUGUST 2025

6. STRATEGIC OVERVIEW

6.1 Vision

We envision a prosperous province supported by sound financial, governance and resource management.

6.2 Mission

Our mission is to provide strategic and technical leadership in the allocation, management and utilisation of financial resources for socio-economic development in the province.

6.3 Values

We strive for EXCELLENCE through:

- Dedication - We are 100% committed to our work.
- Integrity - We steadfastly adhere to high professional standards of openness and transparency, responsiveness and innovation
- Accountability - We take full responsibility for our actions and our work
- Collaboration - We share responsibility, common goals, agreed plans and governance

7. LEGISLATIVE AND OTHER MANDATES

The department derives its existence from Sections 213, 215, 216, 217, 218 and 219 of the Constitution of the Republic of South Africa (Act 108 of 1996), Sections 17 and 18 of the Public Finance Management Act (PFMA), 1999 as amended, Municipal Finance Management Act (MFMA) of 2003 and National Treasury Regulations, which provide for the establishment of Provincial Treasuries that are mandated to fulfil the following functions:

- Prepare the provincial budget;
- Exercise control over the implementation of the provincial budget;
- Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities;
- Ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.
- Issue ECPT instructions not inconsistent with the PFMA;
- Enforce the PFMA, MFMA and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems, in provincial departments;
- Comply with the annual Division of Revenue Act and monitor and assess the implementation of that Act in provincial public entities;
- Monitor and assess the implementation in provincial public entities of national and provincial norms and standards;
- May assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;
- May investigate any system of financial management and internal control applied by a provincial department or a provincial public entity;
- Intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of this PFMA by a provincial department or a provincial public entity;
- Promptly provide any information required by the National Treasury in terms of the PFMA; and
- May do anything further that is necessary to fulfil its responsibilities effectively.

Additional functions and activities of the department are derived from the following (the list is not exhaustive):

- Preferential Procurement Policy Framework Act;
- Appropriation Act;
- Intergovernmental Fiscal Relations Act;
- Public Service Act and Regulations;
- Medium Term Budget Policy Statement;
- Report of the Auditor General on the Accounts of the Government;
- Budget Review;
- Recommendations of the FFC; and
- Supply Chain Management Framework.

During the 2024/25 financial year, the MEC for Finance tabled the following Bill in the Eastern Cape Provincial Legislature:

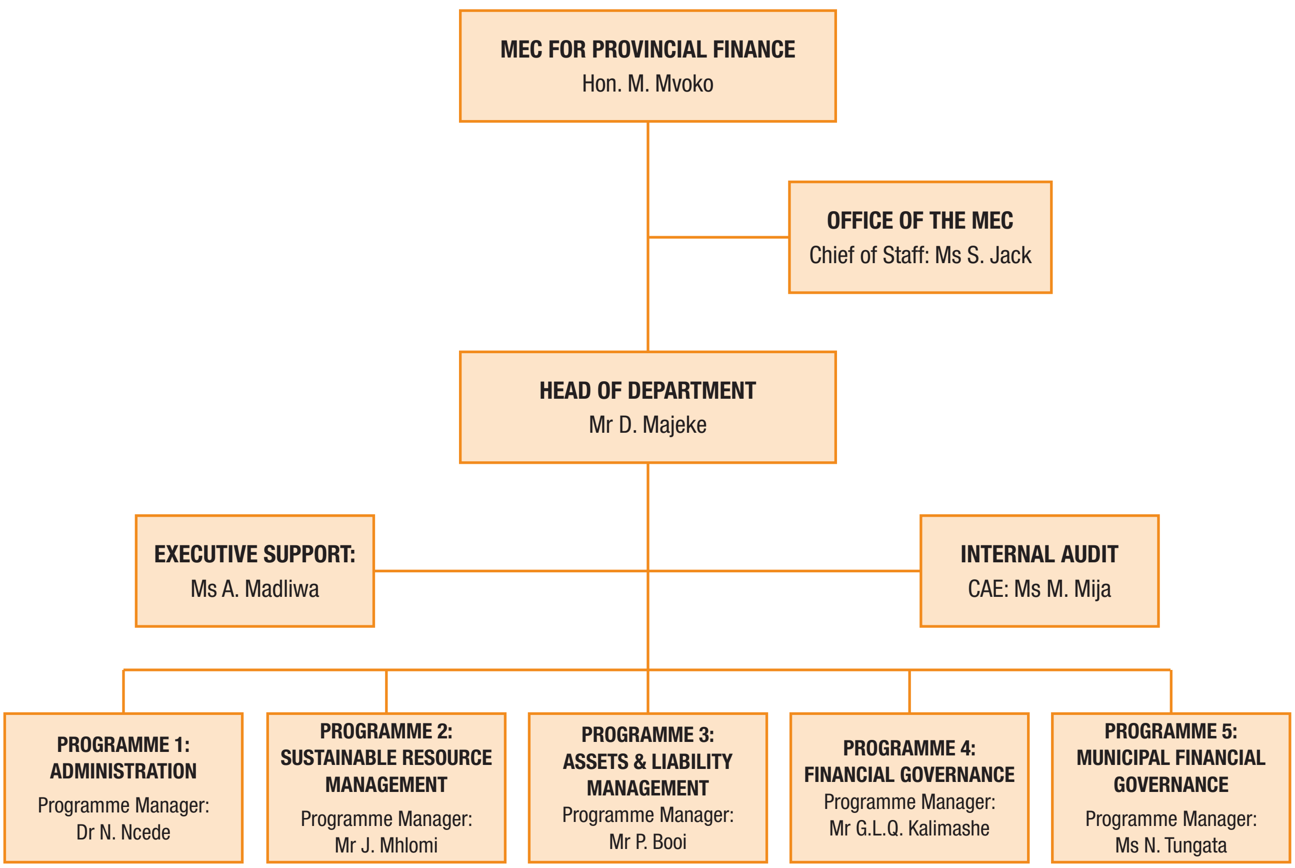
Adjustment Appropriation Bill on 26 November 2024 for the 2024/25 financial year.

Second Adjustment Appropriation Bill on 25 March 2025 for the 2024/25 financial year.

8. ORGANISATIONAL STRUCTURE

The following diagram provides a high-level organisational structure of the department starting with the Executive Authority to the level of the officials reporting directly to the Accounting Officer and the programmes that these officials are responsible for.

The chart below represents organisational structure as of 31 March 2025.



PART B:

PERFORMANCE INFORMATION

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

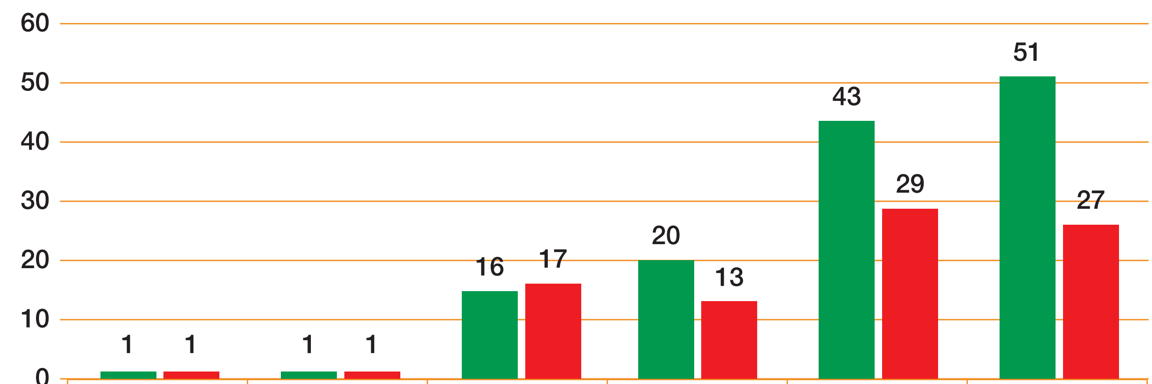
The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported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

Refer to page 211 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

The Annual Performance Report is based on the Strategic Outcomes, Output Indicators and targets as outlined in the 2020-2025 Strategic Plan and 2024/25 Annual Performance Plan. The overall performance of the department is summarised in the graph below:



	Outcomes 2023/24	Outcomes 2024/25	Output Indicators 2023/24	Output Indicators 2024/25	Quarterly Targets 2023/24	Quarterly Targets 2024/25
Achieved	1	1	16	20	43	51
Not Achieved	1	1	17	13	29	27

Achieved Not Achieved

The department achieved 20 out of 33 Output Indicators (60.6%) for the 2024/25 financial year. This is an improvement compared to the previous year. This achievement shows that the department is in a positive trajectory towards achieving its outcomes.

Performance overview

The economy remains susceptible to vulnerability, presenting a significant challenge in finding the delicate balance between addressing social and economic needs while maintaining the fiscal stability of the province. Achieving this equilibrium necessitates implementing measures such as budgetary spending caps, wage bill management, cost-saving initiatives, and enhancing provincial revenue streams.

The introduction of several measures has effectively reduced inefficiencies and lowered service delivery costs. Key among these strategies are zero-based budgeting and expenditure reviews, which led to more streamlined processes and resource allocation.

Recognising the challenge of rising Compensation of Employees (CoE) driven by annual salary adjustments mandated by the Public Service Bargaining Chamber (PSCBC), the Provincial Treasury has implemented several measures to achieve cost-containment. Centralised appointment approvals through the PERSAL system, aligned with PCMT directives, ensure stricter control over new hires. Furthermore, we actively collaborated with provincial departments to identify opportunities for streamlining personnel structures and optimising staffing levels. These coordinated efforts aimed at achieving cost savings without compromising service delivery and curb the province's escalating staff costs.

Despite facing ongoing challenges, the province successfully exceeded revenue collection targets in the 2024/25 financial year. This achievement is attributed to intensified efforts in implementing recommendations from a revenue study, coupled with enhanced monitoring by revenue-collecting departments. A coordinated initiative is underway to engage departments, ensuring that municipal revenues are promptly transferred and that departments actively adopt the study's recommendations to boost revenue collection. Concurrently, meticulous management of the Provincial Revenue Fund (PRF) continues to mitigate liquidity risks.

In response to the pressing need to mitigate the detrimental impact of financial mismanagement on the provincial fiscus, a series of targeted interventions have been initiated across departments and municipalities. Recognising the urgency of the situation, focused support is being channelled towards the Departments of Education and Health, both of which have faced challenges related to overspending budgets. The Department of Health (DoH) is currently grappling with a significant challenge related to medical negligence claims, which pose a primary risk to liquidity.

This issue stems from legal actions filed against the department due to instances of medical malpractice, significantly impacting provincial liquidity. The accumulation of unpaid claims has resulted in a substantial increase in accruals within the Department. Ignoring these medical legal contingencies and employee benefits, such as capped leave, could potentially strain the provincial budget.

Addressing the alarming rise in medico-legal cases, a cross-functional team has been formed to oversee the project's multiple streams, focusing on mitigating the vulnerabilities contributing to the contingency liabilities associated with medico-legal claims. This collaborative effort aims to tackle the root causes of these cases while bolstering legal resources to effectively manage and defend against such claims. Furthermore, concerted efforts are underway to address systemic and administrative issues within the healthcare sector, thereby enhancing its overall resilience.

Signs of progress are becoming evident as the project gains traction. Fewer new claims are being registered, applications for writs are proving successful, and there is a notable increase in available data compared to the project's inception. These positive developments indicate the effectiveness of the project in addressing the underlying issues and managing the associated risks more efficiently.

In the realm of education, specific areas requiring support have been identified, and proactive measures are being taken to address them. Concurrently, PT has commenced monitoring triggers for financial challenges within municipalities, leading to the formulation of comprehensive Financial Recovery Plans (FRPs). Notably, municipalities such as Amathole District Municipality, Makana, OR Tambo District Municipality, Walter Sisulu and Enoch Mgijima have already developed their respective FRPs, focusing on critical areas such as Financial Management, Governance, Human Resources, and Service Delivery. Seven of these struggling municipalities received assistance to participate in the Eskom Debt Relief Programme, with four receiving the Smart Meter Grant and two being considered for the first write-off of one-third of their debt.

Moreover, PT's support to municipalities is strategically aligned with the district development model and municipal integrated development plans, ensuring spatial relevance and coherence. Collaborating with the Eastern Cape Department of Human Settlements (DHS), PT has devised a recovery plan to mitigate risks stemming from underspending. The DHS Intervention is nearing completion, what is left is a thorough review of the Housing Development Agency (HDA)'s role as an Implementing Agent, alongside the utilisation of an established Panel of Contractors for efficient contractor appointments.

Municipalities are experiencing liquidity issues and are unable to both offer necessary services to their communities and pay their creditors due to indebtedness by different levels of government, communities, and industry. This problem is exacerbated by bottlenecks in the way revenue is collected. Municipalities continued to get assistance from the PT, COGTA, and SALGA with regards to managing their finances and providing services.

The government is encountering heightened challenges due to an increase in poverty, unemployment, and drought across various regions of the province. The economy is facing constraints stemming from persistent issues related to the power grid and the slow pace of reform in public entities, among other factors.

While the province may have limited control over the macroeconomic climate due to various global economic conditions, there is potential for activation at the micro level through ongoing operations and initiatives led by Micro, Small, Medium Enterprises (MSMEs). These efforts hold promise for driving development within the province.

Due to the underperformance of the provincial manufacturing sector, there has been a reliance on importing commodities from other provinces, negatively impacting the local economy, and diminishing job opportunities. Overcoming procurement challenges to ensure transparency, fairness, and value for money has been another significant hurdle. The department had to navigate procurement processes meticulously to prevent delays and ensure efficient procurement of goods and services.

To enhance the growth of Micro, Small, Medium Enterprises (MSMEs), provincial departments are being urged to cultivate local offerings and sourcing opportunities for suppliers within the province. A concerted effort is being made to ensure that designated groups receive preferential treatment in procurement processes, and that creditors are paid within the mandated 30-day timeframe, thereby advancing the province's goal of bolstering MSME resilience. Implementing an invoice tracking system is one strategy being employed to keep suppliers informed about the status of their invoices' processing.

Through targeted interventions like training programmes and the introduction of an invoice tracking system, endeavours are being made to improve procurement efficiency, streamline processes, and increase the involvement of local suppliers in government procurement endeavours. These reforms not only foster economic growth and job creation but also contribute to the establishment of a more inclusive and sustainable procurement ecosystem.

Despite significant positive changes in recent years, the province's road and rail infrastructure continues to deteriorate. The lack of adequate social infrastructure poses challenges in accessing essential services such as hospitals, clinics, and schools, negatively impacting both public welfare and economic growth. Various challenges hinder provincial departments and municipalities from completing crucial infrastructure improvements.

Nevertheless, the Provincial Treasury persists in supporting the completion of infrastructure projects across the province in alignment with the Provincial Infrastructure Strategy, despite ongoing obstacles in infrastructure development and maintenance. The province is actively involved in institutionalising the Infrastructure Delivery Management System (IDMS), while departments receive ongoing support from the Provincial Treasury in implementing both the Framework for Infrastructure Delivery and Procurement Management (FIDPM) and the District Development Model. This concerted effort strengthens the integrated planning, procurement, and delivery processes within the infrastructure value chain.

Provincial Treasury remains committed to improving audit outcomes through the implementation of audit improvement plans, providing ongoing assistance to departments and municipalities facing heightened audit risks. Efforts are focused on bolstering financial oversight in local government by offering continuous guidance and leadership on financial matters to provincial departments and municipalities, including the application of mSCOA. To ensure targeted support, PT aligns its assistance with the Municipal Integrated Development Plans and District Development Model.

Furthermore, the implementation of the Financial Management Accountability Framework continues unabated. This framework aims to instil discipline in the administration of public funds and drive progress towards fiscal prudence within departments and entities. Through these concerted efforts, Provincial Treasury remains dedicated to fostering financial stability and accountability across the province.

The following points are a comparative analysis of the year-to year performance on key factors:

- **Highly Effective Department – Outcome 1:** The department has been consistent in achieving clean audit outcomes for eight consecutive years.
- **With respect to payment of service providers within a 30-day period;** all valid invoices were paid within 30 days in the 2024/25 financial year compared to 99% in the previous financial year. This means the department complies with section 38(1) (f) and 76(4)(b) of the PFMA and section 8.2.3 of the Treasury Regulations pertaining to the payment of valid invoices within a set timeframe.
- **Percentage (%) of departmental procurement spend on EC based suppliers:** 78,61% in 2023/24 and 83,80% in 2024/25 financial years have been achieved. This means the department is serious in intensifying its efforts on the implementation of the P-MTSF (2019-2024) priorities and EXCO resolutions.
- **Women in Senior Management Positions:** The department has achieved 50% representation of women in Senior Management positions in the 2023/24 financial year and 51% achievement in the 2024/25 financial year. This means the department has complied with the MTSF (2019-2024) priorities of the 6th administration of government where women, youth and persons with disabilities must be prioritised.
- **Persons with disabilities:** The department has achieved 2,4% and 3% of persons with disabilities in the previous two financial years respectively.
- **Youth in the department:** The department achieved 21% in the 2023/24 financial year and 18% in the 2024/25 financial year with regards to the employment of youth in the department.
- **Improved Governance and Sustainable Management of the Financial Resources in Provincial Departments, Public Entities and Municipalities – Outcome 2:** With respect to this outcome, the departmental performance on key matters is as follows:
- **Amount of own revenue collected:** The department collected an amount of R1.928 billion in the 2023/24 financial year and R1.799 billion in the 2024/25 financial year.
- **Percentage (%) expenditure by departments within allocated budget:** The departments have spent 99,6% in the 2023/24 financial year and 99,8% in the 2024/25 financial year of the allocated budget. This is an achievement as all departments in the province have met the expenditure threshold. The Eastern Provincial Treasury will continue to coordinate and play its oversight over all departments and public entities within the province.
- **Level of infrastructure procurement management maturity achieved:** In terms of the modified IPMM assessment model, all departments have achieved a level 3 infrastructure maturity level with respect to this indicator.
- **Number of credible AFS submitted by PFMA institutions:** 21 out of 24 PFMA institutions achieved unqualified audit outcomes in the 2024/25 financial year. This is an improvement compared to the previous financial year, where 20 PFMA institutions achieved unqualified audit outcomes.
- **Number of credible AFS submitted by municipalities:** From the 36 municipalities within the province, 20 municipalities achieved unqualified audit outcomes. This is a slight regression compared to 21 municipalities that achieved unqualified audit outcomes in the previous financial year.

2.2 Service Delivery Improvement Plan

The SDIP defines how the Provincial Treasury will meet each service standard, and so establishes expectations for the public, who are its customers. Detailing expectations for the public is in accordance with Public Service Regulations 2016, Chapter 3, Part 3 Regulation 38, which mandated that all departments create a Service Delivery Improvement Plan (SDIP) and publish an annual statement of public service commitment outlining the department's service standards that customers and the public can anticipate, as well as how the department will meet each of the standards during the fiscal year 2024/2025.

Provincial Treasury had developed Service Delivery Improvement Plan (SDIP) that ran from the beginning of the 2018/19 fiscal year to the end of the 2021/22 fiscal year. This was further extended from 2022/23 to 2024/25.

The following tables reflect the components of the SDIP as well as progress made in the implementation of the plans.

Table 2.2.1 – Main services provided and standards

Main services	Beneficiaries	Current/ Actual Standard of service	Desired Standard of service	Actual achievement
Reduction of debt owed by Departments to Municipalities	Municipalities	Provincial government debt ageing over 90 days. As at 31 March 2024, debt owed to municipalities in the Eastern Cape amounted to R31.9 billion. Departments debt amounts to R1.37 billion (4.3 % of the total debt) while businesses owe R6.4 billion (10% of the total debt). The household debt is R25 billion (72% of the total debt)	95% reduction of confirmed provincial government debt ageing over 90 days	The debt by government departments on 31 March 2025 amounted to R2.3 billion. On average, it takes about 60 days for government departments to pay municipalities. This is due to a combination of things such as disputed accounts, insufficient funds from departments and incorrect billing by municipalities. PT will continue to have engagement and one-on-one sessions to resolve disputes, which will in turn further reduce the debt to achieve the 95% target.
Suppliers are paid within 30 days	Service Providers/ SMME's	100% of invoices are paid within 30 days.	100% of invoices are paid within 30 days	Twelve (12) of the thirteen (13) departments complied with the payment of suppliers within 30 days, except for the Department of Health that took 86 days to pay 93 276 invoices on average as of 31 March 2025. At a provincial level, departments took 17 days to pay 289 577 invoices as of 31 March 2025.

Table 2.2.2 – Batho Pele Arrangement with Beneficiaries (Consultation, etc.)

Current/ actual arrangements	Desired Customers	Actual achievements
Quarterly meetings	Eastern Cape Provincial Government Debt Steering Committee (ECPGDSC) and District Arrear Government Debt Meeting in terms of section 44 of the MFMA. One on one working sessions with affected departments and municipalities	PT will continue to have One on One engagements with Sector Departments and Municipalities. Additionally, COGTA and PT will continue to write to departments requesting payments on behalf of municipalities.
Annual Reports, pronouncements during budget speech	Avail annual reports to all citizens, distribute budget speech booklets to the public.	Annual Report was posted on website for accessibility to the public. Budget Speech was also posted on website. Furthermore, a Budget Speech was summarised on a Budget Flyer which was distributed to the public through commercial newspapers.

Table 2.2.3 – Service Delivery Information Tool

Current/ Actual information tool	Desired information tool	Actual achievements
Newspapers	Use all the local newspapers and community newspapers	Utilised 2 local newspapers and nine community newspapers
Radio	Use of national and local radio stations	10 community radio stations and 4 national radio stations were utilised
Departmental Newsletter	Produce and distribute to all internal stakeholders	9 e-Talks newsletters issues produced
Treasury Flyer - Eastern Cape MTEF People Budget Guide	Distribute to all public	Distributed widely to stakeholders and public
Social media	Use of social media platforms to disseminate information	3 social media platforms were utilised. Facebook, Twitter and LinkedIn
Website	Use of the departmental website to disseminate information	Significant number of visits to the website.
Annual Report	Distribution of Annual Report to stakeholders	• Distributed to internal and external stakeholders • Available on website
Annual Performance Plan	Distribution of Annual Performance Plan to stakeholders	• Distributed to internal and external stakeholders • Available on website
Service Delivery Improvement Plan	Distribution of Service Delivery Improvement Plan to stakeholders	• Distributed to internal and external stakeholders • Available on website
Strategic Plan	Distribution of Annual Report to stakeholders	• Distributed to internal and external stakeholders • Available on website

Table 2.2.4 – Complaints mechanism

Current/ Actual Complaints Mechanism	Desired Complaints Mechanism	Actual achievements
There is a formal complaints and grievance handling framework in place. In line with the framework, a complaints register is in place	Approved complaints and grievance handling framework	100% Customer Care complaints were timely resolved.
The Customer Care Centre serves as the central point for receiving and routing client complaints (including those from service providers and the general public). These complaints are then addressed by the appropriate officials. Situated within the PT's Strategic Management directorate, the Customer Care unit has processed the following types of complaints: • LOGIS/CSD enquiries • Invitations • Internships • Contact Details	Develop Customer Relationship Management System (CRM) which will include the following: • Streamlining service request management processes. • Reducing average response and resolution times. • Enhancing tracking and reporting capabilities. • Improving user satisfaction and engagement	• The Provincial Treasury has initiated the development of a Customer Relationship Management (CRM) system to boost the efficiency and effectiveness of its ICT service delivery, improve user satisfaction, and optimize resource utilization. • To ensure the CRM meets the diverse needs of various departments, the Strategic Management directorate has been actively engaging stakeholders. The system's full lifecycle, including specification, customization, configuration, and implementation, is scheduled for the 2025/2026 financial year. • This rollout will follow a structured, phased approach, starting with defining objectives and requirements, forming the implementation team, proceeding through solution customization and configuration, conducting thorough testing, providing comprehensive training, and culminating in the final implementation with ongoing support.

2.3 Organisational environment

Over the past financial year, the Eastern Cape Provincial Treasury (ECPT) has operated in a demanding environment, marked by infrastructure degradation, economic constraints, electricity load shedding, and intermittent water supply. These challenges have disrupted operations and necessitated accelerated implementation of continuity strategies.

Strategy

Strategically, the department focused on operational resilience, digital transformation, and service continuity. A key highlight for the year was the successful facilitation of a strategic planning session, which culminated in the development of the 2025-2030 Strategic Plan, the 2025/26 Annual Performance Plan (APP), and the 2025/26 Annual Operational Plan. These documents were tabled at the Legislature and provide a roadmap for achieving the ECPT strategic outcomes. The planning instruments are aligned to the Provincial Medium-Term Development Plan (P-MTDP) and the Medium-Term Development Plan (MTDP), which articulate the provincial government's strategic direction over the next five years. This alignment ensures that Treasury's outcomes, outputs and resource commitments support the strategic outcome 03: Capable, Ethical, and Developmental State, to contribute meaningfully to economic transformation, infrastructure delivery, and accountable governance.

Furthermore, the department finalised and approved the 2025–2030 Service Delivery Improvement Plan (SDIP). This document provides a clear framework for enhancing service standards, promoting citizen responsiveness, and institutionalising Batho Pele principles. The SDIP is integrated into the department's performance architecture and directly supports the realisation of its strategic outcomes over the planning period.

Structure

During the year, the department undertook organisational restructuring to align its structure and resources with strategic goals. The revised structure remained functionally sound and supported effective delivery across five core programmes and transversal support units. This organisational form enabled coordinated implementation of key mandates, including infrastructure oversight, internal audit, municipal financial support, and financial governance. Significantly, the new structure was deliberately designed to promote greater collaboration and integration across units and programmes. These principles were strongly reaffirmed during the department's strategic planning session, where alignment, synergy, and whole-of-department approaches were identified as critical enablers for the successful execution of the 2025–2030 Strategic Plan.

Staff

The department demonstrated progress in achieving workforce equity and diversity goals. As at 31 March 2025, 51% of SMS positions were held by women, with 3% of the workforce comprising persons with disabilities, and youth representation sitting at 18%. These indicators reflect the department's alignment with The Mid-term Strategic Framework (2019-2024) with special emphasis on inclusive growth and empowerment of the designated groups.

Departmental Employment Equity Status

Occupational Classification	Total Number	Disability Status	Demographics
SMS Level 13–15	62	3	33 females and 29 males (53% female, 47% male)
MMS Level 11–12	129	3	77 females and 52 males (59% female, 40% male)
Level 9–10	127	1	77 females and 50 males (60% female, 39% male)
Level 1–8	142	7	95 females and 47 males (67% female, 33% male)
TOTAL	**460**	**14**	

The post establishment, consisting of 460 filled posts across programmes, ensured adequate staffing levels despite fiscal pressures, this data excludes salary level 16 and above. The department's structure also supported collaboration between district offices and head office, fostering seamless integration of policy and operations.

Despite delays in organogram approvals, the department maintained a low vacancy rate of 6.6%, with most vacancies filled within six months.

Post Establishment

Programme	Number of Posts
Filled Posts	462
Administration	198
Sustainable Resource Management	79
Asset and Liability Management	33
Financial Governance	90
Municipal Financial Governance	62
Contracts (Interns / temporary)	Included above

The above filled positions include interns and contract employees.

This staffing configuration enabled the department to maintain operational continuity, deliver on its mandate effectively, and respond flexibly to evolving service delivery demands across all programmes.

Skills

Provincial Treasury continued to invest in strengthening its organisational skills base through targeted human capital development. A total of 111 staff members received training during the year, with a specific focus on empowering female employees and advancing digital capabilities aligned to the Fourth Industrial Revolution (4IR). Staff wellness was also prioritised, with a number of campaigns promoting mental and physical health. These efforts contributed to organisational cohesion, morale, and productivity, to ensure that staff were equipped to meet the evolving demands of public financial management.

Systems

The department focused on operational resilience, digital transformation, and service continuity. The strategy was operationalised through the application of Business Continuity and Business Resilience Plans, which proved to be instrumental in sustaining critical services and maintaining stakeholder confidence during infrastructure disruptions. This strategic posture allowed the department to adapt swiftly to environmental stressors while continuing to deliver on its mandate of financial governance and oversight.

The use of cloud solutions and remote work tools ensured Treasury's uninterrupted service delivery. The ICT unit maintained a 99% server uptime at Head Office and most district offices. However, broadband outages in the Amathole and Sarah Baartman districts led to temporary service disruptions. The department worked with the Department of Public Works and Infrastructure (DPWI) to address these infrastructure issues.

The Treasury implemented a Business Intelligence (BI) project to integrate financial, HR, and other performance data for enhanced decision-making. Power BI and Excel tools supported dashboard development, while plans for a broader Integrated BI Solution are being explored in partnership with the Office of the Premier.

To enhance efficiency in document handling and strengthen institutional information and knowledge management, the department embarked on a project to develop an enterprise document management system. This initiative is aimed at streamlining digital workflows, improving records accessibility, and ensuring better preservation and sharing of institutional knowledge across the organisation. It forms a key part of Treasury's efforts to modernise internal processes and promote a more agile, information-driven working environment.

Shared values

The department's operational and cultural foundation was anchored in its shared values of accountability, excellence, integrity and collaboration. These values guided the implementation of governance instruments such as the Operations Management Framework (OMF), which encompasses the Service Delivery Model (SDM), Standard Operating Procedures (SOPs), and a published Service Charter. These frameworks standardised internal practices and clarified performance expectations. The department's continued focus on equity, empowerment and compliance with transformation targets reflects its deep commitment to values-based leadership and institutional culture.

Style

The prevailing style of leadership was adaptive, inclusive, and transformation oriented. The ECPT leadership promoted transparency, performance management, and responsiveness to employee and stakeholder needs. Change management was actively pursued to promote internal efficiency and embed a culture of continuous improvement. These efforts were aligned with "The Treasury Way," an organisational renewal initiative aimed at entrenching a modern, agile, and learning-oriented public institution through strengthened information and knowledge management practices.

Budget and Performance Challenges

Despite the fiscal constraints, ECPT maintained operations and improved internal systems. Challenges related to procurement delays, staff attrition, and underfunding were mitigated through centralised procurement, alternative energy solutions, and digitised processes. Treasury remains committed to modernising its systems to meet the demands of the Fourth Industrial Revolution (4IR).

B-BBEE Compliance

Despite persistent budgetary and operational challenges, including procurement delays and staff attrition, Treasury maintained a high standard of performance and resilience. Key mitigation strategies included centralised procurement processes, digitisation of internal systems, and alternative energy solutions at critical sites. In its procurement practices, the department also demonstrated its commitment to transformation by awarding contracts in alignment with B-BBEE preference points. In the 2024/25 financial year, Treasury procured R25.8 million worth of goods and services from Eastern Cape-based suppliers, with 69.16% going to women-owned businesses, 0.43% to female youth, 27% to men, 0.45% to male youth, and 0.23% to suppliers with disabilities.

Impact of COVID-19 and Infrastructure Challenges

The residual effects of the COVID-19 pandemic were still evident in infrastructure backlogs and economic hardship. In response, the department continued to support remote and hybrid working models, with ICT solutions ensuring seamless access and collaboration across teams. These adaptations helped maintain service continuity, preserve institutional memory, and mitigate the impact of physical disruptions.

Way Forward

Looking forward, the department will continue to strengthen internal governance, broaden the implementation of its business intelligence platforms, and enhance stakeholder engagement. Its investment in people, processes, and technology lays the foundation for a resilient, responsive, and forward-looking Treasury that remains central to the achievement of fiscal discipline and inclusive growth in the Eastern Cape.

2.4 Key policy developments and legislative changes

There have been no key policy developments nor revision to the legislative mandate of the department.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact Statements:		Effective governance and sustainable management of financial resources for socio-economic development in the province			
Outcome		**Outcome Indicator**	**Baseline**	**Five-year target (2020-2025)**	**Actual Achievement**
1.	Highly effective department	Unqualified audit opinion achieved	Unqualified audit opinion with no findings	Unqualified audit opinion with no findings	Unqualified audit opinion with no findings
2.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities.	Number of public institutions (provincial departments, public entities, and municipalities) that utilise resources optimally for service delivery in the province.	• CoE ratio 64.5:35.5 • 99.5% of public spending to ensure value for money. • 23 municipalities with improved financial performance and governance • Zero rationalised public entities • Gross Capital Formation	• CoE ratio 60:40 • 100% of public spending to ensure value for money. • 36 municipalities with improved financial performance and governance • 4 public entities rationalised. • 25% Gross Capital Formation	• CoE ratio 65.4:34.6 • 94.29% of public money was spent by public entities and 99.8% by provincial departments. • Twenty-seven (27) municipalities with improved financial performance and governance. • Three (3) public entities rationalised. • 4.05 % Gross Capital Formation.
		Number of departments, entities and municipalities with improved supply chain and asset management governance practices	• 8 departments attained Financial Management Capability Maturity Model (FMCMM) level 3 on SCM • Eleven (11) departments attained FMCMM level 3 on Asset Management • No baseline on the level of achievement of entities on SCM and Asset Management • 30 municipalities achieved FMCMM level 2.7	13 departments attain FMCMM level 5 on SCM and Asset Management 36 municipalities attain FMCMM level 3 on SCM and Asset Management	• 11 departments achieved unqualified audit opinion on Asset Management • 36 municipalities attained an average of FMCMM level 2.81. • The FMCMM level on SCM is 2.89 and 2.78 on Asset Management.
		Number of public institutions (provincial departments, public entities and municipalities) that obtained an unqualified audit opinion.	• 12 provincial departments achieved unqualified audit opinion (3 clean audit opinion) • 10 Public Entities with unqualified audit opinion • 21 Municipalities with unqualified audit opinion	• 14 provincial departments with unqualified (clean) audit opinion • 10 Public Entities with unqualified opinion • 36 Municipalities with unqualified audit opinion	• 12 Provincial departments received an unqualified audit outcome in 2023/24 FY. 05 departments received clean audit opinion, 07 departments namely received unqualified audit opinion with findings, and 02 received qualified audit opinion. • 8 entities received clean audit opinion, 1 received a qualified audit opinion, no entity received a disclaimer opinion, and 2 entities received unqualified audit opinions with findings. • Twenty (20) municipalities received unqualified audit opinions.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The powers and functions of the ECPT are mainly determined by the Public Finance Management Act, 1999 (PFMA) and the Municipal Finance Management Act, 2003 (MFMA). All powers of the ECPT are vested in the MEC for Finance in terms of chapter 3 of the PFMA, 1999. In terms of section 20 of this Act, powers are delegated to the Head Official of the ECPT and some of his/her duly appointed senior managers. Similar provisions apply in the case of the MFMA, 2003.

In order for the department to fulfil its mandate and achieve the goals and strategic objectives as outlined in the strategic and annual performance plans, the following programmes were adopted in line with the uniform budget structures recommended by the National Treasury.

- Programme 1: Administration
- Programme 2: Sustainable Resource Management
- Programme 3: Asset and Liabilities Management
- Programme 4: Financial Governance
- Programme 5: Municipal Financial Governance

The purpose and objectives of these programmes are discussed in detail below. All services rendered by PT are rendered to other departments mainly in terms of the PFMA or to municipalities as per the MFMA, as referred above.

4.1 Programme 1: Administration

Purpose: Provide leadership and strategic management and appropriate support services to all other programmes.

The programme consists of five sub-programmes, namely:

Office of the MEC	Sets priorities and political directives in order to meet the mandate of the department.
Management Services	Translates policies and priorities into strategies for effective service delivery and monitors organisational performance and provides legal services and information technology support.
Corporate Services	Provides an internal enabling environment and support service to other programmes with regards to human resource management and development, records management and security & facilities management.
Financial Management (Office of the CFO)	To manage and facilitate the provision of financial, supply chain, asset management, and internal control services to the department.
Internal Audit and Risk Management	To manage internal audit and risk management services.

List of Programme Outcomes:

- Highly effective department.

Outcomes, outputs, output indictors, targets, and actual achievements

During the financial year under review, the department achieved its target by completing all the projects of ICT by marking significant progress in its digital transformation agenda. These initiatives enhanced internal systems, streamlined processes, and improved data management — essential for evidence-based planning and accountability. The achievement supports the strategic objectives of the Eastern Cape government by promoting public sector modernisation, institutional capacity building, and improved access to services through technology. Aligned with the Eastern Cape Provincial Development Plan (PDP), these ICT advancements strengthen interdepartmental collaboration, enhance responsiveness to citizen needs, and contribute to building a capable, ethical, and developmental state.

The department achieved its 100% target in paying its suppliers within 30 days, reflecting its commitment to sound financial management and fiscal discipline in the 2024/25 financial year. This achievement is in line with the ECPT Outcome 1 of a highly effective department as all invoices were paid within thirty days.

Prompt payment of service providers within the legislated 30-day period is not only a compliance measure but also a strategic lever for stimulating local economic activity, enhancing supplier confidence, and supporting the sustainability of Micro, Small and Medium Enterprises (MSMEs) — many of which are key drivers of employment and development in the province.

On the departmental procurement spend on EC based suppliers, ECPT achieved 83,80% during the financial year under review. This reflects a remarkable effort to localise procurement and support the provincial economy by empowering local businesses, particularly MSMEs. The following LED spend was achieved within the department based on gender considerations during the 2024/25 financial year: Females – 69.16%; Female Youth – 0.43%; Male – 27%; Male Youth- 0.45%; and Disability – 0.23%

In the 2024/25 financial year, the department made notable progress in promoting employment equity and advancing inclusive representation within its workforce. Women held 51% of senior management positions, reflecting full compliance with the Medium-Term Strategic Framework (MTSF) 2019–2024 priorities, which call for the prioritisation of women, youth, and persons with disabilities in public sector employment.

The department also maintained a 3% representation of persons with disabilities for 2024/25 financial year, aligning with national targets aimed at fostering a more inclusive and diverse public service. Additionally, youth representation in the department reached 18% in 2024/25, reinforcing the institution's commitment to empowering young people and building future leadership capacity within the public sector.

These achievements directly contribute to the strategic objectives of the Eastern Cape government, particularly the goal of building a capable, ethical, and developmental state as articulated in the Eastern Cape Vision 2030 and Provincial Development Plan (PDP). By honouring financial obligations timeously, promoting local economic development, improving ICT Strategies and paying attention to designated groups, the department is fostering a culture of accountability, reliability, and trust in public administration.

No.	Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
SUB-PROGRAMME 1.1: MANAGEMENT SERVICE									**ACHIEVED ● NOT ACHIEVED ●**
1.	Highly effective department	Organisational productivity achieved	Percentage of organisational productivity achieved	60.8%	80%	85%	85% Achieved ●	-	Not applicable
2.		ICT Strategy projects implemented	Number of ICT Strategy projects implemented	7	4	12	12 Achieved ●	-	Not applicable
SUB-PROGRAMME 1.2: CORPORATE SERVICES									
1.	Highly effective department	Human resource plan targets implemented	Percentage of HR Plan Targets achieved	85%	90%	95%	95% Achieved ●	-	Not applicable
SUB-PROGRAMME 1.3: FINANCIAL MANAGEMENT SERVICES									
1.	Highly effective department	Financial and non-financial information audit findings implemented	Percentage implementation on financial and non-financial information audit findings	-	-	100%	100% Achieved ●	-	Not applicable
2.		Valid invoices / claims paid / settled within 30 days	Percentage of valid invoices / claims paid / settled within 30 days	100%	99%	100%	100% Achieved ●	-	Not applicable
3.		Departmental procurement spend on EC based suppliers	Percentage of departmental procurement spend on EC based suppliers	83%	78.61%	60%	83.80% Achieved ●	23.80%	SCMU had a total amount of R30 844794.40 and an amount of R25 850 453.10 was procured from the Eastern Cape based suppliers. Easter Cape based suppliers were found to be more competitive and more compliant with regards to the procurement processes.

Linking performance with budgets

For the year under review, the Programme achieved all 6 (100%) of the planned Annual Performance Plan (APP) indicators and spent R 187.785 million (95.2%) of the adjusted budget of R197.312 million with an under expenditure of R9.527 million.

Table 4.1 below shows Programme 1 expenditure per sub-programme. Major contributors to the unspent funds in goods and services were:

- Consultancy Services – Delays encountered due to complexity of the middle-management leadership program bid specification.
- Contractors – Delays encountered in the SITA procurement process with the finalisation of the service level agreement for the maintenance of LAN switches.
- Travel and Subsistence – Savings pertains to meetings that were cancelled due to unforeseen circumstances as well as meetings held virtually.
- Consumable Stationery – Unspent funds pertain to the invoice for printing of the main budget gazette received after the final payment disbursement run date for March 2025, procurement of printer cartridges which did not materialise due to unforeseen circumstances as well as savings in stationery due to lower-than-anticipated demand.
- Fleet Services – Unspent funds due to technical challenges faced by the service provider in printing invoices.
- Computer Services – Unspent funds are mainly due to delays in installing computer server operating software licences, which require a server upgrade before installation can proceed.
- Training and Development – Savings due to invoices being lower than anticipated.
- Property payments – Savings due to renovations carried out by the Department of Public Works at OR Tambo district office, affecting the provision of cleaning services.
- Advertising – Unspent funds due to late submission of inter-departmental claim for recruitment adverts by the Office of the Premier.

The unspent funds in Payment for Capital Assets mainly pertains to:

- Invoice for desktop computers received after the final payment disbursement run date for March 2025 as well as delays in finalising installation of safety features for MEC's motor vehicle.

Other items that contributed to underspending include:

- Compensation of Employees – Savings mainly due to staff attrition.
- Transfers and Subsidies – The unspent funds pertain to leave gratuity payments due to staff attrition and is immaterial.

Table 4.1: Sub-programme expenditure

PROGRAMME 1	2024/2025			2023/2024		
	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	9 509	9 120	389	8 002	7 998	4
Management Services	81 489	77 141	4 348	60 724	46 406	14 318
Corporate Services	36 818	35 644	1 174	52 471	50 785	1 686
Financial Management	61 625	58 445	3 180	54 860	53 736	1 124
Internal Audit and Risk Management	7 871	7 435	436	7 776	7 735	41
Programme Total	197 312	187 785	9 527	183 833	166 660	17 173

Strategy to overcome areas of underperformance

All Indicators under Programme 01 were achieved for the 2024/25 Financial Year.

4.2 Programme 2: Sustainable Resource Management

Purpose: Allocative efficacy through budget preparations, infrastructure budgeting, expenditure monitoring, economic analysis and fiscal policy to all provincial departments, public entities and management of financial assets and liabilities.

The programme consists of four sub-programmes, namely:

Programme Support	Provides strategic leadership in implementing strategies to ensure the programme's contribution in realising departmental objectives
Economic Analysis	Determines and evaluates economic parameters and socio-economic imperatives within a provincial and macro-economic context
Fiscal Policy	Promotes optimal financial resource allocation and enables government to finance its service delivery obligations, and also promotes sound planning, budgeting, financial management and reporting in Public Entities
Budget Management	Promotes effective optimal resource allocation, manages fiscal assets, optimises liquidity requirements and returns on financial investments and maximises the latter within acceptable levels of risk.

List of Programme Outcomes:

- Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities.

Outcomes, outputs, output indictors, targets and actual achievements

In the 2024/25 financial year, the ECPT achieved its target in ensuring that revenue collection was enhanced, reflecting improved financial management and strengthened revenue systems. With regards to the four major revenue-generating departments, the technical PPSU workgroups were held during February 2025 with the four revenue-generating departments namely DPWI, Transport, Health and DEDEAT and the consolidated were presented to the PPSU on 31 March 2025 which is assisting with interventions to revenue improvement. The achievement aligns with the Eastern Cape Provincial Treasury's strategic priorities, particularly fiscal consolidation, which emphasises improving own revenue collection to reduce dependency on national transfers.

The provincial departments spent 99,8% of the allocated budget in the 2024/25 financial year. This performance aligns with the ECPT's impact statement of effective governance and sustainable management of financial resources for socio-economic development in the province. It ensures that available resources are used efficiently and directed towards service delivery, infrastructure development, and poverty alleviation.

In respect of Infrastructure, the province spent R8.611 billion or 97.35% of the R8.846 billion adjusted infrastructure budget, thus underspending by R234.818 million by 0.65 per cent as compared to the APP Target of 98 per cent for this indicator. Although the target of 98 per cent was not achieved by a marginal 0.65 per cent, the infrastructure expenditure over the last three financial years reflects improvements as follows:

- 90.72 per cent in 2021/22
- 90.97 per cent in 2022/23 (0.25 per cent increase)
- 93.65 per cent in 2023/24 (2.68 per cent increase) and
- 97.35 per cent in 2024/25 (3.7 per cent increase).

Thus the preliminary outcome of 97.35 per cent in 2024/25 shows a significant improvement of 3.7 per cent compared to the audited outcome of 2023/24. The improvement in expenditure performance as compared to prior financial years is due to the strengthening of the oversight on Infrastructure departments. This included the detailed analysis of the Infrastructure Reporting Model (IRM) undertaken by the infrastructure unit which lifted the projects that were not performing for intervention through engagement with the infrastructure departments. In addition, the infrastructure unit provided feedback to the infrastructure governance structures on under-performing projects that required technical intervention and support.

The Eastern Cape Provincial Treasury successfully delivered in ensuring that Infrastructure Plans Aligned to Planning Reforms, demonstrating its commitment to improving infrastructure planning and budgeting processes across the province. This achievement reflects the integration of planning reforms that promote lifecycle costing, project readiness, and alignment with frameworks such as the Infrastructure Delivery Management System (IDMS) and Spatial Planning and Land Use Management Act (SPLUMA).

To this end, PT continued with the institutionalization of the IDMS in provincial departments and as such PT supported Infrastructure Departments in the compilation and submission of the End of Year Reports, the Infrastructure Asset Management Plans, the Infrastructure Program Management Plan (IPMP) and the compilation of the Infrastructure Reporting Model (IRM). PT supported department and conducted Provincial Moderations of these plans and as a result of the support provided to the infrastructure departments, the province qualified for infrastructure incentive funds for the department of Health and Education amounting to R93 million and R76.2 million respectively which form part of the grant allocation for 2025/26 financial year and confirmed by means of conditional grant final allocation letters.

By aligning infrastructure plans with these reforms, the ECPT is strengthening governance, enhancing accountability, and promoting more efficient use of public funds. This contributes directly to ECPT Outcome 2: Improved governance and sustainable management of financial resources in provincial departments, public entities, and municipalities.

In respect of the detailed infrastructure project lists. the Infrastructure Unit provided support to infrastructure departments in the 2024/25 adjustment budget in respect of the amendments to the project lists as well as in the 2025/26 MTEF final infrastructure project lists. This process involved facilitating the alignment to the final allocations and alignment of the projects from the infrastructure project list (B5s) to the IRM and the database.

In respect of Financial Asset Management, the province has continued to ensure liquidity of the Provincial Revenue Fund (PRF) (building up reserves) in order to continue funding critical service delivery imperatives of the province supplementing national funding and own revenue sources.

With regards to Creditor Management for 2024-25 financial year, on average, the provincial departments took 17 days to settle invoices except for the Department of Health (averaging 86 days) (above the acceptable 30-day norm) to pay their suppliers. 12 departments out of 13 departments managed to pay creditors within 30 days.

	Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
SUB-PROGRAMME 2.1 ECONOMIC ANALYSIS									**ACHIEVED ●** **NOT ACHIEVED ●**
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Policy briefs that guide budgets and investment decisions	Number of policy briefs produced on key sector focus areas	4	4	4	4 Achieved ●	-	Not applicable
SUB-PROGRAMME 2.2: FISCAL POLICY									
FISCAL POLICY									
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Revenue collected	Amount of own revenue collected	R1.785 billion	R1.928 billion	R1.745 billion	R1.799 billion Achieved ●	R53.779 million	The overachievement is due to Provincial Treasury and Human Settlements interest earned on exchequer investments and trust accounts respectively.
PUBLIC ENTITIES									
2.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Public entities spending within allocated budget	Percentage expenditure by entities within allocated budget	82%	88%	98%	94.29% Not Achieved ●	-3.71%	• The underachievement is due to ECDC funds not disbursed on Economic Development Fund (ED Fund). Funds of R30 million were initially withheld by DEDEAT and only released in December 2024. • Additionally, an approved amount of R20 million that was previously approved and disbursed from the Fund was also reversed and returned back based on the instruction of the shareholder. This initiative was part of the remedial action from the review findings. • The under spending on MTC is due to delays in the ordering of buses as a result of the unavailability of stock on the RT57 contract and long queues.

Outcome		Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
SUB-PROGRAMME 2.3: BUDGET MANAGEMENT									
BUDGET OFFICE									
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Public funds spent in accordance to allocated budget	Percentage expenditure by departments within allocated budget	99%	99.6%	98%	99.8% Achieved	1.8%	The deviation is due to the Department of Transport over expenditure on Goods and Services.
2.		Reduced Provincial CoE Ratio	CoE Ratio	64:36	64.9:35.1	61:39	65.4:34.6 Not Achieved	+4.4: - 4.4	The increase in the CoE Ratio is due to the Department of Health's failure in reducing the Compensation of Employees costs due to fiscal consolidation and the payments of the year-end Human Resource (HR) accruals and payables.

	Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
FI NANCIAL ASSET MANAGEMENT									
3.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Increased financial assets and reduced liabilities	Net provincial position of the Revenue Fund	R9.327 billion	R8.773 billion	R200 million	R8.401 billion Achieved	R8.201 billion	The over achievement is due to the following: • Balance of funds set aside to cover the excess facilities provided to departments of Education, Health, Transport and Public Works. • Funds set aside over the 2024 and 2025 MTEF years to fund priorities of the province, such as for Broadband as well as for department of Health to deal amongst others with issues emanating from medico legal scourge. This is to ensure that budget over the MTEF years are cash backed instead of relying on borrowings, • Unspent conditional grants at year end, subject to rollover process to 2025/26 adjustment estimate, as well as unspent equitable. • Rescheduling of funds to 2026 MTEF year, such as for BFI for the department of Economic Affairs. • Funds set aside to an amount of R5.103 to fund hard commitments.
4.		Creditors paid within 30 days	Number of departments paying creditors within 30 days	12	12	13	12 Not Achieved	-1	The underachievement is due to the Department of Health, delays in paying creditors within 30 days.
INFRASTRUCTURE MANAGEMENT									
5.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Infrastructure delivery plans	Number of infrastructure plans aligned to planning reforms	10	10	11	11 Achieved	-	Not applicable

Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
6.	Spent total infrastructure budget	Percentage expenditure of allocated infrastructure budget by infrastructure departments	91.02%	93.58%	98%	97.35% Not Achieved	-0.65%	The under achievement on Infrastructure Budget is due to under expenditure of four departments, namely: the Department of Transport, Department of Health, Sport, Recreation, Arts and Culture and Social Development.
7.	Increased gross capital formation for provincial infrastructure departments	Percentage gross capital formation for Provincial Infrastructure Departments	20%	6.04%	10.7%	4.05% Not Achieved	-6.65%	The underperformance in the gross capital formation was mainly due to the rescheduling by DEDEAT in the 2024/25 adjustment processes of an amount of R432.000 million in relation to the Coega SEZ Water Security Programme. Furthermore, the under expenditure was realised by the following Departments: Transport, Health, DSRAC and Social Development by R191.772 million, R81.231 million, R31.245 million and R10.782 million, respectively, also adds to the under performance against the target.

Linking performance with budgets

For the year under review, the Programme achieved 5 (50%) of the 10 planned APP indicators and spent R77.103 million (95.1%) of the adjusted budget of R81.041 million with an under expenditure of R3.938 million.

Table 4.2.1 below outlines programme expenditure per sub-programme. Major contributor to unspent funds in goods and services are:

- Consultancy Services – R2 746 million – Unspent funds relate to the Provincial Infrastructure Support project which in which 2 service providers were appointed to support the province in integrated planning and project packaging. In respect of the Infrastructure service providers, detailed technical analysis of all invoices received were undertaken to determine if value was achieved before payments were made. As such the technical findings were escalated to the service providers who delayed in the submission of the requested information from the detailed analysis to allow for the payment of the invoices. As such the matter has been escalated to the office of the CFO including contract management with the support of legal services to deal with this matter.
- Travel and Subsistence – R257 thousand – Savings due to meetings that were held virtually (Benchmark Exercise) as well as engagements and trainings that could not take place as projected (National Treasury Site Visits, Supplier Awareness outreach and Power BI-Data Analyst training).
- Audit Costs – R205 thousand – Savings due to invoice processed for the Provincial Revenue Fund audit being lower than anticipated.
- Operating Payments - R114 thousand– Savings due to provisions made for resettlement costs which were not fully utilised.

Other items that contributed to the unspent funds include:

- Compensation of Employees – R489 thousand – Savings mainly due to staff attrition.

Table 4.2.1 Sub-programme expenditure

PROGRAMME 2	2024/2025			2023/2024		
	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)
Programme Support	3 250	3 031	219	3 446	3 232	214
Economic Analysis	3 678	3 636	42	3 368	3 153	215
Fiscal Policy	9 538	9 472	66	9 361	9 187	174
Budget Management	64 575	60 964	3 611	62 544	60 079	2 465
Programme Total	**81 041**	**77 103**	**3 938**	**78 719**	**75 651**	**3 068**

Strategy to overcome areas of underperformance

Percentage expenditure by entities within allocated budget

PT in collaboration with Infrastructure directorate, will continue to support and engage entities on effective project management process to ensure achievement of the expenditure at the end of the financial year. The oversight will be enhanced with close monitoring and analysis of the expenditure reports on a monthly basis.

CoE Ratio

The CoE ratio is at 65.4 per cent for the province, which is above the target set of 61:39 for 2024/25. This percentage is still subject to the year-end processes that needs to be finalised, which can impact on the final percentage. Provincial Treasury will analyse COE of departments to identify area of efficiencies that would reduce costs. These includes reviewing departmental organograms and reviewing their service delivery models, identifying ghost workers, if any, reducing staff on temporary incapacity leave and reducing overtime.

Number of departments paying creditors within 30 days

Medico Legal Task team comprising OTP, PT & DOH formed to assist DOH in their medico legal claims. Creditor management forums are held quarterly to deal with best practices for creditor payments for departments.

Percentage expenditure of allocated infrastructure budget by infrastructure departments

In respect of Infrastructure, the province spent R8.611 billion or 97.35% of the R8.846 billion adjusted infrastructure budget, thus underspending by R234.818 million by 0.65 per cent as compared to the APP Target of 98 per cent for this indicator. Although the target of 98 per cent was not achieved by a marginal 0.65 per cent, the infrastructure expenditure over the last three financial years reflects improvements from 90.72 per cent in 2021/22, 90.97 per cent in 2022/23 and 93.65 per cent in 2023/24. Thus, the preliminary outcome of 97.35 per cent in 2024/25 shows a significant improvement of 3.7 per cent compared to the audited outcome of 2023/24.

In respect of remedial measures, the improvement in expenditure performance will continue to be promulgated through strengthening of the oversight on Infrastructure departments. This includes the detailed analysis of the Infrastructure Reporting Model (IRM) undertaken by the infrastructure unit which will focus on the improvement of the areas related to value for money such as time and cost, with site visits being undertaken to determine the quality on the ground. In addition, the infrastructure unit will engage on the identified under-performing projects that required technical intervention and support through the infrastructure institutional structures i.e. the Departmental Provincial Infrastructure Steering Committees (PISCs) and thereafter for intervention to the Technical Premiers Infrastructure Coordination Council (T-PICC) and Premiers Infrastructure Coordinating Council (PICC) for final intervention and resolution. In the 2025/26 FY APP the targets for this indicator was revised to 90 per cent.

Percentage gross capital formation for Provincial Infrastructure Departments

Although the indicator is discontinued in the 2025/26 financial year, the underperformance in the gross capital formation was mainly due to the rescheduling by DEDEAT in the 2024/25 adjustment processes of an amount of R432.000 million in relation to the Coega SEZ Water Security Programme. In an attempt to address the underperformance of DEDEAT, the unit is participating in the steering committee for the Coega SEZ water security program so that threats to performance can be identified and dealt with at an earlier stage. Furthermore, in terms of departmental under expenditure, which also negatively affected the Gross Capital, the unit will continue with the robust analysis of the infrastructure reporting model to include all areas of value for money such as time and cost with site visits being undertaken to determine the quality on the ground as well as participate and escalate the identified bottlenecks to the infrastructure institutional structures

4.3 Programme 3: Asset and Liability Management

Purpose: To provide policy direction, promote and enforce transparency and effectiveness of Supply Chain Management and Asset Management in the province.

The programme consists of two sub-programmes, namely:

Programme Support	Provides strategic leadership in implementing strategies to ensure the programme's contribution in realising departmental objectives;
Asset Management	To provide policy direction, facilitate the effective and efficient management of physical assets and promote economic development targeted on government procurement.

List of Programme Outcomes:

- Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities.

Outcomes, outputs, output indictors, targets and actual achievements

Provincial departments performed well in supporting the departments achieving an Unqualified Audit Opinion on Asset Management, reflecting strengthened financial governance and improved compliance with asset management standards across the provincial administration. The Provincial Departments were supported with the preparation of 2023/24 year-end reporting and assets related disclosure in the Annual Financial Statements. The departmental asset registers (movable, fleet and immovable including capital work in progress) were reviewed for compliance to the NT requirements. Provincial Departments were also supported to ensure that infrastructure assets comply with NT guidelines. This support by PT led to eleven (11) provincial departments achieving unqualified audit opinion on asset management.

By enabling departments to attain unqualified audit opinions, the ECPT advances Outcome 2: Improved governance and sustainable management of financial resources in provincial departments, public entities, and municipalities. Sound asset management ensures that public resources are properly recorded, maintained, and utilised efficiently, reducing the risk of financial misstatements and irregularities. This reinforces the integrity of financial reporting and contributes to the broader goals of accountability, transparency, and value for money in the use of public funds.

The Provincial Departments implemented their procurement plans showing a remarkable improvement in the 2024/25 financial year. This is attributed to ECPT's monitoring of departmental adherence to procurement plans, which was conducted across thirteen (13) departments as scheduled. Each month, departments submitted implementation reports to the Provincial Treasury, outlining progress against their approved procurement plans. These reports were analysed, consolidated into a comprehensive report, and presented to key governance structures including the Sub-Committee on Budget and Coordination (Sub-CBC), the Committee on Budget and Coordination (CBC), and the Executive Council (EXCO).

To further support compliance, the Provincial Treasury provided hands-on assistance to departments, including participation in bid committees and engagements with executive management. Instances of persistent non-adherence were escalated to legislative structures and addressed through the Financial Management Accountability Framework (FMAF). This process contributes directly to Outcome 2 by strengthening procurement governance, enforcing accountability, and ensuring that financial resources are managed in a disciplined, transparent, and sustainable manner. Through proactive monitoring and support, the Provincial Treasury promotes consistent implementation of procurement plans, which is essential for effective service delivery and sound financial management across the provincial government.

	Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
SUB-PROGRAMME 3.1: ASSET MANAGEMENT									**ACHIEVED** ● **NOT ACHIEVED** ●
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities, and municipalities	Unqualified audit opinion on asset management	Number of departments achieving an unqualified audit opinion on asset management	-	10	11	11 Achieved ●	-	Not applicable
SUB-PROGRAMME 3.2: SUPPLY CHAIN MANAGEMENT									
1.	Improved governance sustainable management of the financial resources in provincial departments, Public Entities, and municipalities	Procurement plans implemented by provincial departments	Percentage of procurement plans implemented by provincial departments	70%	57.93%	80%	97.10% Achieved ●	17.10%	The departments fast tracked the approval of specifications for contracts in the 2024/25 financial year as well as for the 2025/26 financial year. This is to ensure that service delivery is expedited and allocated budgets are spent as per the resolution of the Provincial Management and oversight exercised by the Cabinet Budget Committee and the Provincial Executive Council.
2.		Infrastructure procurement management maturity achieved	Level of infrastructure procurement management maturity achieved	Level 3	Level 2.7	Level 3	Level 3 Achieved ●	-	Not applicable
3.		EC suppliers benefiting from provincial departments procurement spend	Percentage of provincial departments procurement spend on EC based suppliers	59%	47%	60%	59.29% Not Achieved ●	-0.71%	The current regulatory framework does not provide for set-asides. Furthermore, for procurement to the value of R1 million and above, departments are required to follow open and competitive bidding and as a result, some contracts were duly awarded to supplier that are not based in the EC Province.

Linking performance with budgets:

For the year under review, the Programme achieved 3 (75%) of the 4 planned APP indicators and spent R28.625 million (98.9%) of the adjusted budget of R28.950 million with an under expenditure of R325 000.

Table 4.3.1 below outlines programme expenditure per sub-programme. Unspent funds in goods and services pertains to:

- Travel and Subsistence – Savings pertain to cancellation of site visits due to unforeseen circumstances.
- Catering – Savings pertain to cancellation of meetings due to unforeseen circumstances.

Other items that contributed to the unspent funds include:

- Compensation of Employees – Savings due to staff attrition and is immaterial.
- Transfers and subsidies – The unspent funds pertain to leave gratuity which was unutilised and is immaterial.

Table 4.3.1: Sub-programme expenditure

PROGRAMME 3	2024/2025			2023/2024		
	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)
Programme Support	-	-	-	-	-	-
Asset Management	28 950	28 625	325	27 286	26 713	573
Programme Total	**28 950**	**28 625**	**325**	**27 286**	**26 713**	**573**

Strategy to overcome areas of underperformance

Percentage of provincial departments procurement spend on EC based suppliers

The new regulatory framework introduces provisions for set-asides, which will support efforts to achieve the target.

4.4 Programme 4: Financial Governance

Purpose: To promote accountability through comprehensive accounting practices, financial information systems, governance as well as compliance with financial norms and standards in PFMA compliant institutions and financial systems management.

The programme consists of six sub-programmes, namely:

Programme Support	Provides strategic leadership in implementing strategies to ensure the programme's contribution in realising departmental objectives
Accounting Services	To ensure the effective implementation of accounting practices in line with Generally Accepted Accounting Practice (GAAP), Generally Recognized Accounting Practice (GRAP) and prepare consolidated financial statements that reflect the financial position of the province
Norms and Standards	Develops and implements financial norms and standards and ensures effective communication
Risk Management	Provides provincial risk profile, develops and monitors the implementation of the Provincial Risk Management Framework
Provincial Internal Audit Services	Coordinates the activities and provide technical support for all provincial internal audit units and audit committees
Supporting and Interlinked Financial Systems	To provide for oversight and management of existing financial systems and the transition to the Integrated Financial Management Systems, enhancement of systems to support the business processes of government and provides capacity building in the usage of financial systems aimed at better provincial financial management.

List of Programme Outcomes:

- Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities.

Outcomes, outputs, output indictors, targets and actual achievements

The Eastern Cape Provincial Treasury met its 2024/25 target for submitting Audited Consolidated Financial Statements to the Legislature, demonstrating a strong commitment to transparency, accountability, and accurate financial reporting. This achievement supports Outcome 2: Improved governance and sustainable financial resource management by enabling oversight, ensuring credible financial information, and reinforcing fiscal discipline across provincial departments and entities.

The departments complied with the Financial Management Accountability Framework (FMAF) standards, the Eastern Cape Provincial Treasury attained its planned target for the 2024/25 financial year, reflecting improved oversight, strengthened internal controls, and enhanced financial governance across departments. This achievement contributes directly to Outcome 2: Improved governance and sustainable management of financial resources in the provincial departments, public entities and municipalities, by promoting accountability, institutional discipline, and consistent application of financial management practices throughout the provincial administration.

In the 2024/25 financial year, provincial departments performed very well in the level of risk maturity and the indicator was achieved. To further strengthen provincial risk management capacity, ECPT pursued three key focus areas. The first focus area was aligning the risk mitigation strategies of public institutions with the overarching provincial risk profile to promote a unified and coordinated risk management approach. Secondly, ECPT identified and exercised oversight on the implementation of specific risk mitigation plans throughout the financial year, taking into account emerging risks and shifts in provincial priorities. The third area of focus involved reviewing the Eastern Cape Provincial Risk Management Framework and updating the instruction note related to the National Treasury's Financial Management Capability Maturity Model (FMCMM) assessments. These updates enhanced the province's integrated risk management approach and ensured that departments submit their FMCMM assessments on time for validation by the ECPT.

The ECPT assessed the departments for Internal Audit capability in the 2024/25 and that attributed to the oversight and support given by ECPT to provincial departments. This support included coordination of the Continuing Professional Development (CPD) training sessions on key topics such as Combined Assurance, Business Continuity Auditing, Supervisory Skills, Audit Planning, Data Analytics, and IT Controls, enhancing internal audit capacity across all levels. ECPT also supported the Internal Audit Learnership Programme and led external Quality Assurance Reviews (QARs), including for Government Fleet Management Services and other departments.

In addition to providing technical support through participation in departmental Audit Committee meetings, ECPT hosted the province's first Internal Audit Awareness Month and completed FMCMM assessments for all 13 provincial departments. These initiatives collectively strengthened internal audit effectiveness and advanced governance across the province.

All 13 Departments were reviewed on a quarterly basis to determine the status of FIS user account management. None of the departments were identified to have material findings in this regard.

	Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
SUB-PROGRAMME 4.1: ACCOUNTING SERVICES									**ACHIEVED ●** **NOT ACHIEVED ●**
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Credible financial statements for the PFMA institutions	Number of credible AFS submitted by PFMA Institutions	-	-	24	21 Not Achieved ●	-3	Two departments and one entity received qualified audit opinions. The reasons are as follows: • Incorrectly accounting for immovable assets at fair value in DoE. • Differences in amounts recorded between the contingent liability register and source documents in DoH. • Loans and advances in ECRDA.
2.		Credible consolidated Financial Statements tabled at Legislature	Number of Audited Consolidated Financial Statements submitted at Legislature	1	1	1	1 Achieved ●	-	Not applicable
SUB-PROGRAMME 4.2: NORMS AND STANDARDS									
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Financial Management Accountability Framework (FMAF) standards implemented	Percentage of Financial Management Accountability Framework (FMAF) standards complied with	65%	86%	70%	82% Achieved ●	12%	Departments have demonstrated notable progress in equitable share spending and positive trends are also observed in areas such as creditor payments, and compliance.
2.		Adequate financial management capacity in departments	Percentage of Financial Management Capacity Study elements implemented	94%	94%	95%	95% Achieved ●	-	Not applicable

	Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
SUB-PROGRAMME 4.3: RISK MANAGEMENT									
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Risk management maturity achieved	Level of risk maturity achieved by departments	Level 2.9	Level 3	Level 4	Level 4.4 Achieved	Level 0.4	An improvement of 0.4 was due to the support given to the departments on risk management by Provincial Treasury.
2.		Integrated provincial risk profile and mitigation measures	Percentage of provincial risk profile mitigation measures implemented by departments	15%	0%	100%	59% Not Achieved	-41%	Underachievement was caused by: Reactive risk management approach Late identification of risks by departments, hindering mitigation plans Mitigation actions without dedicated budgets, resulting in poor implementation Static plans that do not adapt to emerging risks due to rigid resource allocation Risk registers used for compliance rather than strategic decisions
SUB-PROGRAMME 4.4: PROVINCIAL INTERNAL AUDIT									
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Internal audit capability achieved by departments	Number of departments assessed for Internal Audit capability	-	-	13	13 Achieved	-	Not applicable
SUB-PROGRAMME 4.5: SUPPORTING AND INTERLINKED SYSTEMS									
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Credible financial information produced by departments	Number of Departments with no material review findings on FIS User Account Management	14	14	13	13 Achieved	-	Not applicable

Linking performance with budgets

For the year under review, the Programme achieved 6 (75%) of the 8 planned APP indicators and spent R91.437 million (95.8%) of the adjusted budget of R95.454 million with an under expenditure of R4.017 million.

Table 4.4.1 below outlines programme expenditure per sub-programme. Unspent funds in goods and services pertain to the following:

- Audit Cost – Unspent funds due to the cancellation and rescheduling of forensic investigations, as well as savings from lower-than-anticipated invoices for the consolidated AFS and ICT audits.
- Training and Development – Unspent funds due to delays encountered with the selection of an accredited service provider for CPD training, as well as savings from lower-than-anticipated invoices for risk practitioners training.
- Catering – Savings pertain to cancellation of meetings due to unforeseen circumstances.

Other items that contributed to the unspent funds include:

- Compensation of Employees – Savings mainly due to staff attrition and is immaterial
- Transfers and subsidies – Unspent funds pertain to leave gratuity payments due to staff attrition and is immaterial.

Table 4.4.1: Sub-programme expenditure

PROGRAMME 4	2024/2025			2023/2024		
	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)
Programme Support	15 775	15 694	81	14 062	13 271	791
Accounting Services	16 623	16 294	329	14 338	13 834	504
Norms and Standards	6 995	6 978	17	6 260	6 229	31
Risk Management	5 388	5 207	181	5 039	4 589	450
Provincial Internal Audit Services	24 131	20 752	3 379	23 018	15 922	7 096
Supporting and Interlinked Financial Systems	26 542	26 512	30	25 957	25 232	725
Programme Total	**95 454**	**91 437**	**4 017**	**88 674**	**79 077**	**9 597**

Strategy to overcome areas of underperformance
Number of credible AFS submitted by PFMA Institutions

Provincial Treasury will be monitoring and supporting implementation of action plans developed by these institutions to ensure that the findings are addressed. This includes guidance on interpretation of relevant accounting standards, where necessary.

Percentage of provincial risk profile mitigation measures initiated by departments

Enforcing the Integration of Risk Assessments into Early Planning Stages by continuously advocating risk analyses to be conducted before finalizing APPs and budgets to enable proactive adjustments and that all APPs to include risk-informed strategies.

4.5 Programme 5: Municipal Financial Governance

Purpose: Provides support to the achievement of sound and sustainable financial management at municipal level through the provision of technical support, and capacity building in the following areas: budgeting, accounting practices, supply chain management, asset management, as well as MFMA compliance.

The programme consists of three (3) sub-programmes, namely:

Programme Support	Provides strategic leadership in implementing strategies to ensure the programme's contribution in realising departmental objectives.
Municipal Budget and Institutional Governance	To monitor the implementation of the budgeting frameworks, coordinate, monitors and report on MFMA.
Municipal Accounting and Reporting	To monitor compliance with Financial Management and Annual Reporting Framework, monitor the effective and efficient compliance with Financial Assets and Liability Management, enhance, monitor, and enforce transparent and effective SCM and Asset Management.

List of Programme Outcomes:

- Improved governance and sustainable management of the financial resources in provincial departments, public entities, and municipalities.

Outcomes, outputs, output indictors, targets, and actual achievements

The ECPT reported a decline in the adopted funded budgets by municipalities, from 28 in 2023/24 to 27 in 2024/25—falling short of the targeted output. This underperformance is largely attributed to low revenue collection rates and high employee-related expenditure, which continue to outpace operating revenue. To address this challenge, several municipalities have implemented Financial Recovery Plans or turnaround strategies, with progress monitored monthly to support movement toward financial sustainability. In response to the national trend of increasing unfunded budgets, the Provincial Treasury has intensified its monitoring and is providing targeted support to help municipalities improve budget credibility and transition to funded budgets.

The province did achieve its target on the expenditure of Municipal Infrastructure Conditional Grants, as a significant portion of the allocated funds remained unspent by municipalities. Despite this, a notable improvement was observed in that none of the MIG-receiving municipalities were subject to Section 18 (Stopping) for the first time—an outcome credited to the implementation of the Risk Adjusted Strategy (RAS) introduced by the MEC for CoGTA. To support improved grant performance, site visits were conducted to monitor the implementation of infrastructure projects and assess progress in relation to spending across all conditional grants. These efforts aimed to ensure compliance with the Division of Revenue Act (DoRA) and strengthen accountability and delivery in municipal infrastructure development.

In the 2024/25 financial year the municipalities did not perform well on the mSCOA assessment criteria, but Provincial Treasury continued to support municipalities in implementing the Municipal Standard Chart of Accounts (mSCOA), hosting a provincial forum attended by 206 participants. These sessions covered critical topics such as cash flow and balance sheet budgeting, mSCOA VAT transacting, and fixed asset register compliance. However, challenges remained, particularly in system functionality, which required ongoing monitoring and support.

19 municipalities (excluding including non-delegated) achieved unqualified audit opinions in the 2023/24 audit cycle. Nonetheless, several municipalities failed to implement Municipal Finance Governance (MFG) recommendations. This led to weaknesses such as poor record-keeping, inadequate monthly reporting, insufficient internal oversight, and slow progress on audit action plans. The lack of leadership commitment in these areas continued to hinder efforts toward clean governance and compliance. Provincial Treasury also contributed by participating in audit committee meetings and reviewing draft Annual Financial Statements (AFS) to strengthen financial oversight.

	Outcome	Output	Output indicator	Audited Actual Performance (2022/23)	Audited Actual Performance (2023/24)	Planned Annual Target (2024/25)	Actual Achievement (2024/25)	Deviation from planned target to Actual Achievement for (2024/25)	Reasons for deviations
SUB-PROGRAMME 5.1: MUNICIPAL BUDGET AND INSTITUTIONAL GOVERNANCE									**ACHIEVED ●** **NOT ACHIEVED ●**
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Funded annual budgets	Number of funded annual budgets adopted by municipalities	29	28	36	27 Not Achieved ●	-9	The under achievement is due to the following: 1. High cost of employees 2. Low collection rate for rates and service charges 3. Arrear Bulk accounts attracting interest and penalties were unaffordable to be paid in one financial year.
2.		Spent allocated Municipal Infrastructure Conditional Grants budget	Percentage expenditure of Municipal Infrastructure Conditional Grants	67%	91%	100%	91.72% Not Achieved ●	-8,28%	Additional budget received during 1st budget adjustment for Municipal Disaster Response Grant (S7B), Municipal Disaster Response Grant (R & R) and additional funding through Section 19 of 2024 Division of Revenue Act for S5B, INEP (S5B), WSIG (S5B), & USDG (S7B) to the total amount of R830,273 million has reduced the expenditure percentage.
SUB-PROGRAMME 5.2: MUNICIPAL ACCOUNTING AND REPORTING									
1.	Improved governance and sustainable management of the financial resources in provincial departments, public entities and municipalities	Irregular expenditure in municipalities reduced	Percentage reduction of irregular expenditure	37%	26.40%	100%	31.73% Not Achieved ●	-68.27%	• Some municipalities have incurred irregular expenditure because they were using Reg 36 and Panels. • Weak internal controls due to lack of preventative measures. • MPACs took long whether to investigate or not.
2.		Credible Financial Statements for the municipalities	Number of credible AFS submitted by municipalities	-	-	36	20 Not Achieved ●	-16	• Non-adherence to the basic principles of good financial management. • Lack of consequence management. • Poor financial management and • Lack of record management.
3.		Improved financial reporting in municipalities	Percentage performance on mSCOA assessment criteria	-	78%	100%	79.93% Not Achieved ●	-20.07%	There is a challenge on the credibility of the information which is the result of the utilisation of the financial system and also the lack of the functionality of mSCOA Governance Structures.

Linking performance with budgets

For the year under review, the Programme did not achieve all 5 planned APP indicators and spent R55.139 million (96%) of the adjusted budget of R57.433 million with an under expenditure of R2.294 million.

Table 4.5.1 below outlines Programme expenditure per sub-programme. Unspent funds in goods and services pertain to:

- Travel and Subsistence – Savings pertains to meetings held virtually as well as cancellation of trainings due to unforeseen circumstances.
- Catering – Savings due to meetings held virtually.

Other items that contributed to the unspent funds include:

- Compensation of Employees – Savings due to staff attrition.
- Transfers and Subsidies – The unspent funds pertain to leave gratuity payments due to staff attrition and is immaterial.

Table 4.5.1: Sub-programme expenditure

PROGRAMME 5	2024/2025			2023/2024		
	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)
Programme Support	17 061	16 074	987	13 257	13 246	11
Municipal Budget and Institutional Governance	19 910	18 923	987	19 523	19 498	25
Municipal Accounting and Reporting	20 462	20 142	320	18 154	18 139	15
Programme Total	**57 433**	**55 139**	**2 294**	**50 934**	**50 883**	**51**

Strategy to overcome areas of underperformance

Number of funded Annual Budgets adopted by municipalities

- Implementation of Cost Containment measures to curb expenditure.
- Implementation of revenue enhancement strategies and budget funding plans.
- Participation in Municipal Debt Relief programme and restructuring of arrear bet to be payable over period longer than a year, and
- Restructuring of arrear debt for bulk accounts to electricity and water boards over a longer repayment period so as to ease pressure on cash resources for financially distressed municipalities.

Percentage expenditure of Municipal Infrastructure Conditional Grants

Municipalities have been advised to utilise Panel of Contractors on disaster and for additional funding to avoid long procurement processes.

Percentage reduction of irregular expenditure

- The Irregular expenditure strategy has been reviewed during Q4 of the 2024/25 financial year as a result 10 delegated municipalities were identified for support with road mapping.
- Review of irregular expenditure registers and conducting training to MPAC members. This will be done in partnership with CoGTA and SALGA.
- Unauthorised, Irregular, Fruitless and Wasteful (UIFWE) expenditure is a standing item on AFS engagements. The next engagements will be held in the next financial year.
- Checklists are being finalised on the preventative measures on implementation of SCM Regulation 36 on deviations as well as the guideline on the utilisation of panels.

Number of credible AFS submitted by municipalities

- The audit strategy was revised during Q4 of the 2024/25 financial year as a result 18 municipalities that are in need were identified for support.
- Individual municipal support plans were developed. AFS engagements have started earlier than the year before, starting with prioritised municipalities in March. The ECPT will hold engagements again in May to August 2025 to assess the readiness of Municipalities in the preparation of the AFS.
- Furthermore, working sessions will be held with CAE's for the review of AFS utilising developed AFS Tools.

Percentage performance on mSCOA assessment criteria

- To improve ICU Scores: The Eastern Cape Provincial Treasury (ECPT) will facilitate regular mSCOA Master Classes for municipalities, focusing on budgeting, transacting, and reporting to strengthen implementation and compliance.
- To enhance Data String Credibility: Monthly data strings (IYM) will be analysed to identify discrepancies and areas for improvement. Feedback will be provided to municipalities, with progress tracked through a monitoring register and discussed in Audit Committee meetings.
- In addition, ICU assessments will be reviewed quarterly, followed by one-on-one feedback sessions with municipalities. The ECPT will also engage municipalities where mSCOA governance structures are non-functional and convene sessions with financial system vendors where systems are underutilised.

5. TRANSFER PAYMENTS

5.1 Transfer payments to Public Entities

There were no transfer payments to public entities in the year under review.

5.2 Transfer payments to all organisations other than public entities

Transfer payments consist of television license payments to South African Broadcasting Corporation (SABC), skills development levies to Finance and Accounting Services Sector Education and Training Authority (FASSET), leave gratuities to employees exiting the government service and bursary payments to tertiary institutions in respect of external bursary recipients.

Table 5.2.1: The table below reflects the transfer payments made for the period 1 April 2024 to 31 March 2025

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
SABC	BROADCAST CORPORATION	TV License payment	n/a	3	n/a	n/a
FASSET	Departmental Agency	Skills Development Levy	n/a	948	n/a	n/a
Tertiary Institutions	Tertiary institutions	Bursaries	n/a	531	n/a	n/a
Ex-employees	Individuals	Leave Gratuity Payments	n/a	2009	n/a	n/a

Table 5.2.2: The table below reflects the transfer payments which were budgeted for in the period 1 April 2024 to 31 March 2025, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Neither conditional grants were received nor earmarked funds paid by the department.

7. DONOR FUNDS

7.1 Donor Funds Received

The department received no donor funds during the 2024/25 financial year.

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

For the year under review the department procured movable assets to the value of R7.281 million. The R7.281 million includes an amount of R3.791 million in respect of finance lease payments for motor vehicles and mobile communications.

The transfer table 2.3.7 below pertain to social infrastructure interventions. All these projects were completed in 2019/20, hence no further allocations in 2024/25.

Table 2.3.7: The table below reflects the infrastructure transfer payments made for the period 1 April 2023 to 31 March 2024.

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
SABC	Departmental Agency	Television Licencing	n/a	3	n/a	n/a
FASSET	Departmental Agency	Skills Development Levy	n/a	948	n/a	n/a
Ex-employees	Households	Leave Gratuity	n/a	2 009	n/a	n/a
Tertiary Institutions	Households	Bursaries - Non-employees	n/a	531	n/a	n/a
Buffalo City	Municipalities	PDP Payment	n/a	2	n/a	n/a

PART C:

GOVERNANCE

PART C: GOVERNANCE

1. INTRODUCTION

Provincial Treasury is committed to maintain the highest standards of governance and has subsequently complied with the Public Finance Management Act, Act 1 of 1999 and the National Treasury regulations.

During the year under review the department's management, Audit Committee and the Risk Management Committee worked on addressing internal control deficiencies identified in the previous audit. Efforts undertaken enabled transparency and improved accountability thereby strengthening the internal control systems to ensure that public finances and resources are effectively, efficiently, and economically used.

2. RISK MANAGEMENT

Risk management is the systematic process of understanding, evaluating, and addressing risks to maximise the likelihood of objectives being achieved and ensuring organisations function optimally.

During the year, the department continued to implement its risk management policies and strategy by conducting the strategic and the operational risk assessments. Risk Management reporting was undertaken on a quarterly basis to enable effective risk management and the identification of emerging risks.

The established Risk Management Committee (RMC) comprised an independent chairperson and the programme managers. The RMC chairperson updated the audit committee on a quarterly basis discussing, inter alia, risk identification reviews and mitigating plans, and the maturity of risk management in the department.

The inclusion of the programme managers in the RMC has resulted in a more participative risk management process. As part of effective enterprise-wide risk management, the department has established fraud and corruption risk management measures.

3. FRAUD AND CORRUPTION

Incidents of fraud and corruption in the public sector negatively impact on the economy, lower investment levels, and reduce public finances.

The department is pro-actively managing, monitoring, and reporting on its fraud and corruption mitigating actions by:

- Ensuring that the department implements a fraud prevention policy, whistleblowing policy and anti-corruption implementation plan.
- Implementing reporting mechanisms for fraud and corruption through the national anti-corruption hotline, Office of the Head of Department, Office of the Public Protector and the Office of the Auditor-General.
- In addition to reporting suspected fraud and corruption to the national hotline, staff is encouraged to make disclosures through internal mechanisms such as risk management, legal services, and security management.
- Investigating alleged fraud and corruption cases and reporting relevant cases to the relevant institution depending on the outcome of the preliminary investigation.

4. MINIMISING CONFLICT OF INTEREST

A conflict of interest arises when financial or other private interest or undertaking that could directly or indirectly compromise the performance of the public servant's duties or the reputation of a public servant's department in its relationship with its stakeholders, takes place.

Conflict of interest is minimised through the utilisation of annual financial declarations, maintenance of a gift register and a declaration of interest form (ECBD4) for all procurement undertaken.

Provincial Treasury continued to extend the annual financial declarations to include all financial personnel, supply chain management personnel and all officials above salary level 7.

5. CODE OF CONDUCT

The department adopted the Code of Conduct for the Public Service, issued by the public service Commission, as its Code of Conduct. A copy of the Code of Conduct is made available to newly appointed employees on their reporting for duty. Further, workshops on the Code of Conduct are conducted at least twice in each financial year to create awareness on the contents and the expectations arising from the Code of Conduct. Values enshrined in the Code of Conduct are enforced, when breaches occur, through the normal disciplinary processes.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Quarterly SHERQ Committee meetings were held, and Risk Management Representatives were appointed to form part of the committee. Risk assessment was conducted by external service provider and recommendations were shared with management through Ethics and Risk Committees Twenty (21) First Aiders were trained by certified service provider as per OHS requirements. Four OHS awareness session were held using virtual platforms to educate employees on various safety related topics.

7. PORTFOLIO COMMITTEES

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
05 April 24	IQP 7	**Mr Y Cassim asked the MEC** 1. How much in total does each provincial department owe to local municipalities in unpaid rates and services which are above 30 days overdue.	Response: The total debt by provincial departments as of 29 February 2024 amounted to R708 million. The break-down per each department is as per the breakdown in table 1 below. This is in respect of unpaid rates and municipal services.

Table 1: Total debt owed by Provincial Departments as at 29 February 2024

Province	Prov Code	Customer SubGroup	Customer Description	30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total
EASTERN CAPE	EC	Provincial	Provincial Agriculture	942	474	366	633	1,496	568	6,917	32,396	43,793
			Provincial Education	18,817	2,411	5,164	4,306	5,507	6,976	26,970	29,606	99,757
			Provincial Health	19,314	6,957	9,651	7,376	7,347	14,711	24,661	21,320	111,335
			Provincial Housing and Local Government	1,325	854	730	353	292	6,080	9,020	10,811	29,466
			Provincial Other Departments	2,365	646	765	693	722	1,521	8,971	15,235	30,909
			Provincial Public Works, Roads and Transport	27,114	14,963	11,640	15,463	21,158	38,401	121,084	141,418	391,241
			Provincial Social Development	484	571	65	58	52	52	67	198	1,566
Total Provincial				**70,353**	**26,881**	**28,389**	**28,881**	**36,574**	**68,307**	**197,710**	**250,986**	**708,082**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		2. With regard to (1) above, (a) can he kindly provide a breakdown of each provincial department and (b) how much do they owe to each local municipality	The breakdown per each department is reflected in table 1 above. Similarly, the amounts owed per each municipality is reflected below.

Table 2: Consolidated debt owed to municipalities in the Eastern Cape for the month ended 29 February 2024

Demarcation Description	Demarc Code	CSP	Customer Subcategory	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total
Buffalo City	BUF	H		16,893	9,941	7,508	10,257	6,563	2,242	2,787	16,088	72,280
Nelson Mandela Bay	NMA	H		28,925	7,024	13,665	9,747	11,579	35,635	36,388	23,476	166,338
Alfred Nzo	DC44	M										
Matatiele	EC441	M		3,868	1,766	1,569	1,427	1,849	1,922	26,606	66,079	105,126
Ntabankulu	EC444	L		1,210	327	-36	162	-278	247	1,174	4,662	7,467
Umzimvubu	EC442	M		71	71	69	67	65	64	56	8,316	8,778
Winnie Madikizela-Mandela	EC443	M		254	257	277	276	367	366	356	28,140	30,276
Amahlathi	EC124	L		718	313		392	44	606	1,625	1,317	4,914
Great Kei	EC123	L		213	76	102	85	1,136	109	444	2,937	5,102
Mbhashe	EC121	L		233	6	228	234	234	233	7,300	13,368	21,836
Mnquma	EC122	M		503	193	201	199	201	483	3,616	7,661	13,057
Ngqushwa	EC126	M		125	51	-46	94	63	43	1,685	2,905	4,921
Raymond Mhlaba	EC129	L		864	279		340	344	357	2,230	10,386	14,800
Dr. A.B. Xuma	EC137	M		8	7	7	7	6	99	20	-43	110
Emalahleni (EC)	EC136	L		1,655	1,072	1,228	1,613	1,478	1,158	2,536	16,811	27,548
Intsika Yethu	EC135	L		362	178		178	174	172	966	642	2,671
Inxuba Yethemba	EC131	L	Provincial	1,696	799	263	278	249	254	19,317	30	22,904
Sakhisizwe	EC138	L		560	248	280	273	287	476	1,136	19,075	22,316
Elundini	EC141	L		2,160	1,385	888	870	874	815	765	12,488	20,244
Joe Gqabi	DC14	H		1,672	418	741	418	380	186	151	5,130	9,096
Senqu	EC142	M		509	186	213	229	221	766	8,133	12,607	22,866
Walter Sisulu	EC145	L		6,593	706	-3	722	627	789	4,545	5,629	19,607
Mhlontlo	EC156	L		89	27	26	25	26	11,841	24,473		36,508
Ngquza Hills	EC153	L		31	16	15	14	120	10	698	728	1,631
Nyandeni	EC155	L		286	428	210	126	9,383	140	14,886		25,458
O.R Tambo	DC15	H										
Port St Johns	EC154	M		304	303	303	302	218	6,923	25,408	-11,671	22,090
Blue Crane Route	EC102	L										
Kou-Kamma	EC109	M		86	63	260	105	147	746	2,439	-827	2,969
Kouga	EC108	M										
Ndlambe	EC105	L		246	469	187	209	41	35	34	3,139	4,361
Sarah Baartman	DC10	M		13		1				596	1,932	2,542
Sundays River Valley	EC106	M		438	275	231	234	208	1,601	7,230	-41	10,376

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
26 Ap 2024	IQP 10	**Mr Cassim to ask the MEC responsible for Finance:** With regard to the Expanded Public Works Program Integrated Grant allocation to municipalities in the province: 1. What was the total grant funding in respect of the Expanded Public Works Program Integrated Grant (EPWPIG) that was allocated to each of the respective municipalities in the province for the 2023/24 financial year as at the latest specified date for which information is available; 2. What was the total amount that each of the municipalities spent in relation of this grant for the abovementioned financial year as at the latest specified date for which information is available;	Response 1 to 4 are covered on the table below:

Municipality	2023/24	(Sec 18 & 19 of 2023 DoRA)	2023/24	Expenditure		Balance	Job created
	Allocation	Stopping & Reallocation)	Revised Budget	Exp. March 2025	%	To-date	
BCM	6 093	340	6 433	5 906	92%	527	2 617
NMB	8 397		8 397	5 181	62%	3 216	6 429
	14 490	**340**	**14 830**	**11 087**	**75%**	**3 743**	**9 046**
Dr Beyers Naude	1 315	(197)	1 118	452	40%	666	195
Blue Crane Route	1 143		1 143	633	55%	510	141
Makana	1 013		1 013	1 013	100%	0	184
Ndlambe	1 486		1 486	1 407	95%	79	462
Sundays River Valley	980	(294)	686	478	70%	208	213
Kouga	2 458		2 458	2 044	83%	414	461
Kou-Kamma	1 048		1 048	876	84%	172	244
Sarah Baartman district	2 181		2 181	1 775	81%	406	92
Sarah Baartman district	**11 624**	**(491)**	**11 133**	**8 678**	**78%**	**2 455**	**1 992**
Mbhashe	1 750		1 750	1 750	100%	0	729
Mnquma	1 512		1 512	1 416	94%	96	586
Great Kei	973		973	635	65%	338	129
Amahlathi	1 310		1 310	1 310	100%	0	351
Ngqushwa	1 490		1 490	1 213	81%	277	233
Raymond Mhlaba	3 885	217	4 102	3 698	90%	404	649
Amathole District Municipality	5 579	(1 362)	4 217	3 048	72%	1 169	221
Amathole district	**16 499**	**(1 145)**	**15 354**	**13 070**	**85%**	**2 284**	**2 898**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		3. how many temporary job opportunities were created in each of these municipalities through this grant funding for the abovementioned financial year as at the latest specified date for which information is available; (a) (a) which municipalities, if any, underspent this specific grant funding during the aforementioned financial year and (b) with what amount, if any, did the aforementioned municipalities underspend this specific grant funding during the financial year in question as at the latest specified date for which information is available?	

Municipality	2023/24	(Sec 18 & 19 of 2023 DoRA)	2023/24	Expenditure		Balance	Job created
	Allocation	Stopping & Reallocation)	Revised Budget	Exp. March 2025	%	To-date	
Inxuba Yethemba	1 800	250	2 050	1 800	88%	250	490
Intsika Yethu	1 749		1 749	1 749	100%	0	485
Emalahleni	1 416	712	2 128	1 416	67%	712	480
Dr AB Xuma (Engcobo)	1 927		1 927	1 271	66%	656	587
Sakhisizwe	1 208		1 208	1 208	100%	0	289
Enoch Mgijima	2 430		2 430	2 096	86%	334	784
Chris Hani District Municipality	2 872	(328)	2 544	2 384	94%	160	1 679
Chris Hani district	**13 402**	**634**	**14 036**	**11 924**	**85%**	**2 112**	**4 794**
Elundini	1 580	350	1 930	1 580	82%	350	456
Senqu	1 194		1 194	1 194	100%	0	284
Walter Sisulu	1 201		1 201	1 127	94%	74	305
Joe Gqabi District Municipality	1 382	350	1 732	1 382	80%	350	540
Joe Gqabi district	**5 357**	**700**	**6 057**	**5 283**	**87%**	**774**	**1 585**
			0			0	
Ingquza Hill	1 184	200	1 384	1 384	100%	0	272
Port St Johns	1 555	250	1 805	1 555	86%	250	385
Nyandeni	1 707		1 707	1 707	100%	0	371
Mhlontlo	1 754		1 754	1 373	78%	381	384
King Sabata Dalindyebo	4 238		4 238	4 001	94%	237	837
O.R.Tambo District Municipality	6 809	(1 662)	5 147	3 029	59%	2 118	1 653
O.R. Tambo	**17 247**	**(1 212)**	**16 035**	**13 049**	**81%**	**2 986**	**3 902**
Matatiele	3 974	222	4 196	3 752	89%	444	1 056
Umzimvubu	2 917	163	3 080	2 754	89%	326	590
Winnie Mdikizela-Mandela (Mbizana)	3 222		3 222	2 022	63%	1 200	851
Ntabankulu	2 440		2 440	2 197	90%	243	670
Alfred Nzo District Municipality	6 931	(1 039)	5 892	5 505	93%	387	929
Alfred Nzo district	**19 484**	**(654)**	**18 830**	**16 230**	**86%**	**2 600**	**4 096**
Totals	**98 103**	**(1 828)**	**96 275**	**79 321**	**82%**	**16 954**	**28 313**

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr><td>16 Aug. 24</td><td>IQP 2</td><td>Mr Y Cassim asked the MEC responsible for Finance:

1) Whether he can kindly provide a detailed breakdown of the total cost for accommodation for (a) officials, (b) guests, (c) MECs, (d) support staff and (e) Members of the Provincial Legislature (MPLs); (CFO)</td><td>Response:
MEC and Core staff
The total cost incurred for accommodation for the Opening of the Legislature by the Office of the MEC is R19499.00. The accommodation was procured in respect of the Hon MEC, his 2 protectors, 3 support staff and 1 guest.</td></tr>
<tr><td>16 Aug. 24</td><td>IQP 3</td><td>Dr M Figg to asked the MEC responsible for Finance:
Whether he can kindly advise with regard to the salary levels of the (a) Chief Financial Officers (CFOs), (b) Chief Executive Officers (CEOs) and (c) Senior Directors of Public Entities for the (i) 2022/23, (ii) 2023/24 and (iii) 2024/25 financial years as at the latest specified date for which information is available?</td><td>
<table>
<tr><th colspan="13">Annual Remuneration Packages of CEOs, CFOs and Senior Directors of Public Entities</th><th></th></tr>
<tr><th>Entity</th><th colspan="3">Chief Executive Officer (CEO)</th><th colspan="3">Chief Financial Officer (CFO)</th><th colspan="3">Total Remuneration-Senior Directors</th><th colspan="3">Average Cost Per-Senior Director</th><th>Comment</th></tr>
<tr><th></th><th>Audited</th><th>Unaudited</th><th>Budget</th><th>Audited</th><th>Unaudited</th><th>Budget</th><th>Audited</th><th>Unaudited</th><th>Budget</th><th>Audited</th><th>Unaudited</th><th>Budget</th><th></th></tr>
<tr><th></th><th>2022/23</th><th>2023/24</th><th>2024/25</th><th>2022/23</th><th>2023/24</th><th>2024/25</th><th>2022/23</th><th>2023/24</th><th>2024/25</th><th>2022/23</th><th>2023/24</th><th>2024/25</th><th></th></tr>
<tr><td>ECPTA</td><td>2 455</td><td>2 490</td><td>2 553</td><td>1 882</td><td>1 978</td><td>1 907</td><td>7 344</td><td>7 891</td><td>6 910</td><td>1 469</td><td>1 578</td><td>1 728</td><td>Senior directors reduction in 2024/25 is due to one less executive director.</td></tr>
<tr><td>ECLB</td><td>2 339</td><td>2 516</td><td>2 705</td><td>1 538</td><td>1 655</td><td>1 778</td><td>4 239</td><td>5 667</td><td>5 682</td><td>1 584</td><td>1 546</td><td>1 618</td><td></td></tr>
<tr><td>ECSECC</td><td>1 919</td><td>2 046</td><td>2 383</td><td>1 623</td><td>1 731</td><td>2 005</td><td>9 025</td><td>9 318</td><td>12 926</td><td>1 504</td><td>1 553</td><td>1 847</td><td>In 2023/24 to 2024/25, a new programme manager appointed for Strategic Research and Innovation.</td></tr>
<tr><td>ELIDZ</td><td>4 262</td><td>4 555</td><td>4 828</td><td>2 979</td><td>3 189</td><td>3 380</td><td>6 524</td><td>6 988</td><td>6 239</td><td>3 265</td><td>3 469</td><td>3 119</td><td>The remuneration of the COO is likely to go down as the COO position is currently vacant. The one who was occupying the position is now the CEO and the new one will likely start at a lower entry level rate. The board approved salary adjustments are between 6 & 7%, which include 1.5% pay progression.</td></tr>
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</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
16 Aug. 24	IQP 3	**Mr R Odendaal to ask the MEC responsible for Finance:** (1) Whether there are any municipalities in the province which Provincial Treasury and/or National Treasury assisted in crafting financial turnaround plans; if any, (a) which municipalities are these and (b) when was each of these specific financial turnaround plans crafted;	**Response:** (1) The Provincial Treasury has provided support in the development of Budget Funding Plans for 06 municipalities (out of 9 Unfunded) that adopted unfunded budgets in respect of the 2024/25 financial year. The support provided was more in the area of reviewing the funding plans developed by municipalities before Council adoption. Further support was also provided with municipalities at which the provincial government is intervening in terms of section 139 of the Constitution – i.e implementation plans. With regard to the Budget Funding plans, the following municipalities were supported: • Dr Beyers Naude, Walter Sisulu, Enoch Mgijima, Amahlathi, Chris Hani DM and Amathole DM Sundays River Valley and Blue Crane Route have not yet been supported because the 2 municipalities only adopted unfunded budgets during the 2024/25 financial year. Makana is currently supported through the Financial Recovery Plan. With regard to the section 39 municipalities, the municipalities that were supported were Makana, Amathole DM, OR Tambo DM, Walter Sisulu and Enoch Mgijima (first done by Provincial government and then by NT after Enoch intervention was taken over by National Treasury). b) The budget funding plans are developed each time a municipality adopt an unfunded budget. For the 09 municipalities with unfunded budgets, the development was done during June 2024. For the Financial Recovery municipalities, the implementation plans were developed as follows: • Walter Sisulu – in October 2023 before approval of the FRP. It should be noted that this municipality already had a Budget Funding plan due to the fact that it adopted an unfunded budget as well. • OR Tambo DM – in July 2023 before approval of the FPR; • Amathole DM – in March 2021 before approval of the FRP; • Makana – in June 2021 before approval of the FRP and • Enoch Mgijima – in 2018 when the provincial intervention was approved and in December 2022 when national government took over the intervention.
		(2) whether these respective municipalities for which Provincial Treasury/National Treasury assisted to craft a financial turnaround are sticking to the conditions of said financial turnaround plan; if so, what has been the results of the implementation of each of these respective plans; if not, why?	(2) The turnaround plans are being implemented. However, municipalities are not successfully implementing all the activities that form part of those plans. The staff turnover rate at these municipalities sometimes frustrates the implementation of these activities – e.g the senior management that was at Makana and ADM in 2021 when the FRP implementation plans were developed, have since left the municipality and new senior management team has since been appointed. The two municipalities (ORTDM and WSLM) were approved in October 2023 and are still well within the 12-year period set for first phase (Rescue Plan) of the recovery plan. Even though they have not implemented all the activities but the progress with these two municipalities is commended, and the leadership have embraced and institutionalized the financial recovery plan. With this trend they are likely to move out of the rescue phase as per the approved recovery plan timelines. In terms of the unfunded municipalities, the major contributing factor is arrear debt that runs into hundreds of millions and therefore not be address in a single financial year.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
26 August 2024	IQP 4	**Mr R Odendaal to ask the MEC responsible for Finance:** 1. Whether there are any municipalities in the province which Provincial Treasury and/or National Treasury assisted in crafting financial turnaround plans; if any, (a) which municipalities are these and (b) when was each of these specific financial turnaround plans crafted;	1) a The Provincial Treasury has provided support in the development of Budget Funding Plans for 06 municipalities (out of 9 Unfunded) that adopted unfunded budgets in respect of the 2024/25 financial year. The support provided was more in reviewing the funding plans developed by municipalities before Council adoption. Further support was also provided with municipalities at which the provincial government is intervening in terms of section 139 of the Constitution – i.e. implementation plans. Regarding the Budget Funding plans, the following municipalities were supported: Dr Beyers Naude, Walter Sisulu, Enoch Mgijima, Amahlathi, Chris Hani DM and Amatole DM Sundays River Valley and Blue Crane Route have not yet been supported because the 2 municipalities only adopted unfunded budgets during the 2024/25 financial year. Makana is currently supported through the Financial Recovery Plan. With regard to the section 39 municipalities, the municipalities that were supported were Makana, Amatole DM, OR Tambo DM, Walter Sisulu and Enoch Mgijima (first done by Provincial government and then by NT after Enoch intervention was taken over by National Treasury). b) The budget funding plans are developed each time a municipality adopt an unfunded budget. For the 09 municipalities with unfunded budgets, the development was done during June 2024. For the Financial Recovery municipalities, the implementation plans were developed as follows: (2) Walter Sisulu – in October 2023 before approval of the FRP. It should be noted that this municipality already had a Budget Funding plan due to the fact that it adopted an unfunded budget as well. (3) OR Tambo DM – in July 2023 before approval of the FPR. (4) Amathole DM – in March 2021 before approval of the FRP. (5) Makana – in June 2021 before approval of the FRP and (6) Enoch Mgijima – in 2018 when the provincial intervention was approved and in December 2022 when national government took over the intervention.
		2. whether these respective municipalities for which Provincial Treasury/National Treasury assisted to craft a financial turnaround are sticking to the conditions of said financial turnaround plan; if so, what has been the results of the implementation of each of these respective plans; if not, why?	2) The turnaround plans are being implemented. However, municipalities are not successfully implementing all the activities that form part of those plans. The staff turnover rate at these municipalities sometimes frustrates the implementation of these activities – e.g the senior management that was at Makana and ADM in 2021 when the FRP implementation plans were developed, have since left the municipality and new senior management team has since been appointed. The two municipalities (ORTDM and WSLM) were approved in October 2023 and are still well within the 12-year period set for first phase (Rescue Plan) of the recovery plan. Even though they have not implemented all the activities but the progress with these two municipalities is commended, and the leadership have embraced and institutionalized the financial recovery plan. With this trend they are likely to move out of the rescue phase as per the approved recovery plan timelines. In terms of the unfunded municipalities, the major contributing factor is arrear debt that runs into hundreds of millions and therefore not be address in a single financial year

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
02 Sept 2024	IQP 07	**Ms P Z Qotoyi to ask the MEC responsible for Finance:** Noting that in the Budget Vote Speech delivered by the Honourable MEC, it was noted, and I quote: "We are also concerned by the late payment or non-payments of municipal debt by government departments. To address this, we have started engagements with departmental CFOs with a view of finding sustainable solutions. Some departments including the Department of Education have made a commitment and they are sticking to it. We appeal to others to follow suit," also highlighting that the gravity of this problem of state governments defaulting on payment the following statistics is of concern, further noting that the town of Matatiele was by December last year allegedly owed the following amounts: more than R81 million (R81, 270, 620) by the Department of Public Works, more than R6 million (R6, 987, 581) by the Department of Health and more than R85 million (R85 828) by the Department of Education:	1. Given that there is reportedly an effort to persuade provincial citizens to pay for services rendered by municipalities, can he kindly explain a situation where state departments, which are organs of state that should lead by example, are the ones who are leading the pack when it comes to non-payment, surely, this entrenched culture of non-payment by state departments has an adverse effect on the ability of municipalities to deliver basic services The culture of non-payment for municipal services and rates is unacceptable and inexcusable. This culture frustrates efforts by municipalities to provide sustainable delivery of services and ultimate goal to be financially sustainable. The interventions highlighted in the Budget Vote speech affirm our commitment to address this matter with the collaboration of ECCOGTA. Indeed, non-payment for municipal services, by not only government departments, but also by other consumer categories undermine financial sustainability in municipalities and has an adverse effect on service delivery. 2. Whether there are any decisive and practical measures that the provincial government is embarking upon towards ensuring that the defaulting departments just do the right thing of paying for services rendered; Over and above the quarterly Arrear Debt session with government departments and municipalities, the PT has resolved to escalate the issue of debt owed to municipalities to the level of Provincial CFO Forum (PFMA). The DDG for Municipal Financial Governance is also leading the one-on-one engagements with defaulting departments on a regular basis. The PT has also escalated this issue for the attention of the PPIC team spear-headed by the Office of the Premier. 3. In view of the fact that Accounting Officers and Senior Management Services members enter into performance agreements with their principals, whether it is not the right time to include ensuring that departments pay for services rendered as part of the Key Performance Areas. The inclusion of the requirement to pay municipalities will greatly enhance the culture of payment to municipalities. The user-pay principle should also be embraced by departments. We are requesting that departments prioritize payment of service charges and also important, is proper allocation of financial resources towards payment of service charges through proper budgeting.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		Given that there is reportedly an effort to persuade provincial citizens to pay for services rendered by municipalities, can he kindly explain a situation where state departments, which are organs of state that should lead by example, are the ones who are leading the pack when it comes to non-payment, surely, this entrenched culture of non-payment by state departments has an adverse effect on the ability of municipalities to deliver basic services; whether there are any decisive and practical measures that the provincial government is embarking upon towards ensuring that the defaulting departments just do the right thing of paying for services rendered; in view of the fact that Accounting Officers and Senior Management Services members enter into performance agreements with their principals, whether it is not the right time to include ensuring that departments pay for services rendered as part of the Key Performance Areas; if not, why?	

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
30 Aug 2024	IQP No. 06	**Ms Z N Njoli to ask the MEC responsible for Finance:** Having noted that Provincial Treasury had reportedly previously set an ambitious target of R5.4 billion for revenue collection, a target it has repeatedly failed to meet: (a) What accountability mechanisms his Department anticipates will be put in place towards ensuring that the Provincial Treasury is held responsible for its on-going underperformance and (b) how his Department envisages the national government will assist in enhancing the province's revenue collection capabilities; considering the Economic Freedom Fighter's (EFF's) reported success in increasing revenue through innovative campaigns such as the "Siyacima Manje Namhlanje" initiative in Ekurhuleni, whether the provincial government will consider implementing similar strategies across the province to maximize revenue collection; if so, how will these be tailored to the specific economic dynamics of the province; if not, why; whether the provincial government has undertaken any research to develop a sustainable revenue generation model, given the province's alarming reliance on national grants for over 98% of its budget; if so, can he kindly provide the relevant details in this regard; if not, why?	(1) PT has accountability mechanisms in place through which departments are required to report monthly on revenue performance in terms of the monthly In-year Monitoring (IYM) which is subsequently presented as a report to the Sub Cabinet Budget Committee (CBC), CBC and EXCO. The monitoring process involves monthly and quarterly revenue forums and workgroups which have been established by PT for revenue departments to report the revenue collection performance against their revenue collection budget. The non achievement and under achievement of revenue targets are assessed to implement remedial measures for the achievement of the revenue targets. The assistance from national government involves the quarterly revenue forums that are held by National Treasury (NT) with all PTs to assess revenue performance and benchmark for best revenue models across provinces and task teams are established to address areas of concern, an example is when the motor vehicle license fees were benchmarked across provinces. (2) With regard to the "Siyacima Manje Namhlanje" initiative in Ekurhuleni, it should be noted that the province has embarked on its own project to collect tenant revenue from government-owned properties further enhanced with the appointment of 20 student interns that are placed at DPWI. This project is implemented by PT in collaboration with the department as the utilisation of debt collectors was not successful to collect tenant revenue. This project will be implemented over a period of 18 months and the progress is monitored on a monthly basis in the project steering committee. (3) Provincial Treasury conducted a revenue study and appointed Fort Hare Solutions as the service provider to assist the province with the research that would allow for the introduction of new sources of provincial own revenue. The departments of Public Works and Infrastructure (DPWI), Transport, Health and Economic Development, Environmental Affairs and Tourism (DEDEAT) and the Eastern Cape Gambling Board and the Eastern Cape Liquor Board public entities were part of the consultation process and worked closely with the researchers and agreed on the collection of the identified revenue sources and signed off the research report concurring their satisfaction with the research work. The afore-mentioned departments have quantified the revenue plans over the one-year short term, the three-year medium term, and the long-term ending in 2030 and are implemented by the departments.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
30 AUGUST 2024	IQP No. 6	**Dr M J Figg to ask the MEC responsible for Finance:** Noting the recent increase in the number of advertisements that have been placed in the various print publications across the province by various departments in the province: 1. Whether he can kindly provide a breakdown of the costs for advertisements per provincial department for (a) print, (b) radio and (c) television for the (i) 2022/23, (ii) 2023/24 and (iii) 2024/25 financial years as at the latest specified date for which information is available; 2. whether he can kindly confirm the budget allocated for advertisements, per provincial department for (a) print, (b) radio and (c) television for the above-mentioned financial years as at the latest specified date for which information is available; what benefits have been gained from the advertisements in (a) print, (b) radio and (c) television and can he kindly provide all the relevant details in this regard?	Table below provides the budget and costs for the advertisements per provincial department for 2022/23, 2023/24 and 2024/25 as at end August 2024. However, as depicted by the table below, the Basic Accounting System (BAS) does not provide the breakdown for print, radio and television. It only provides for amongst other for Marketing, Promotional Items, Recruitment and Tenders. Therefore, a letter was sent to the departments requesting this information, which will be forwarded as additional information once received from the departments.

Departments (R'000)	2022/23		2023/24		2024/25	
	Adjusted Budget	Expenditure	Adjusted Budget	Expenditure	Main Budget	Expenditure
Vote 01: Office of the Premier	7 371	7 189	12 519	11 878	5 541	3 107
ADVERTISING	7 371	7 189	12 519	11 878	5 541	3 107
ADVERT:MARKETING	6 737	6 657	11 383	10 751	4 423	1 837
ADVERT:PROMOTIONAL ITEMS	182	81	175	170	(22)	-
ADVERT:RECRUITMENT	370	369	944	944	900	1 168
ADVERT:TENDERS	82	82	17	13	240	102
Vote 02: Provincial Legislature	2 094	1 834	3 093	2 118	5 559	1 433
ADVERTISING	2 094	1 834	3 093	2 118	5 559	1 433
ADVERT:MARKETING	763	619	1 521	1 408	1 000	302
ADVERT:PROMOTIONAL ITEMS	1 077	868	1 192	420	3 654	595
ADVERT:RECRUITMENT	116	219	310	268	725	471
ADVERT:TENDERS	138	129	70	22	180	65
Vote 03: Health	8 699	3 898	7 572	3 370	10 790	112
ADVERTISING	8 699	3 898	7 572	3 370	10 790	112
ADVERT:BURSARIES (NON EMPLOYEES)	20	-	20	-	-	-
ADVERT:MARKETING	7 718	3 689	5 780	2 918	9 279	28
ADVERT:PROMOTIONAL ITEMS	451	208	1 495	422	2 184	85
ADVERT:RECRUITMENT	286	-	22	-	197	-
ADVERT:TENDERS	224	-	255	31	(870)	-
Vote 04: Social Development	1 755	1 576	1 971	1 652	1 890	666
ADVERTISING	1 755	1 576	1 971	1 652	1 890	666
ADVERT:AUCTIONS	0	-	-	-	-	-
ADVERT:MARKETING	981	904	1 130	865	1 211	337
ADVERT:PROMOTIONAL ITEMS	183	127	123	121	227	44
ADVERT:RECRUITMENT	520	486	665	618	320	236
ADVERT:TENDERS	70	59	53	48	132	48
Vote 05: Public Works and Infrastructure	3 857	3 857	4 174	2 037	4 651	3 446
ADVERTISING	3 857	3 857	4 174	2 037	4 651	3 446
ADVERT:MARKETING	2 870	2 870	2 453	1 157	3 138	2 571
ADVERT:PROMOTIONAL ITEMS	889	889	965	764	1 493	368
ADVERT:RECRUITMENT	71	71	756	99	-	506
ADVERT:TENDERS	27	27	-	16	20	-
Vote 06: Education	5 708	8 516	13 124	10 896	16 273	8 596
ADVERTISING	5 708	8 516	13 124	10 896	16 273	8 596
ADVERT:MARKETING	5 022	8 104	12 019	10 614	15 170	8 561
ADVERT:PROMOTIONAL ITEMS	196	-	42	22	304	-
ADVERT:RECRUITMENT	440	411	1 063	260	800	35
ADVERT:TENDERS	50	-	-	-	-	-
Vote 07: Cooperative Governance and Traditional Affairs	482	374	1 162	1 161	898	215
ADVERTISING	482	374	1 162	1 161	898	215
ADVERT:MARKETING	85	84	350	349	647	121
ADVERT:RECRUITMENT	340	234	784	784	190	84
ADVERT:TENDERS	57	57	28	28	61	10

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Departments (R'000)	2022/23		2023/24		2024/25	
	Adjusted Budget	Expenditure	Adjusted Budget	Expenditure	Main Budget	Expenditure
Vote 08: Rural Development and Agrarian Reform	**7 367**	**7 191**	**692**	**587**	**10 743**	**1 444**
ADVERTISING	**7 367**	**7 191**	**692**	**587**	**10 743**	**1 444**
ADVERT:ASSESSMENT FEES	1	-	-	-	-	-
ADVERT:BURSARIES (NON EMPLOYEES)	4 359	4 303	-	-	2 550	1 312
ADVERT:MARKETING	2 460	2 435	308	208	7 169	-
ADVERT:PROMOTIONAL ITEMS	461	366	77	72	924	133
ADVERT:RECRUITMENT	87	87	307	307	100	-
ADVERT:TENDERS	-	-	-	-	-	-
Vote 09: Economic Development, Environmental Affairs and Tourism	**3 709**	**3 679**	**2 985**	**3 172**	**1 942**	**764**
ADVERTISING	**3 709**	**3 679**	**2 985**	**3 172**	**1 942**	**764**
ADVERT:BURSARIES (NON EMPLOYEES)	94	94	134	134	-	-
ADVERT:MARKETING	2 166	2 157	1 560	1 748	1 011	24
ADVERT:PROMOTIONAL ITEMS	321	321	373	373	1	-
ADVERT:RECRUITMENT	446	446	425	424	200	155
ADVERT:TENDERS	682	661	494	494	730	585
Vote 10: Transport	**3 700**	**3 699**	**9 492**	**9 226**	**10 341**	**1 062**
ADVERTISING	**3 700**	**3 699**	**9 492**	**9 226**	**10 341**	**1 062**
ADVERT:MARKETING	3 051	3 050	6 628	6 671	8 073	723
ADVERT:PROMOTIONAL ITEMS	415	415	2 164	1 883	1 857	28
ADVERT:RECRUITMENT	67	234	680	661	310	310
ADVERT:TENDERS	167	-	20	11	101	-
Vote 11: Human Settlements	**115**	**115**	**73**	**583**	**61**	**301**
ADVERTISING	**115**	**115**	**73**	**583**	**61**	**301**
ADVERT:MARKETING	-	-	-	142	-	280
ADVERT:RECRUITMENT	115	115	73	440	61	21
Vote 12: Provincial Treasury	**1 122**	**817**	**1 509**	**1 438**	**1 027**	**244**
ADVERTISING	**1 122**	**817**	**1 509**	**1 438**	**1 027**	**244**
ADVERT:MARKETING	650	540	794	740	650	12
ADVERT:PROMOTIONAL ITEMS	250	78	270	255	67	-
ADVERT:RECRUITMENT	200	199	445	442	310	232
ADVERT:TENDERS	22	-	-	-	-	-
Vote 14: Sports, Recreation, Arts and Culture	**10 544**	**10 739**	**12 449**	**12 847**	**11 407**	**3 704**
ADVERTISING	**10 544**	**10 739**	**12 449**	**12 847**	**11 407**	**3 704**
ADVERT:AUCTIONS	(99)	-	-	-	-	-
ADVERT:MARKETING	827	1 500	2 415	3 691	1 820	635
ADVERT:PROMOTIONAL ITEMS	9 183	8 921	9 481	8 683	9 091	3 020
ADVERT:RECRUITMENT	548	272	478	472	146	-
ADVERT:TENDERS	86	47	75	-	350	50
Vote 15: Community Safety	**681**	**681**	**1 896**	**1 864**	**1 273**	**236**
ADVERTISING	**681**	**681**	**1 896**	**1 864**	**1 273**	**236**
ADVERT:MARKETING	272	276	159	158	150	-
ADVERT:PROMOTIONAL ITEMS	285	281	1 580	1 551	779	221
ADVERT:RECRUITMENT	110	110	158	155	323	16
ADVERT:TENDERS	14	14	-	-	21	-
Total	**57 204**	**54 165**	**72 712**	**62 828**	**82 395**	**25 330**

Sources: Vulindlela for 2022/23, 2023/24 and 2024/25 as at end August 2024

Table above shows that the spending has increased by 16 per cent from R54.165 million in 2022/23 to R62.828 million in 2023/24. The spending in 2024/25 is at R25.330 million as at end August 2024 or 30.7 per cent of the Main Budget.
The departments that have mainly contributed to the increase are the Office of the Premier i.e. increase from R7.189 million in 2022/22 to R11.878 million in 2023/24 and Transport i.e. increase from R3.699 million in 2022/22 to R9.226 million in 2023/24.

4. The benefits gained from the advertisements was also requested from the department as the Provincial Treasury could not obtain this from the BAS. Once received from the departments, it will also be forwarded as additional information.

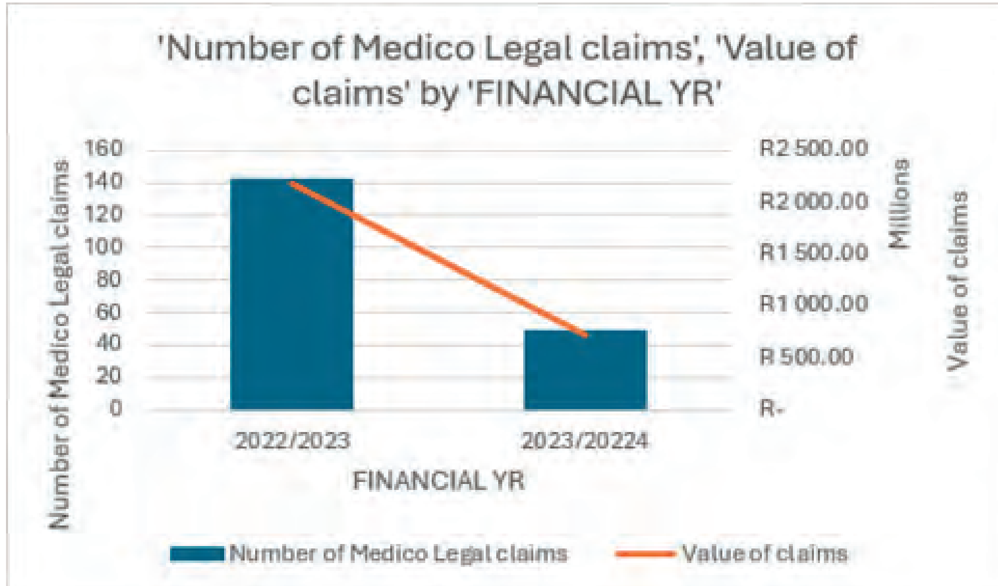
5. The advertising budget for the province in 2021/22 was R73.854 million, 2022/23 was R57.204 million and 2023/24 was R72.712 million.

6. The advertising spending for the province in 2021/22 was R48.919 million, 2022/23 was R54.165 million and 2023/24 was R62.828 million

In terms of (i) social media, (ii) print, (iii) radio and television, ca breakdown of how the advertising budget is As depicted by the table above, the Basic Accounting System (BAS) does not provide the breakdown for print, radio and television. It only provides for amongst other for Marketing, Promotional Items, Recruitment and Tenders. Therefore, a letter was written by the Provincial Treasury (PT) and sent to the departments requesting this information (that is attached), which will be forwarded as additional information once received from the departments. In terms of the preferred suppliers across the categories, the Office of the Premier is advised to request this information from the departments.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
30 AUG 2024	IQP 06	**MrOdendaal to ask the MEC responsible for Finance:** 1. Whether he can kindly outline the forensic investigations undertaken in the municipalities in the province for the (i) 2022/23 and (ii) 2023/24 financial years as at the latest specified date for which information is available; 2. (a) which of the forensic investigations in (1) above are (aa) still on-going and (bb) closed and (b) what are the findings of the investigations that are closed; 3. whether he can kindly provide a copy of his Department's policies for conducting forensic investigations; 4. what is the (a) total budget and (b) budget spent for conducting forensic investigations into for the aforementioned financial years as at the latest specified date for which information is available?	The Municipal Finance Management Act gives a discretion to a municipality to conduct their own investigations or to refer investigations to a provincial treasury or to CoGTA or by National Treasury. Therefore, the Eastern Cape Provincial Treasury reports on investigations that it has conducted in the municipalities. 1. In 2022/23, the Provincial Treasury did not perform any investigations in municipalities. In 2023/24, the Provincial Treasury performed an investigation at Sundays River Valley Local Municipality into alleged fraud regarding the manipulation of their payroll system. 2. (a) (aa) None (bb) The investigation at Sundays River Valley Local Municipality is closed. (b) The findings were of human error and a failure of an internal control mechanism which led to an overpayment of two employees. 3. The Provincial Treasury is currently finalising their policy being a Framework for Forensic Investigations, which is under review by management. The current investigation methodology is primarily guided by legislation, the rules of the courts and common law. 4. (a) The budget for conducting forensic investigations in 2022/23 was R4m and in 2023/24 was R6,181m (b) The Provincial Treasury conducted the investigation at Sundays River Valley Local Municipality in-house so no budget was spent.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
30 AUG 2024	IQP 06	**Mr Y Bonga to ask the MEC responsible for Finance:** Noting that the revenue generation research study was reportedly conducted in the province to increase our financial resource base by R 7 billion, however year in and year out we have never been able to achieve that: Whether the Provincial Treasury has come up with any plan as to how to require all the departments that are supposed to assist the provincial purse in revenue collection or making sure that this research study is enforceable and not negotiable; if not, why; if so, can he kindly provide the relevant details in this regard?	1. PT has developed a planning and reporting template and departments have quantified their revenue plans over the one-year short term, the three-year medium term, and the long-term ending in 2030, and these plans have been costed with revenue estimates over the 2024 MTEF. The departments have included the revenue study targets in the Annual Performance Plans, namely DPWI, Transport, Health and DEDEAT. PT is collaborating with Office of the Premier (OTP) to include the revenue study under the Provincial Project Support Unit (PPSU) within OTP which will require the affected departments to report the progress of the revenue study and receive support. The implementation of the recommendations of the revenue study has also been submitted to OTP for accountability and monitoring progress through the Program of Action. PT requested OTP that the revenue collection output must find an expression in the Performance Agreements of the MECs for all four major revenue departments as well as the three departments (Provincial Treasury, Office of the Premier, and Co-operative Governance and Traditional Affairs that are supporting the revenue-generating departments. Over and above as part of a monitoring process, monthly and quarterly revenue forums have been established by PT for the mentioned revenue departments to report in detail their revenue collection performance against their revenue collection plan informed by the revenue study. Furthermore, progress reports on revenue collection are made in the CFO forums, Sub-CBC and monthly reported to the CBC and EXCO.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
6 Sep 2024	IQP 08	**Dr M Figg to ask the MEC responsible for Finance:** Noting that it was stated that there has been a significant drop in the number of medico-legal claims: 1. What is the volume of the reported decrease in claims; 2. whether he can kindly advise if the alleged decrease has resulted in a decrease in rand value; if not, why; if so, can he kindly provide a detailed breakdown of the decrease?	**Response:** (1) The number of new claims raised in 2021/2022 was 233. In 2022/2023 it decreased to 143, the following financial year (FY) 2023/2024 it further decreased to 50. (2) The decrease noted in the number of claims raised also resulted in a decrease in rand value. The total amount claimed in 2022/2023 was approximately R2.2 billion and in 2023/2024 subsequently dropped to approximately R 732 million. 

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
06 Sept 2024	IQP 08	**Dr M Figg to ask the MEC responsible for Finance:** Regarding huge amounts owed to municipalities by the provincial government: 1. (a) Which Departments have outstanding debt owed to municipalities and (b) what is the outstanding amount, in each specific case for the (i) 2022/23, (ii) 2023/24 and (iii) 2024/25 financial years as at the latest specified date for which information is available; 2. whether he can kindly provide a breakdown of the municipalities that are owed by provincial departments; 3. what interventions, if any, have the respective provincial departments made to endeavour to solicit payment in respect of the outstanding debt herein; 4. what interventions, if any, have the respective municipalities made to endeavour to solicit payment in respect of the outstanding debt herein	a). (i). The departments that owed municipalities for the 2022/23 amount to R473,061 million as reflected in table 1 below.

Table 1: Total government debt owed to EC municipalities as at 30 June 2023 (R 000)

MUNICIPALITY	Demarc Code	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Buffalo City	BUF	Provincial: Public Works, Roads and Transport	30,991	3,917	2,482	1,550	65,876
Matatiele	EC441	Provincial: Education	49	1	1	1	89
		Provincial: Health	1,662	505	574	475	6,988
		Provincial: Public Works, Roads and Transport	1,648	879	917	910	84,795
Ntabankulu	EC444	Provincial: Public Works, Roads and Transport	1,865	-52	904	896	12,910
Umzimvubu	EC442	Provincial: Public Works, Roads and Transport	65	64	64	64	11,260
Winnie Madikizela-Mandela	EC443	Provincial: Public Works, Roads and Transport	212	204	203	204	26,124
Amahlathi	EC124	Provincial: Health	350		96	66	1,023
		Provincial: Public Works, Roads and Transport	184		87	86	1,715
Amathole	DC12	Provincial: Agriculture	57	57	31	1,067	1,211
		Provincial: Education	923	821	778	2,333	4,853
		Provincial: Health	-948	4,333	1,886	8,940	14,211
		Provincial: Public Works, Roads and Transport	862	1,189	772	11,672	14,496
		Provincial: Social Development	234	183	36	127	580
Great Kei	EC123	Provincial: Agriculture	165	72	79	76	6,225
Mbhashe	EC121	Provincial: Agriculture	5		2	2	449
		Provincial: Education	221	218	219	219	11,018
		Provincial: Public Works, Roads and Transport	21	13	17	17	938
Mnquma	EC122	Provincial: Agriculture	153	71	71	69	2,892
		Provincial: Education	78	38	38	36	3,773
Ngqushwa	EC126	Provincial: Public Works, Roads and Transport	84		53	50	3,606
Raymond Mhlaba	EC129	Provincial: Agriculture	184	40	67	63	7,652
		Provincial: Education	7	2	30	5	183
		Provincial: Health	449	52	283	255	3,995
Dr. A.B. Xuma	EC137	Provincial: Agriculture	1	1	1	1	3
		Provincial: Education	4	105	4		124
Emalahleni (EC)	EC136	Provincial: Agriculture	99	46	46	45	6,562
		Provincial: Education	260	123	114	112	4,855
		Provincial: Health	281	121	72	131	1,964
		Provincial: Public Works, Roads and Transport	643	413	406	361	5,725
		Provincial: Social Development	24	10	9	7	87
Intsika Yethu	EC135	Provincial: Public Works, Roads and Transport	319		156	153	1,247
Inxuba Yethemba	EC131	Provincial: Education	413	275	99	65	2,117
		Provincial: Health	388	472	499		1,360
		Provincial: Public Works, Roads and Transport	1,279	230	200	192	20,307
		Provincial: Social Development	19	16			35
Sakhisizwe	EC138	Provincial: Agriculture	86	36	34	37	4,499
		Provincial: Education	101	51	49	49	8,392
		Provincial: Public Works, Roads and Transport	230	159	131	144	7,233
Joe Gqabi	DC14	Provincial: Agriculture	1				44
		Provincial: Public Works, Roads and Transport	819	294	369	283	4,838
Senqu	EC142	Provincial: Agriculture	243	71	72	68	9,903
		Provincial: Public Works, Roads and Transport	669	196	104	90	5,277
Walter Sisulu	EC145	Provincial: Education	631	-180	166	188	2,904
		Provincial: Health	2,633		501	347	7,058
		Provincial: Public Works, Roads and Transport	801	-266	47	67	2,510
Mhlontlo	EC156	Provincial: Agriculture		10			31
		Provincial: Education	2	1	1	1	2,187
		Provincial: Health	3	119	1	1	130
		Provincial: Public Works, Roads and Transport	153	11,697	13	8	33,989
Port St Johns	EC154	Provincial: Agriculture	3	3	10	3	52
		Provincial: Education	8	4	272	4	566
		Provincial: Public Works, Roads and Transport	293	212	6,640	211	20,564
Blue Crane Route	EC102	Provincial: Public Works, Roads and Transport	635	401	370	136	12,140
Ndlambe	EC105	National: Rural Development and Land Reform	12	5	5	5	123
		Provincial: Agriculture	2	2	2	1	71
		Provincial: Education	54	34	38		127
		Provincial: Health	206	59	30	16	476
		Provincial: Public Works, Roads and Transport	20	24	25	13	1,106
Sarah Baartman	DC10	Provincial: Health	596				2,520
		Provincial: Public Works, Roads and Transport	14				22
Sundays River Valley	EC106	National: Rural Development and Land Reform	68	68	67	67	5,461
		Provincial: Agriculture	25	25	25	25	2,664
		Provincial: Education	137	95	102	109	2,542
		Provincial: Health	99	5	4	3	259
		Provincial: Public Works, Roads and Transport	86	157	85	84	4,127
			51,878	**27,699**	**20,458**	**32,209**	**473,061**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			(ii). With respect to the 2023/24 financial year, the names of the provincial departments and the amounts owed to municipalities are reflected in table 2 below. The total amount owed at 30 June 2024 amounted to R396,334 million.

Table 2: Total government debt owed to EC municipalities as at 30 June 2024 (R 000)

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Matatiele	EC441	Provincial	Provincial: Education	37	2	1	1	81
			Provincial: Health	675	596	704	958	6,870
Ntabankulu	EC444	Provincial	Provincial: Public Works, Roads and Transport	1,411		749	805	8,004
Umzimvubu	EC442	Provincial	Provincial: Agriculture	1	1	1	1	18
			Provincial: Health	5	5	4	4	77
			Provincial: Public Works, Roads and Transport	189	124	119	59	9,262
Winnie Madikizela-Mandela	EC443	Provincial	Provincial: Public Works, Roads and Transport	466	232	240	239	30,130
Amahlathi	EC124	National	National: Agriculture, Forestry and Fisheries	9		5	5	159
			National: Public Works	377		175	163	3,655
			National: Rural Development and Land Reform	252		126	126	10,454
		Provincial	Provincial: Education	199		50	44	478
			Provincial: Public Works, Roads and Transport	193		56	56	1,629
Great Kei	EC123	Provincial	Provincial: Agriculture	62	51	42	42	4,406
Mbhashe	EC121	Provincial	Provincial: Agriculture	3		3	3	478
			Provincial: Education	361	223	359	357	15,999
			Provincial: Health	18		18	18	2,171
			Provincial: Public Works, Roads and Transport	28	8	25	25	1,369
Mnquma	EC122	Provincial	Provincial: Agriculture	80	100	79	78	3,908
			Provincial: Education	58	65	71	71	4,145
			Provincial: Public Works, Roads and Transport	95	96	98	97	3,131
Ngqushwa	EC126	Provincial	Provincial: Public Works, Roads and Transport	121	-7	52	49	4,835
Raymond Mhlaba	EC129	Provincial	Provincial: Agriculture	268		132	131	9,193
			Provincial: Education	9		4	4	232
			Provincial: Health	381		211	208	1,816
Dr. A.B. Xuma	EC137	Provincial	Provincial: Agriculture	1	1	1	1	4
			Provincial: Education	8,818	2	2	2	8,729

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Emalahleni (EC)	EC136	Provincial	Provincial: Agriculture	67	146	55	55	7,340
			Provincial: Education	145	135	129	188	5,718
			Provincial: Health	262	243	180	231	6,941
			Provincial: Public Works, Roads and Transport	359	347	309	321	7,524
			Provincial: Social Development	13	9	8	8	187
Intsika Yethu	EC135	Provincial	Provincial: Public Works, Roads and Transport	378		196	184	3,441
Inxuba Yethemba	EC131	Provincial	Provincial: Education	810	83	66	51	2,370
			Provincial: Health	1,379	20	5		1,404
			Provincial: Public Works, Roads and Transport	17,276	216	215	201	36,520
			Provincial: Social Development	18				18
Sakhisizwe	EC138	Provincial	Provincial: Agriculture	46	35	46	46	4,732
			Provincial: Education	52	51	51	51	8,905
			Provincial: Public Works, Roads and Transport	260	111	153	171	9,220
Elundini	EC141	Provincial	Provincial: Education	60	39	10	2	171
			Provincial: Health	248	61	67	7	421
			Provincial: Public Works, Roads and Transport	950	705	699	695	19,513
			Provincial: Social Development	67	28	17	23	349
Joe Gqabi	DC14	Provincial	Provincial: Agriculture	1	1	1	1	50
			Provincial: Education	106	75	91	55	1,063
			Provincial: Health	73	83	56	90	2,294
			Provincial: Public Works, Roads and Transport	307	271	321	300	5,462
Senqu	EC142	Provincial	Provincial: Agriculture	91	88	87	103	11,834
			Provincial: Public Works, Roads and Transport	412	282	128	107	5,639
Walter Sisulu	EC145	Provincial	Provincial: Education	322	42	851	41	1,409
			Provincial: Health	530	2,956	297	380	11,383
			Provincial: Public Works, Roads and Transport	101	15	43	64	2,183
Mhlontlo	EC156	Provincial	Provincial: Agriculture	31				63
			Provincial: Education	52	2	2	1	2,245
			Provincial: Health	2,802	2	2	2	2,930
			Provincial: Other Departments	33	1	1	1	187
			Provincial: Public Works, Roads and Transport	18,737	19	19	18	52,454

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Ngquza Hills	EC153	Provincial	Provincial: Education	4	2	1	1	99
			Provincial: Public Works, Roads and Transport	24	12	12	12	1,574
Port St Johns	EC154	Provincial	Provincial: Agriculture	10	3	3	3	559
			Provincial: Education	296	6	7	7	1,409
			Provincial: Public Works, Roads and Transport	6,298	142	279	279	22,934
Kou-Kamma	EC109	Provincial	Provincial: Education	25	25	31	25	1,182
			Provincial: Health	181	40	58	58	2,430
Makana	EC104	National	National: Agriculture, Forestry and Fisheries	17	15	15	15	717
			National: Public Works	8	8	8	8	1,002
			National: Rural Development and Land Reform	5	6	6	6	709
Makana	EC104	Provincial	Provincial: Education	50	2	7	13	286
			Provincial: Public Works, Roads and Transport	7	7	7	7	165
Ndlambe	EC105	Provincial	Provincial: Agriculture	1	1	1	1	124
			Provincial: Education	187	58	88		497
			Provincial: Health	255	140	168	95	873
Sundays River Valley	EC106	Provincial	Provincial: Agriculture	208	53	52	52	6,544
			Provincial: Education	210	93	101	93	2,708
			Provincial: Health	150	108	98	4	514
			Provincial: Public Works, Roads and Transport	2,578	90	86	157	6,803
				70,621	**8,373**	**8,457**	**7,776**	**396,334**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			(iii). The latest report available for the 2024/25 financial year is for the month ended July 2024. The total debt owed to municipalities is R1 billion as reflected in table below.

Table 3: Total government debt owed to EC municipalities as at 30 July 2024 (R 000)

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Buffalo City	BUF	Provincial	Provincial: Public Works, Roads and Transport	90,317	10,064	5,466	3,008	134,170
Nelson Mandela Bay	NMA	Provincial	Provincial: Education	10,773	5,225	2,653	3,182	51,182
			Provincial: Health	10,195	5,393	4,485	4,358	38,971
			Provincial: Public Works, Roads and Transport	129,768	1,175	421	399	150,363
Matatiele	EC441	Provincial	Provincial: Education	43	1	1	1	86
			Provincial: Health	1,386	596	704	958	6,388
			Provincial: Public Works, Roads and Transport	5,571	908	942	937	89,381
Ntabankulu	EC444	Provincial	Provincial: Public Works, Roads and Transport	1,628	554	857	749	9,678
Umzimvubu	EC442	Provincial	Provincial: Public Works, Roads and Transport	44,184	188	124	119	53,371
Winnie Madikizela-Mandela	EC443	Provincial	Provincial: Public Works, Roads and Transport	15,092	234	234	233	45,358
Amahlathi	EC124	Provincial	Provincial: Education	160	77	80	48	579
			Provincial: Health	408	208	206	73	1,287
			Provincial: Public Works, Roads and Transport	163	96	72	44	1,450
			Provincial: Social Development	20	9	3	3	35
Amathole	DC12	Provincial	Provincial: Agriculture	38	10	9	59	115
			Provincial: Education	1,309	943	922	687	3,862
			Provincial: Health	21,143	1,332	1,110	-4,870	18,716
			Provincial: Public Works, Roads and Transport	9,534	842	614	8,514	19,504
			Provincial: Social Development	194	130	85	157	567
Great Kei	EC123	Provincial	Provincial: Agriculture	694	50	50	41	5,029
			Provincial: Public Works, Roads and Transport	160	27	34	19	779
Mbhashe	EC121	Provincial	Provincial: Agriculture			3	3	477
			Provincial: Education		223	361	359	15,999
			Provincial: Health			18	18	2,171
Mnquma	EC122	Provincial	Provincial: Agriculture	572	80	100	79	4,479
			Provincial: Education	1,343	58	65	71	4,634
			Provincial: Public Works, Roads and Transport	4,874	94	96	97	7,942

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Ngqushwa	EC126	Provincial	Provincial: Education	94	1	1	1	226
			Provincial: Public Works, Roads and Transport	13,783	61	59	58	18,580
Raymond Mhlaba	EC129	Provincial	Provincial: Agriculture	106	133	133	132	9,296
			Provincial: Education	4	4	4	4	237
			Provincial: Health	250	200	182	211	2,065
Dr. A.B. Xuma	EC137	Provincial	Provincial: Agriculture	1	1	1	1	4
			Provincial: Education	8,823	3	3	3	8,738
Emalahleni (EC)	EC136	Provincial	Provincial: Agriculture	1,044	63	142	51	8,318
			Provincial: Education	354	127	126	121	5,880
			Provincial: Health	663	259	240	178	5,855
			Provincial: Public Works, Roads and Transport	2,572	352	310	305	9,268
			Provincial: Social Development	18	8	8	8	199
Intsika Yethu	EC135	Provincial	Provincial: Public Works, Roads and Transport	126	190	188	196	3,570
Inxuba Yethemba	EC131	Provincial	Provincial: Education	462	182	121	53	2,199
			Provincial: Health	694	492	10		1,197
			Provincial: Public Works, Roads and Transport	16,850	244	240	224	36,321
Sakhisizwe	EC138	Provincial	Provincial: Agriculture	497	46	35	46	5,180
			Provincial: Education	105	52	51	51	9,010
			Provincial: Public Works, Roads and Transport	1,334	257	95	142	8,957
Elundini	EC141	Provincial	Provincial: Education	72	32	38	10	214
			Provincial: Health	248	107	61	67	528
			Provincial: Public Works, Roads and Transport	1,134	788	705	699	20,485
			Provincial: Social Development	84	23	28	17	389
Joe Gqabi	DC14	Provincial	Provincial: Agriculture	2	1	1	1	52
			Provincial: Education	270	83	66	82	1,222
			Provincial: Public Works, Roads and Transport	654	147	192	295	5,576
Senqu	EC142	Provincial	Provincial: Agriculture	2,965	88	87	86	14,671
			Provincial: Public Works, Roads and Transport	8,250	122	93	82	12,645
Walter Sisulu	EC145	Provincial	Provincial: Education	1,387	191	32	844	2,726
			Provincial: Health	1,586	739	3,152	491	13,043
			Provincial: Public Works, Roads and Transport	1,159	81	19	45	3,530

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Mhlontlo	EC156	Provincial	Provincial: Agriculture					32
			Provincial: Education	2	2	1	1	2,192
			Provincial: Health	2	2	2	1	128
			Provincial: Public Works, Roads and Transport	29	22	21	21	33,992
Ngquza Hills	EC153	Provincial	Provincial: Public Works, Roads and Transport	13,223	12	12	12	14,785
Nyandeni	EC155	Provincial	Provincial: Public Works, Roads and Transport	174	205	198	327	21,969
Port St Johns	EC154	Provincial	Provincial: Agriculture	10	3	3	3	559
			Provincial: Education	296	6	7	7	1,409
			Provincial: Public Works, Roads and Transport	6,298	142	279	279	22,934
Blue Crane Route	EC102	Provincial	RSA	7,053	521	186	144	21,167
Kou-Kamma	EC109	Provincial	Provincial: Education	57	31	25	25	1,123
			Provincial: Health	92	40	39	39	2,147
Makana	EC104	Provincial	Provincial: Education	143	5	2	7	384
Ndlambe	EC105	Provincial	Provincial: Agriculture	51	1	1	1	175
			Provincial: Education	1,593	186	58	88	1,994
			Provincial: Health	828	233	93	20	1,268
			Provincial: Public Works, Roads and Transport	2,346	15	14	15	3,795
Sundays River Valley	EC106	Provincial	Provincial: Agriculture	245	56	56	56	6,549
			Provincial: Education	114	101	93	100	2,569
			Provincial: Health	130	99	5	4	389
			Provincial: Public Works, Roads and Transport	2,615	86	157	85	6,750
				800,198	139,512	89,155	57,020	1,023,066

(1) The breakdown of the municipalities and the amounts owed is reflected in tables 1 – 3 above. The tables are for each financial year as per the IQP re quest.
(2) The Provincial Treasury continues to work with COGTA to assist municipalities to recover the debt owed by government entities. There are quarterly sessions that are arranged to facilitate payment of government debt owed to municipalities.
(3) Municipalities implement their credit control policies and by-laws in order to collect debt owed by government departments. This includes suspension of municipal services to government departments resulting in interruptions in service delivery

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
02 Sept 2024	IQP NO 6	**Dr V Knoetze to ask the Premier:** 1. Whether he can kindly provide a description (item, make, model, price) of (a) all tools of trade (b) including make, model and price of vehicles purchased for each Member of the Exco including the Premier; 2. What was the allocated budget for (a) tools of trade and (b) vehicles. 3. Whether vehicles purchased are subject to financing agreements; if so, (a) at what interest rate and (b) over which period of time. 4. In terms of vehicles used by the previous Exco Members, (a) can he kindly provide details in terms of whether those vehicles are still in use; if so, by whom, (b) if they were sold, what was the price obtained for each vehicle and (c) into which accounts has that money been paid and (d) what is that money budgeted for?	1. The vehicle for the Member of the Executive for Finance has always been procured by the Department of Economic Development and Environmental Affairs & Tourism. Therefore, the Eastern Cape Provincial Treasury does not have the required information. Item Make Model Price: iPad Apple Air W 10.9 Inc R36,550.35 and Mobile device Apple Pro Max 1TB R17,289.00 2. R60,000.00 3. No vehicle purchased. 4. Still in use.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
20 Sep 2024	IQP 10	**Dr M Figg to ask the MEC responsible for Finance:** P5 Noting that it was stated that support to municipalities is being strengthened: 1. Whether he can kindly advise as to which municipalities has his Department earmarked in this regard and can he kindly provide all the relevant details in this regard; 2. what criteria has his Department used to identify these municipalities and can he kindly provide all the relevant details in this regard; 3. whether he can kindly advise with regard to the extent of the support to the municipalities?	1. Whether he can kindly advise as to which municipalities has his Department earmarked in this regard and can he kindly provide all the relevant details in this regard; The ECPT in collaboration with COGTA and SALGA continues to support municipalities to improve financial governance and administration in the following areas: • Prevention and reduction of irregular expenditure; • Improved audit outcomes through the Municipal Audit Strategy (Differential Approach); • Revenue Improvement focussing on municipalities with unfunded budgets, • Reduction of arrear Eskom debt through the Municipal Debt Relief Programme; • Reduction of area debt to Water Boards and the Department of Water and Sanitation through facilitation of mutual repayment terms; and • Overall municipal support through mandatory Financial Recovery Plans. Municipalities that have been identified in line with the above are – OR Tambo DM; Amathole DM, Amahlathi LM, Raymond Mhlaba LM, Makana LM, Dr Beyers Naude, Sundays River Valley LM, Blue Crane Route LM, Chris Hani DM, Enoch Mgijima LM, Inxuba Yethemba LM and Walter Sisulu LM. 2. What criteria has his Department used to identify these municipalities and can he kindly provide all the relevant details in this regard; As highlighted above, the priority is given to municipalities implementing mandatory FRPs, Municipal Debt Relief participants and those that have adopted unfunded budgets for the 2024/25 financial year. Whether he can kindly advise with regard to the extent of the support to the municipalities The focus areas identified are in respect of improved revenue collection (facilitation of outstanding government debt owed to municipalities, support to reconcile valuation rolls with billing from financial systems to ensure completeness, etc); facilitation of mutual payment terms between Water Boards and DWS (longer payment terms and suppression of interest and penalties), support with compliance with Municipal Debt Relief conditions (write off of ESKOM arrears to significantly reduce the debt and interest incurred) and monitoring and support on implementation of mandatory Financial Recovery Plans.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
20 Sep 2024	IQP 10	**Mr R Odendaal to ask the MEC responsible for Finance:** 1. What is the percentage of total budget and/or total budget that each of the respective provincial municipalities budgeted for maintenance and repairs on Property, Plant and Equipment (PPE) for the (i) 2021/22, (ii)2022/23 and (iii) 2023/24 financial years as at the latest specified date for which information is available; 2. what is the percentage of total budget and/or total budget that each of the respective provincial municipalities actually spend on maintenance and repairs on Property, Plant and Equipment (PPE) for the aforementioned financial years as at the latest specified date for which information is available; 3. whether there is a guideline from National Treasury and/or Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) Circulars insofar as the percentage municipalities must budget for maintenance and repairs on Property, Plant and Equipment (PPE); if so, what is/are the guideline/s and (b) how does the Provincial Treasury ensure compliance with the guideline/s?	1. What is the percentage of total budget and/or total budget that each of the respective provincial municipalities budgeted for maintenance and repairs on Property, Plant and Equipment (PPE) for the (i) 2021/22, (ii)2022/23 and (iii) 2023/24 financial years as at the latest specified date for which information is available; Table 1 below is a reflection of the total budget and expenditure per each municipality in relation to the repairs and maintenance allocations. ***Table 1: Total repairs and maintenance spending for the 2023/24; 2022/23 & 2021/22 FYs***

	2023/24 FINANCIAL YEAR				2022/23 FINANCIAL YEAR				2021/22 FINANCIAL YEAR			
R thousands	Original Budget R 000	Adjusted Budget R 000	YTDActual R 000	%	Original Budget R 000	Adjusted Budget R 000	YTDActual R 000	%	Original Budget R 000	Adjusted Budget R 000	YTDActual R 000	%
Buffalo City	497,620	506,382	410,053	81.0%	446,130	472,433	425,585	90.1%	407,950	419,232	394,955	94.2%
Nelson Mandela Bay	672,327	681,235	422,717	62.1%	594,896	578,635	340,189	58.8%	497,619	491,040	296,367	60.4%
Total Metros	**1,169,97**	**1,187,67**	**832,770**	**70.1%**	**1,041,26**	**1,051,08**	**765,774**	**72.%**	**905,570**	**910,273**	**691,322**	**75.9%**
Dr Beyers Naude	41,152	48,226	30,520	63.3%	27,354	21,262	21,540	101.%	27,146	25,787	19,239	74.6%
Blue Crane Route	2,205	4,510	3,144	69.7%	3,628	2,160	1,212	56.1%	2,256	2,361	1,434	60.7%
Makana	6,563	15,702	13,045	83.1%	28,738	21,298	8,105	38.1%	14,970	14,632	8,470	57.9%
Ndlambe	38,691	36,141	32,462	89.8%	34,498	26,733	25,868	96.8%	26,210	27,724	30,671	110.%
Sundays RiverValley	10,575	10,496	7,115	67.8%	4,639	4,393	3,657	83.3%	7,682	3,483	7,903	226.%
Kouga	60,689	57,730	48,586	84.2%	49,696	51,721	46,110	89.2%	48,821	51,056	47,508	93.1%
Kou-Kamma	8,064	7,530	3,262	43.3%	8,564	3,509	2,712	77.3%	6,737	2,663	2,915	109.%
Sarah Baartman	700	1,325	923	69.7%	700	700	246	35.1%	-	-	-	-
Total Sarah Baartman	**168,639**	**181,659**	**139,057**	**76.5%**	**157,817**	**131,775**	**109,451**	**83.%**	**133,821**	**127,705**	**118,140**	**92.5%**
Mbhashe	19,704	33,211	37,292	112.3%	25,951	69,416	53,725	77.4%	7,449	14,559	11,778	80.9%
Mnquma	400	0	-	-	0	0	-	-	540	540	-	-
Great Kei	1,200	1,200	466	38.8%	600	600	298	49.6%	2,130	1,622	343	21.1%
Amahlathi	5,675	4,635	3,317	71.6%	6,269	6,849	2,840	41.5%	7,963	6,069	929	15.3%
Ngqushwa	4,868	32,856	18,660	56.8%	3,745	4,565	3,612	79.1%	4,814	4,183	2,033	48.6%
Raymond Mhlaba	13,700	12,744	12,436	97.6%	8,570	18,570	11,952	64.4%	18,880	28,909	44,823	155.%
Amathole	41,879	149,222	37,992	25.5%	3,734	21,606	22,037	102.%	52,984	31,269	17,675	56.5%
Total Amathole	**87,425**	**233,868**	**110,162**	**47.1%**	**48,869**	**121,605**	**94,463**	**77.%**	**94,760**	**87,151**	**77,581**	**89.0%**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

R thousands	2023/24 FINANCIAL YEAR Original Budget R 000	2023/24 Adjusted Budget R 000	2023/24 YTDActual R 000	2023/24 %	2022/23 FINANCIAL YEAR Original Budget R 000	2022/23 Adjusted Budget R 000	2022/23 YTDActual R 000	2022/23 %	2021/22 FINANCIAL YEAR Original Budget R 000	2021/22 Adjusted Budget R 000	2021/22 YTDActual R 000	2021/22 %
Inxuba Yethemba	1,484	2,484	4,583	184.5%	14,074	14,469	17,341	119.%	13,274	13,274	12,621	95.1%
Intsika Yethu	5,400	6,500	5,241	80.6%	2,009	5,228	4,305	82.3%	5,050	5,166	4,276	82.8%
Emalahleni (EC)	16,059	16,573	10,415	62.8%	4,718	5,512	4,848	87.9%	2,455	3,474	3,153	90.7%
Dr. A.B. Xuma	5,800	10,947	6,036	55.1%	6,760	6,620	6,262	94.6%	5,400	6,053	4,374	72.3%
Sakhisizwe	2,525	2,690	2,403	89.3%	2,278	2,889	1,464	50.7%	4,110	3,160	1,069	33.8%
Enoch Mgijima	39,464	39,407	41,543	105.4%	31,464	47,460	49,139	103.%	22,118	19,190	30,654	159.%
Chris Hani	100,422	100,520	58,604	58.3%	77,842	74,718	52,034	69.6%	55,711	74,320	50,525	68.0%
Total Chris Hani	**171,153**	**179,121**	**128,824**	**71.9%**	**139,145**	**156,897**	**135,393**	**86.%**	**108,118**	**124,637**	**106,671**	**85.6%**
Elundini	15,251	15,431	8,195	53.1%	23,054	18,970	9,360	49.3%	15,820	23,634	16,366	69.2%
Senqu	20,992	20,883	11,570	55.4%	21,947	18,856	11,285	59.8%	14,032	17,586	14,473	82.3%
Walter Sisulu	3,806	515	3,492	677.6%	4,423	962	2,015	209.%	294	4,220	351	8.3%
Joe Gqabi	27,684	29,530	22,793	77.2%	21,047	29,982	23,229	77.5%	64,549	59,139	47,180	79.8%
Total Joe Gqabi	**67,733**	**66,359**	**46,049**	**69.4%**	**70,470**	**68,770**	**45,888**	**66.%**	**94,695**	**104,579**	**78,369**	**74.9%**
Ngquza Hills	31,100	46,078	27,708	60.1%	18,582	38,394	26,887	70.0%	12,831	51,195	35,298	68.9%
Port St Johns	12,070	12,514	9,657	77.2%	8,144	9,229	7,276	78.8%	12,916	9,177	7,866	85.7%
Nyandeni	30,726	44,178	34,915	79.0%	30,133	45,115	33,705	74.7%	21,864	39,465	29,583	75.0%
Mhlontlo	39,945	62,316	62,154	99.7%	15,150	20,540	20,665	100.%	16,556	22,219	17,667	79.5%
King Sabata Dalindyebo	87,856	124,296	126,948	102.1%	53,370	54,479	96,188	176.%	50,957	45,593	75,219	165.%
O R Tambo	72,935	48,265	45,132	93.5%	22,165	66,437	50,895	76.6%	40,580	10,815	9,225	85.3%
Total O .R. Tambo	**274,632**	**337,647**	**306,514**	**90.8%**	**147,544**	**234,194**	**235,616**	**100%**	**155,704**	**178,464**	**174,858**	**98.0%**
Matatiele	25,645	19,865	17,407	87.6%	30,645	20,477	14,310	69.9%	24,424	24,534	23,976	97.7%
Umzimvubu	65,312	26,356	17,553	66.6%	17,954	30,033	24,324	81.0%	9,604	10,054	7,700	76.6%
Winnie Madikizela-Mandela	32,266	42,352	28,051	66.2%	29,975	47,660	35,238	73.9%	34,271	33,254	28,141	84.6%
Ntabankulu	4,900	4,847	4,391	90.6%	5,515	5,044	6,152	122.%	5,179	2,833	1,313	46.3%
Alfred Nzo	106,240	128,921	99,591	77.3%	72,950	74,303	64,567	86.9%	47,231	56,185	40,909	72.8%
Total Alfred Nzo	**234,364**	**222,341**	**166,993**	**75.1%**	**157,038**	**177,518**	**144,591**	**81.%**	**120,710**	**126,862**	**102,039**	**80.4%**
Total Eastern Cape	**2,173,84**	**2,408,62**	**1,730,368**	**71.8%**	**1,761,29**	**1,941,87**	**1,531,16**	**78.%**	**1,613,37**	**1,659,669**	**1,348,90**	**81.3%**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			1. What is the percentage of total budget and/or total budget that each of the respective provincial municipalities actually spend on maintenance and repairs on Property, Plant and Equipment (PPE) for the aforementioned financial years as at the latest specified date for which information is available; The total spending per each municipality in respect of repairs and maintenance is reflected in table 1 above. The GOMUNI portal which is a central database for municipal financial information does not have a configuration to allocated the total expenditure on repairs and maintenance per each function. This would require a manual exercise that would require unpacking the total expenditure per each municipality over the 12 month period of each financial year highlighted in table 1 above. However, it is our belief that the biggest portion of the reported expenditure on repairs and maintenance is in respect of the the actual spend on PPE. 2. Whether there is a guideline from National Treasury and/or Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) Circulars insofar as the percentage municipalities must budget for maintenance and repairs on Property, Plant and Equipment (PPE); if so, what is/are the guideline/s and (b) how does the Provincial Treasury ensure compliance with the guideline/s? a). The guidelines for budgeting and spending on repairs and maintenance on PPE are contained in MFMA Circular 71 (Financial Ratios and Norms for municipalities). According to the norm, municipalities are required to budget at least 8% of the value of PPE each year b). The Provincial Treasury prioritizes this area when assessing municipal budgets before adoption by Council. An engagement is held with senior management on all budget assessment findings. Furthermore, PT monitors spending on a monthly basis and report to management on any impending under/or overspending of the budget. The issue is also raised when the PT analyses the mid-year budget and engages with senior management of municipalities

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr><td>20 Sep 2024</td><td></td><td>Mr R Odendaal to ask the MEC responsible for Finance:
1. Whether any provincial municipalities fail to timeously furnish the Provincial Treasury with their Section 71 (1) reports as prescribed by the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) for any month in the 2023/24 financial year; if any, (a) which municipality/ municipalities, (b) for which month/s, (c) whether some of these reports are still currently outstanding and (d) whether the Provincial Treasury has take any steps to endeavour to force these municipalities to furnish the province with said reports;
2. What effect does the failure of the aforementioned municipalities to furnish their Section 71 (1) reports to Provincial Treasury timeously have on the ability of the Provincial Treasury to generate Section 71 (6) and Section 71(7) reports as prescribed by the aforementioned Act;
3. (a) Which Section 71 (6) or Section 71 (7) reports, if any, have been delayed as a result of the non-availability of Section 71 (1) reports in the financial year at hand, (b) how long were this/these delay/s and (c) whether these reports have subsequently been generated and submitted?</td><td>Response:
1. Whether any provincial municipalities fail to timeously furnish the Provincial Treasury with their Section 71 (1) reports as prescribed by the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) for any month in the 2023/24 financial year; if any, (a) which municipality/municipalities, (b) for which month/s, (c) whether some of these reports are still currently outstanding and (d) whether the Provincial Treasury has take any steps to endeavour to force these municipalities to furnish the province with said reports;

a). We can confirm that there are municipalities that were not able to submit section 71 reports within 10 working days of the end of the month. Those municipalities are reflected in table 2 below.

Table 2: List of municipalities that fail to submit monthly reports on time during 2023/24
<table>
<tr><th>#</th><th>MUNICIPALITY</th><th>MONTH(S) OF NON-COMPLIANCE</th></tr>
<tr><td>1</td><td>Walter Sisulu</td><td>July 2023</td></tr>
<tr><td>2</td><td>OR Tambo</td><td>August 2023; September 2023</td></tr>
<tr><td>3</td><td>Makana</td><td>September 2023</td></tr>
<tr><td>4</td><td>Emalahleni</td><td>December 2023</td></tr>
<tr><td>5</td><td>Raymond Mhlaba</td><td>February 2024</td></tr>
<tr><td>6</td><td>Dr Beyers Naude</td><td>June 2024</td></tr>
</table>
b). The months that the above listed municipalities failed to submit are also included in table 2 above.
c). The reports outlined as outstanding have not been submitted due to the fact that the GO MUNI portal closes on the 10th working day of the month and does not re-open for municipalities to submit. However, the figures for the previous month are subsequently corrected with the following month's report.
d). The PT issues the Accounting Officers of these municipalities with letters of non-compliance. Where the non-submission is as a result of system related challenges, the PT also engages with the system vendors (with the presence of municipal officials).

2. What effect does the failure of the aforementioned municipalities to furnish their Section 71 (1) reports to Provincial Treasury timeously have on the ability of the Provincial Treasury to generate Section 71 (6) and Section 71(7) reports as prescribed by the aforementioned Act;
The late submission of section 71 reports affects the completeness of both the consolidated section 71(6) & (7) reports due to the outstanding information. It also delays the submission of the above reports.

(a) Which Section 71 (6) or Section 71 (7) reports, if any, have been delayed as a result of the non-availability of Section 71 (1) reports in the financial year at hand, (b) how long were this/these delay/s and (c) whether these reports have subsequently been generated and submitted?
The delayed submission did not result in any delays in the section 71(6) & (7) reports.</td></tr>
</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
27 Sep 2024	IQP 11	**Dr M Figg to ask the MEC responsible for Finance:** 1. How much in total does each provincial department owe to local municipalities in unpaid rates and services which are above 30 days overdue; 2. with regard to (1) above, (a) can he kindly provide a breakdown of each provincial department and (b) how much do they owe to each local municipality?	**Response:** 1. How much in total does each provincial department owe to local municipalities in unpaid rates and services which are above 30 days overdue; The total amount owed by provincial departments in respect of unpaid rates and service charges amounted to R1.023 billion at 31 July 2024. 2. With regard to (1) above, (a) can he kindly provide a breakdown of each provincial department and (b) how much do they owe to each local municipality? The details of provincial departments and the municipalities to which they are indebted is reflected in table 1 below. Table 1: Total government debt owed to EC municipalities as at 31 July 2024 (R 000)

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Buffalo City	BUF	Provincial	Provincial: Public Works, Roads and Transport	90,317	10,064	5,466	3,008	134,170
Nelson Mandela Bay	NMA	Provincial	Provincial: Education	10,773	5,225	2,653	3,182	51,182
			Provincial: Health	10,195	5,393	4,485	4,358	38,971
			Provincial: Public Works, Roads and Transport	129,768	1,175	421	399	150,363
Matatiele	EC441	Provincial	Provincial: Education	43	1	1	1	86
			Provincial: Health	1,386	596	704	958	6,388
			Provincial: Public Works, Roads and Transport	5,571	908	942	937	89,381
Ntabankulu	EC444	Provincial	Provincial: Public Works, Roads and Transport	1,628	554	857	749	9,678
Umzimvubu	EC442	Provincial	Provincial: Public Works, Roads and Transport	44,184	188	124	119	53,371
Winnie Madikizela-Mandela	EC443	Provincial	Provincial: Public Works, Roads and Transport	15,092	234	234	233	45,358
Amahlathi	EC124	Provincial	Provincial: Education	160	77	80	48	579
			Provincial: Health	408	208	206	73	1,287
			Provincial: Public Works, Roads and Transport	163	96	72	44	1,450
			Provincial: Social Development	20	9	3	3	35

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Amathole	DC12	Provincial	Provincial: Agriculture	38	10	9	59	115
			Provincial: Education	1,309	943	922	687	3,862
			Provincial: Health	21,143	1,332	1,110	-4,870	18,716
			Provincial: Public Works, Roads and Transport	9,534	842	614	8,514	19,504
			Provincial: Social Development	194	130	85	157	567
Great Kei	EC123	Provincial	Provincial: Agriculture	694	50	50	41	5,029
			Provincial: Public Works, Roads and Transport	160	27	34	19	779
Mbhashe	EC121	Provincial	Provincial: Agriculture			3	3	477
			Provincial: Education		223	361	359	15,999
			Provincial: Health			18	18	2,171
Mnquma	EC122	Provincial	Provincial: Agriculture	572	80	100	79	4,479
			Provincial: Education	1,343	58	65	71	4,634
			Provincial: Public Works, Roads and Transport	4,874	94	96	97	7,942
Ngqushwa	EC126	Provincial	Provincial: Education	94	1	1	1	226
			Provincial: Public Works, Roads and Transport	13,783	61	59	58	18,580
Raymond Mhlaba	EC129	Provincial	Provincial: Agriculture	106	133	133	132	9,296
			Provincial: Education	4	4	4	4	237
			Provincial: Health	250	200	182	211	2,065
Dr. A.B. Xuma	EC137	Provincial	Provincial: Agriculture	1	1	1	1	4
			Provincial: Education	8,823	3	3	3	8,738
Emalahleni (EC)	EC136	Provincial	Provincial: Agriculture	1,044	63	142	51	8,318
			Provincial: Education	354	127	126	121	5,880
			Provincial: Health	663	259	240	178	5,855
			Provincial: Public Works, Roads and Transport	2,572	352	310	305	9,268
			Provincial: Social Development	18	8	8	8	199

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Intsika Yethu	EC135	Provincial	Provincial: Public Works, Roads and Transport	126	190	188	196	3,570
Inxuba Yethemba	EC131	Provincial	Provincial: Education	462	182	121	53	2,199
			Provincial: Health	694	492	10		1,197
			Provincial: Public Works, Roads and Transport	16,850	244	240	224	36,321
Sakhisizwe	EC138	Provincial	Provincial: Agriculture	497	46	35	46	5,180
			Provincial: Education	105	52	51	51	9,010
			Provincial: Public Works, Roads and Transport	1,334	257	95	142	8,957
Elundini	EC141	Provincial	Provincial: Education	72	32	38	10	214
			Provincial: Health	248	107	61	67	528
			Provincial: Public Works, Roads and Transport	1,134	788	705	699	20,485
			Provincial: Social Development	84	23	28	17	389
Joe Gqabi	DC14	Provincial	Provincial: Agriculture	2	1	1	1	52
			Provincial: Education	270	83	66	82	1,222
			Provincial: Public Works, Roads and Transport	654	147	192	295	5,576
Senqu	EC142	Provincial	Provincial: Agriculture	2,965	88	87	86	14,671
			Provincial: Public Works, Roads and Transport	8,250	122	93	82	12,645
Walter Sisulu	EC145	Provincial	Provincial: Education	1,387	191	32	844	2,726
			Provincial: Health	1,586	739	3,152	491	13,043
			Provincial: Public Works, Roads and Transport	1,159	81	19	45	3,530
Mhlontlo	EC156	Provincial	Provincial: Agriculture					32
			Provincial: Education	2	2	1	1	2,192
			Provincial: Health	2	2	2	1	128
			Provincial: Public Works, Roads and Transport	29	22	21	21	33,992
Ngquza Hills	EC153	Provincial	Provincial: Public Works, Roads and Transport	13,223	12	12	12	14,785
Nyandeni	EC155	Provincial	Provincial: Public Works, Roads and Transport	174	205	198	327	21,969

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Demarcation Description	Demarc Code	Customer SubGroup	Customer Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Port St Johns	EC154	Provincial	Provincial: Agriculture	10	3	3	3	559
			Provincial: Education	296	6	7	7	1,409
			Provincial: Public Works, Roads and Transport	6,298	142	279	279	22,934
Blue Crane Route	EC102	Provincial	RSA	7,053	521	186	144	21,167
Kou-Kamma	EC109	Provincial	Provincial: Education	57	31	25	25	1,123
			Provincial: Health	92	40	39	39	2,147
Makana	EC104	Provincial	Provincial: Education	143	5	2	7	384
Ndlambe	EC105	Provincial	Provincial: Agriculture	51	1	1	1	175
			Provincial: Education	1,593	186	58	88	1,994
			Provincial: Health	828	233	93	20	1,268
			Provincial: Public Works, Roads and Transport	2,346	15	14	15	3,795
Sundays River Valley	EC106	Provincial	Provincial: Agriculture	245	56	56	56	6,549
			Provincial: Education	114	101	93	100	2,569
			Provincial: Health	130	99	5	4	389
			Provincial: Public Works, Roads and Transport	2,615	86	157	85	6,750
				450,463	**35,363**	**27,387**	**25,087**	**1,023,066**

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT’S REPONSE</th></tr>
<tr>
<td>18 Oct 2024</td>
<td>IQP 14</td>
<td>Dr M J Figg to ask the MEC responsible for Finance:

(1) Whether any payments owed to Eskom by municipalities in the province are still outstanding as at the latest specified date for which information is available; if so, (a) how many municipalities are in arrears, (b) which municipalities are in arrears in this regard and (c) what total amount is outstanding in each case;
(2) (a) how many of the above payments have been outstanding for over (i) 30, (ii) 60, (iii) 90 and (iv) 120 days in respect of each of the aforementioned municipalities as at the latest specified date for which information is available and (b) what reasons have been given for these arrears in each case;
(3) what total amounts were paid over to Eskom in respect of each month for the (i) 2023/24 and (ii) 2024/25 financial years as at the latest specified date for which information is available and can he kindly provide all the relevant details in this regard; this regard;
(7) whether there are any forensic audits that have been initiated but have not yet rendered a final report; if so, which forensic audits are these and can he kindly provide all the relevant details in this regard?</td>
<td>Response:

1. Whether any payments owed to Eskom by municipalities in the province are still outstanding as at the latest specified date for which information is available; if so, (a) how many municipalities are in arrears, (b) which municipalities are in arrears in this regard and (c) what total amount is outstanding in each case;

There are 12 municipalities in the province that are relevant to Question 1 above. Table 1 below provides the details of each municipality in relation to the names and the amounts owed. The latest information is with respect to the month ended 31 August 2024.

<table>
<tr><th colspan="7">Table 1: Section 41(2)(b) - Amounts owing and the age profile of outstanding amounts relating to Bulk Electricity Sales as at 31 August 2024</th></tr>
<tr><th></th><th>Name of Municipality</th><th>Current</th><th>31 - 60 days</th><th>61 - 90 days</th><th>90 days+</th><th>Total</th></tr>
<tr><td>1</td><td>AMAHLATHI LOCAL MUNICIPALITY</td><td>17,839,907</td><td>7,815,791</td><td>4,700,220</td><td>93,750,649</td><td>124,106,568</td></tr>
<tr><td>2</td><td>BLUE CRANE ROUTE LOCAL MUNICIPALITY</td><td>21,498,018</td><td>19,413,185</td><td>16,226,118</td><td>69,399,375</td><td>126,536,696</td></tr>
<tr><td>3</td><td>DR BEYERS NAUDE LOCAL MUNICIPALITY</td><td>24,898,358</td><td>21,221,194</td><td>13,536,910</td><td>538,699,342</td><td>598,355,804</td></tr>
<tr><td>4</td><td>ENOCH MGIJIMA LOCAL MUNICIPALITY</td><td>79,449,071</td><td>67,063,361</td><td>47,281,370</td><td>1,200,779,393</td><td>1,394,573,195</td></tr>
<tr><td>5</td><td>GREAT KEI LOCAL MUNICIPALITY</td><td>2,334,523</td><td>46,780</td><td>44,307</td><td>13,667</td><td>2,439,276</td></tr>
<tr><td>6</td><td>INXUBA YETHEMBA LOCAL MUNICIPALITY</td><td>23,760,561</td><td>20,511,819</td><td>15,717,015</td><td>566,550,996</td><td>626,540,391</td></tr>
<tr><td>7</td><td>KING SABATA DALINDYEBO LOCAL MUNICIPALITY</td><td>170,033,557</td><td>73,758,129</td><td>43,762,672</td><td>92,543</td><td>287,646,901</td></tr>
<tr><td>8</td><td>MAKANA LOCAL MUNICIPALITY</td><td>28,354,516</td><td>41,084,061</td><td>0</td><td>95,746,780</td><td>165,185,357</td></tr>
<tr><td>9</td><td>O R TAMBO DISTRICT MUNICIPALITY</td><td>3,079,287</td><td>1,632,299</td><td>174,174</td><td>13,417</td><td>4,899,177</td></tr>
<tr><td>10</td><td>RAYMOND MHLABA LOCAL MUNICIPALITY</td><td>1,029,780</td><td>45,967</td><td>0</td><td>299,537,482</td><td>300,613,229</td></tr>
<tr><td>11</td><td>SUNDAYS RIVER VALLEY LOCAL MUNICIPALITY</td><td>6,947,011</td><td>4,969,245</td><td>0</td><td>0</td><td>11,916,256</td></tr>
<tr><td>12</td><td>WALTER SISULU LOCAL MUNICIPALITY</td><td>54,999,465</td><td>1,207,516</td><td>21,071,333</td><td>629,248,928</td><td>706,527,242</td></tr>
<tr><td></td><td>TOTAL</td><td>1,846,083,730</td><td>261,776,260</td><td>162,681,643</td><td>3,493,832,602</td><td>5,764,374,235</td></tr>
</table>
Source: section 41 report submitted by ESKOM

2. (a) How many of the above payments have been outstanding for over (i) 30, (ii) 60, (iii) 90 and (iv) 120 days in respect of each of the aforementioned municipalities as at the latest specified date for which information is available and (b) what reasons have been given for these arrears in each case;

The age analysis for the affected municipalities is reflected in table 1 above. The major cause for the arrears differ from one municipality to the other but include:
• Severe cashflow challenges due to under collection of revenue; and
• Inability to pay winter bulk ESKOM account in full due to additional tariffs approved for ESKOM;

3. What total amounts were paid over to Eskom in respect of each month for the (i) 2023/24 and (ii) 2024/25 financial years as at the latest specified date for which information is available and can he kindly provide all the relevant details in this regard;
The total payments made to ESKOM during the 2023/24 financial year is reflected in table 2 below. According to the 2023/24 section 41 report by ESKOM, the payments amounted to R2.3 billion.</td>
</tr>
</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		(4) what intervention his Department anticipates will be taken with a view to ensuring that payments are made timeously to Eskom and can he kindly provide all the relevant details in this regard; (5) (a) which of the above-mentioned municipalities require bailouts from the province with regard to their outstanding payments, (b) how much his Department envisages will be allocated and can he kindly provide all the relevant details in this regard; (6) whether his Department has taken any disciplinary measures or consequence management against the relevant Municipal Managers due to the non-payment; if not, why; if so, can he kindly provide the relevant details in	

Table 2: Section 41(2)(a): Bulk eletricity payments - 30 June 2024 (2023/24 FINANCIAL YEAR)

	Name of Municipality	Payments	
		Jun-24	2023/24 FY
		R	R
1	ALFRED NZO DISTRICT MUNICIPALITY	134,735	3,567,368
2	AMAHLATHI LOCAL MUNICIPALITY	4,278,626	12,456,950
3	AMATHOLE DISTRICT MUNICIPALITY	1,716,689	5,233,298
4	BLUE CRANE ROUTE LOCAL MUNICIPALITY	10,000,000	16,000,000
5	BUFFALO CITY METROPOLITAN MUNICIPALITY	196,510,975	576,500,155
6	CHRIS HANI DISTRICT MUNICIPALITY	621,055	1,870,050
7	DR BEYERS NAUDE LOCAL MUNICIPALITY	260,930	690,114
8	ELUNDINI LOCAL MUNICIPALITY	3,049,130	8,548,473
9	EMALAHLENI LOCAL MUNICIPALITY (EC)	2,200,337	5,114,717
10	DR AB XUMA LOCAL MUNICIPALITY	257,612	791,649
11	ENOCH MGIJIMA LOCAL MUNICIPALITY	153,613	46,563,249
12	GREAT KEI LOCAL MUNICIPALITY	1,176,500	3,341,229
13	INGQUZA HILL LOCAL MUNICIPALITY	610,495	1,873,447
14	INTSIKA YETHU LOCAL MUNICIPALITY	447,911	1,293,462
15	INXUBA YETHEMBA LOCAL MUNICIPALITY	0	1,068,637
16	JOE GQABI DISTRICT MUNICIPALITY	1,528,950	4,302,857
17	KING SABATA DALINDYEBO LOCAL MUNICIPALITY	2,483	45,159,260
18	KOUGA LOCAL MUNICIPALITY	22,996,220	79,792,925
19	KOU-KAMMA LOCAL MUNICIPALITY	130,725	781,708
20	MAKANA LOCAL MUNICIPALITY	31,828	41,414,865
21	MATATIELE LOCAL MUNICIPALITY	6,222,839	17,532,704
22	MBASHE LOCAL MUNICIPALITY	49,624	137,645
23	WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY	7,756,454	11,916,292
24	MHLONTLO LOCAL MUNICIPALITY	652,784	1,359,657
25	MNQUMA LOCAL MUNICIPALITY	599,838	1,119,561
26	NDLAMBE LOCAL MUNICIPALITY	7,201,282	21,070,621
27	NELSON MANDELA BAY METROPOLITAN MUNICIPALITY	468,581,345	1,403,565,048
28	NGQUSHWA LOCAL MUNICIPALITY	227,978	645,790
29	NTHABANKULU LOCAL MUNICIPALITY	417,116	854,199
30	NYANDENI LOCAL MUNICIPALITY	268,219	418,222
31	O R TAMBO DISTRICT MUNICIPALITY	0	1,298,666
32	PORT ST JOHNS LOCAL MUNICIPALITY	335,561	1,885,489
33	RAYMOND MHLABA LOCAL MUNICIPALITY	8,460,089	24,107,503
34	SAKHISIZWE LOCAL MUNICIPALITY	4,258,268	6,311,517
35	SENQU LOCAL MUNICIPALITY	5,589,210	10,883,491
36	SUNDAYS RIVER VALLEY LOCAL MUNICIPALITY	525,392	3,551,943
37	UMZIMVUBU LOCAL MUNICIPALITY	614,718	1,590,635
38	WALTER SISULU LOCAL MUNICIPALITY	3,420,509	11,995,587
	TOTAL PAYMENTS BY EC MUNICIPALITIES	**761,290,042**	**2,376,608,983**

4. What intervention his Department anticipates will be taken with a view to ensuring that payments are made timeously to Eskom and can he kindly provide all the relevant details in this regard;

07 municipalities that are in arrears with ESKOM have been supported to apply for the Municipal Debt Relief programme coordinated by the National Treasury. Through this programme, the 7 municipalities will have their entire arrear amounts up to 31 March 2023 written off over a period of 3 years. A third of this arrear debt is written off every year subject to the 7 municipalities sufficiently meeting the compliance requirements as set out in MFMA Circular 124. These conditions also include the timeous payment of the ESKOM current account and meeting a collection rate of 80% each quarter.

For the municipalities that are not Municipal Debt Relief participants, the PT has held sessions to sign payment agreements to pay the arrear debt over a period of time.

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr><td></td><td></td><td></td><td>5. (a) Which of the above-mentioned municipalities require bailouts from the province with regard to their outstanding payments, (b) how much his Department envisages will be allocated and can he kindly provide all the relevant details in this regard;
None of the above municipalities have been identified for a bailout. The support provided by the PT to the Municipal Debt Relief municipalities is one of the interventions put in place to address the ESKOM debt confronting municipalities in the province.
6. Whether his Department has taken any disciplinary measures or consequence management against the relevant Municipal Managers due to the non-payment; if not, why; if so, can he kindly provide the relevant details in this regard;
No disciplinary measures have been taken against Municipal Managers of affected municipalities. These Municipal Managers are accountable to the municipal councils that have appointed them. The ESKOM arrear debt is a complex project that municipalities have inherited from one administration to the other. The provincial government is working hard to support municipalities with the payment of all bulk services. It is our considered view that, given the complexity of the challenges related to ESKOM arrear debt, the PT interventions highlighted above will contribute to financial sustainability in municipalities. The determining factor will be whether municipal leadership is willing to embrace these interventions and comply with the requirement.
7. Whether there are any forensic audits that have been initiated but have not yet rendered a final report; if so, which forensic audits are these and can he kindly provide all the relevant details in this regard?
There are no forensic reports initiated.</td></tr>
<tr><td>18 Oct 2024</td><td>IQP 14</td><td>Dr M J Figg to ask the MEC responsible for Finance:

(1) In respect of each public entity within the province, what is the total annual remuneration package of the (a) Chairperson of the board, (b) the Chief Executive Officer (CEO) and (c) Directors within the relevant entities for the (i) 2023/24 and (ii) 2024/25 financial years as at the latest specified date for which information is available;
(2) what measures has or will his Department put in place with a view to curbing the cost of public entities in the province?</td><td>Response:
1
<table>
<tr><th colspan="7">What is the total annual remuneration package</th></tr>
<tr><th rowspan="2">Entity</th><th colspan="2">Board Chairperson</th><th colspan="2">Chief Executive Officer (CEO)</th><th colspan="2">Directors (excludes board chair costs</th></tr>
<tr><th>2023/24</th><th>2024/25</th><th>2023/24</th><th>2024/25</th><th>2023/24</th><th>2024/25</th></tr>
<tr><td>ECPTA</td><td>164</td><td>75</td><td>2 515</td><td>3 064</td><td>764</td><td>7 271</td></tr>
<tr><td>ECLB</td><td>360</td><td>287</td><td>2 640</td><td>2 705</td><td>442</td><td>222</td></tr>
<tr><td>ECSECC</td><td>-</td><td>-</td><td>2 382</td><td>1 269</td><td>1 050</td><td>365</td></tr>
<tr><td>ELIDZ</td><td>269</td><td>91</td><td>5 254</td><td>2 810</td><td>1 160</td><td>609</td></tr>
<tr><td>CDC</td><td>551</td><td>120</td><td>4 931</td><td>2 351</td><td>1 584</td><td>1 075</td></tr>
<tr><td>MTC</td><td>424</td><td>142</td><td>2 978</td><td>1 563</td><td>1 525</td><td>383</td></tr>
<tr><td>ECGB</td><td>405</td><td>209</td><td>4 490</td><td>4 084</td><td>540</td><td>576</td></tr>
<tr><td>ECRDA</td><td>346</td><td>259</td><td>2 934</td><td>1 822</td><td>4 223</td><td>1 733</td></tr>
<tr><td>ECDC</td><td>237</td><td>303</td><td>3 427</td><td>3 777</td><td>852</td><td>649</td></tr>
<tr><td>ECPACC</td><td>69</td><td>39</td><td>1590</td><td>883</td><td>249</td><td>415</td></tr>
<tr><td>TOTAL</td><td>2 825</td><td>1 525</td><td>33 141</td><td>24 328</td><td>12 389</td><td>13 298</td></tr>
</table>
2
Note: The Directors refers to the Board of Directors.
1. Cost Cutting Measures:
a. COE increases are per NT stipulated guidelines. Board meetings sit per approved schedule of meetings.
b. The entities are continuing with virtual meetings for Board, Sub Committees and Management to save on travel, accommodation, and catering costs.
c. Meeting topics are planned so that a single sitting can deal with multiple items instead of having separate meetings, where practical.
PT is in the process of finalizing the Board Remuneration Framework which seeks to standardize the remuneration criteria of boards across all entities.</td></tr>
</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
25 Oct 2024	IQP 15	**Dr M J Figg to ask the MEC responsible for Finance:** With regard to conditional grant funding: 1. Whether he can kindly provide the total amount of conditional grant funding allocated to (a) the province, (b) provincial departments, (c) local municipalities and (d) district municipalities for the (i) 2023/24 and (ii) 2024/25 financial years as at the latest specified date for which information is available (P5); 2. whether he can kindly provide (a) a breakdown of the conditional grants, (b) the amount allocated, per conditional grant and (c) the total expenditure per conditional grant for the province for the above-mentioned financial years as at the latest specified date for which information is available; 3. whether he can kindly provide (a) a breakdown of the conditional grants, (b) the amount allocated, per conditional grant and (c) the total expenditure per conditional grant for all provincial departments for the aforementioned financial years as at the latest specified date for which information is available	1. Whether he can kindly provide the total amount of conditional grant funding allocated to (a) the province, (b) provincial departments, (c) local municipalities and (d) district municipalities for the (i) 2023/24 and (ii) 2024/25 financial years as at the latest specified date for which information is available a) P2 b) P2 c) Local municipalities and (d) district municipalities for the: I. 2023/24 Financial Year The total amount **R8,917,576 billion** as detailed below per:

Conditional	2023/24 R thousands
Direct transfers	
Infrastructure	**7 397 961**
Municipal infrastructure grant	3 649 469
Urban settlement development grant	1 132 936
Public transport network grant	346 376
Integrated national electrification programme (municipal) grant	287 054
Neighbourhood development partnership grant (capital grant)	72 281
Rural roads assets management systems grant	16 941
Regional bulk infrastructure grant	731 849
Water services infrastructure grant	516 864
Metro informal settlements partnership grant	644 191
Capacity building and other current transfers	**287 721**
Local government financial management grant	83 460
Expanded public works programme integrated grant for municipalities	98 103
Infrastructure skills development grant	36 250
Energy efficiency and demand side management grant	31 000
Programme and project preparation support grant	38 908
Sub-total direct transfers	**7 685 682**
Indirect transfers	
Infrastructure transfers	**1 231 894**
Regional bulk infrastructure grant	303 600
Integrated national electrification programme (Eskom) grant	924 094
Neighbourhood development partnership grant (technical assistance)	4 200
Sub-total indirect transfers	**1 231 894**
Total	**8 917 576**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		4. whether he can kindly provide (a) a breakdown of the conditional grants, (b) the amount allocated per conditional grant and (c) the total expenditure, per conditional grant for all district municipalities for the above-mentioned financial years as at the latest specified date for which information is available; 5. whether any conditional grant funding has been reduced due to under-expenditure for the aforementioned financial years as at the latest specified date for which information is available; if so, can he kindly provide a detailed breakdown of the conditional grants that were reduced (P5); 6. whether any conditional grant funding has been returned to National Treasury due to under-expenditure for the financial years mentioned above as at the latest specified date for which information is available; if so, can he kindly provide a detailed breakdown of the conditional grants that were returned?	II. 2024/25 Financial Year The total amount **R22,369,723 billion** as detailed below per:

Conditional Grants	2024/25 R thousands
Direct transfers	
Infrastructure	**7 921 553**
Municipal infrastructure grant	3 536 357
Urban settlement development grant	1 170 838
Public transport network grant	339 948
Integrated national electrification programme (municipal) grant	352 170
Neighbourhood development partnership grant (capital grant)	73 868
Rural roads assets management systems grant	17 749
Regional bulk infrastructure grant	707 935
Water services infrastructure grant	562 092
Municipal disaster recovery grant	494 205
Metro informal settlements partnership grant	666 391
Capacity building and other current transfers	**260 330**
Local government financial management grant	88 923
Expanded public works programme integrated grant for municipalities	78 107
Infrastructure skills development grant	37 300
Energy efficiency and demand side management grant	26 000
Programme and project preperation support grant	30 000
Sub total direct transfers	**8 181 883**
Indirect transfers	
Infrastructure transfers	**878 805**
Regional bulk infrastructure grant	317 423
Integrated national electrification programme (Eskom) grant	509 882
Neighbourhood development partnership grant (technical assistance)	6 500
Water services infrastructure grant	45 000
Capacity building and other current transfers	**24 554**
Municipal systems improvements grant	24 554
Sub total indirect transfers	**903 359**
Total	**9 085 242**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		7. whether any conditional grant funding has been returned to National Treasury due to under-expenditure for the financial years mentioned above as at the latest specified date for which information is available; if so, can he kindly provide a detailed breakdown of the conditional grants that were returned?	2. Whether he can kindly provide (a) a breakdown of the conditional grants, (b) the amount allocated per conditional grant and (c) the total expenditure per conditional grant for the province for the above-mentioned financial years as at the latest specified date for which information is available: Below is the table detailing the Municipal Infrastructure Conditional Grants performance for 2023/24 financial, taking into consideration rollover applications submitted on 31st August 2024:

Grant Type	2023/24 R'000	Budget		Revised	Expenditure after rollover		2023/24 Balance
		1st Adjustment	Sec 18 & 19 of DoRA	Budget	Exp. R'000	Exp. %	
Municipal Infrastructure Grant (MIG)	3 649 469	(244 088)		3 405 381	3 405 381	100%	0
Expanded Public Works Programme Integrated Grant (Municipality)	98 103	(3 476)	(1 828)	92 799	92 799	100%	0
Rural Roads Asset Management Systems Grant (RRAMS)	16 941		(1 718)	15 223	13 038	86%	2 185
Integrated National Electrification Programme Grant (Municipal)	287 054	(23 206)	5 996	269 844	266 658	99%	3 186
Energy Efficiency and Demand Side Management (Municipal) Grant	31 000		(3 000)	28 000	28 000	100%	0
Regional Bulk Infrastructure Grant (RBIG) Schedule 5B	731 849	(39 149)	(20 000)	672 700	532 700	79%	140 000
Regional Bulk Infrastructure Grant (RBIG) Schedule 6B	303 600	(126 262)		177 338	177 338	100%	0
Water Services Infrastructure Grant (Schedule 5B)	516 864	(40 000)	11 000	487 864	475 802	98%	12 062
Municipal Disaster Response Grant (Intervention)	125 959			125 959	125 959	100%	0
Municipal Disaster Response Grant (S7B)		104 733	0	104 733	37 266	36%	67 467
Municipal Disaster Response Grant (R & R) S5B	0	658 544		658 544	299 451	45%	359 093
Informal Settlements Upgrading Partnership Grant (ISUPG)	644 191	(22 868)	(42 600)	578 723	578 723	100%	0
Public Transport Network Grant (PTNG)	346 376	(150 000)	(96 000)	100 376	100 376	100%	0
Urban Settlement Development Grant (USDG)	1 132 936	(42 698)	50 000	1 140 238	1 101 848	97%	38 390
Programme and Project Preparation Support Grant (PPPSG)	38 908	(16 000)		22 908	20 479	89%	2 429
Neighbourhood Development Partnership Grant (NDPG) S5B	70 281	(5 000)	(5 689)	59 592	54 154	91%	5 438
Total	**7 993 531**	**50 530**	**(103 839)**	**7 940 222**	**7 309 972**	**92%**	**630 250**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			3. whether he can kindly provide (a) a breakdown of the conditional grants, (b) the amount allocated, per conditional grant and (c) the total expenditure per conditional grant for all provincial departments for the aforementioned financial years as at the latest specified date for which information is available (P2)? 4. whether he can kindly provide (a) a breakdown of the conditional grants, (b) the amount allocated per conditional grant and (c) the total expenditure, per conditional grant for all district municipalities for the above-mentioned financial years as at the latest specified date for which information is available? The table below show Conditional Infrastructure Grant per municipality:

2023/24 Financial Year

Metro's

Municipal name	Type of grant	2023/24				Expenditure end June 2024		Balance total allocation (R'000)
		Main allocation	Budget		Revised	Total	Percentage spent	
			1st Adjust	Sec 18 & 19 of DoRA	Budget	Exp. Allocation	Spent as % of total allocation	
NMBM	Public Transport Infrastructure	346 376	(150 000)	(96 000)	100 376	100 376	100.0%	0
	Urban Settlements Development	614 902	(42 698)	(50 000)	522 204	489 660	93.8%	32 544
	Neighbourhood Development Partnership	29 700		(689)	29 011	29 011	100.0%	0
	Programme and Project Preparation Support Grant	20 000	(10 000)		10 000	7 571	75.7%	2 429
	Regional Bulk Infrastructure Grant (RBIG) Schedule 5B	348 000			348 000	208 000	59.8%	140 000
	Informal Settlements partnership Grant	349 635	(22 868)	(25 200)	301 567	301 567	100.0%	0
	Energy Efficiency & Demand Side Management	9 000			9 000	9 000	100.0%	0
	EPWP Incentive	8 397	(469)		7 928	7 928	100.0%	0
		1 726 010	**(226 035)**	**(171 889)**	**1 328 086**	**1 153 113**	**86.8%**	**174 973**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Municipal Name	Type of grant	2023/24				Expenditure end June 2024		Balance total allocation (R'000)
		Main allocation	Budget		Revised	Total	Percentage spent	
			1st Adjust	Sec 18 & 19 of DoRA	Budget	Exp. Allocation	Spent as % of total allocation	
BCMM	Urban Settlements Development	518 034		100 000	618 034	612 188	99.1%	5 846
	Neighbourhood Development Partnership	40 581	(5 000)	(5 000)	30 581	25 143	82.2%	5 438
	Programme and Project Preparation Support Grant	18 908	(6 000)		12 908	12 908	100.0%	0
	Informal Settlements partnership Grant	294 556		(17 400)	277 156	277 156	100.0%	0
	EPWP Incentive	6 093	(340)	340	6 093	6 093	100.0%	0
		878 172	**(11 340)**	**77 940**	**944 772**	**933 488**	**98.8%**	**11 284**
		2 604 182	**(237 375)**	**(93 949)**	**2 272 858**	**2 086 601**	**91.8%**	**186 257**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			EESDM S5B

EESDM S5B

Municipality	2023/24				Expenditure End May 2024			Balance
					Total	Percentage spent	Percentage spent	
	Allocation	1st Adjust	Sec 18 & 19 of DoRA	Revised Allocation	Exp. Alloc	Spent as % of total allocation	Spent as % of total transfers	
Nelson Mandela Bay	9 000			9 000	9 000	100%	100%	0
	9 000	**0**	**0**	**9 000**	**9 000**	**100%**	**100%**	**0**
								0
Blue Crane Route	4 000			4 000	4 000	100%	100%	0
Kouga	4 000			4 000	4 000	100%	100%	0
	8 000	**0**	**0**	**8 000**	**8 000**	**100%**	**100%**	**0**
								0
Mbhashe	5 000			5 000	5 000	100%	100%	0
	5 000	**0**	**0**	**5 000**	**5 000**	**100%**	**100%**	**0**
								0
Inxuba Yethemba	5 000			5 000	5 000	100%	100%	0
	5 000	**0**	**0**	**5 000**	**5 000**	**100%**	**100%**	**0**
								0
King Sabata Dalindyebo	4 000		(3 000)	1 000	1 000	100%	100%	0
O.R. Tambo District Municipality	0							
	4 000	**0**	**(3 000)**	**1 000**	**1 000**	**100%**	**100%**	**0**
								0
	31 000	**0**	**(3 000)**	**28 000**	**28 000**	**100%**	**100%**	**0**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

MIG S5B

Municipality	2023/24 Allocation	Budget Adjust	Revised Budget	Expenditure End June 24 (R'000)	Expenditure End June 24 % allocation	Balance (R'000)
Dr Beyers Naude	23 871	(1 597)	22 274	22 274	100%	0
Blue Crane Route	24 268	(1 623)	22 645	22 645	100%	0
Makana	28 455	(1 903)	26 552	26 552	100%	0
Ndlambe	31 956	(2 137)	29 819	29 819	100%	0
Sundays River Valley	29 921	(2 001)	27 920	27 920	100%	0
Kouga	37 367	(2 499)	34 868	34 868	100%	0
Kou-Kamma	17 570	(1 175)	16 395	16 395	100%	0
Sarah Bartmaan district	**193 408**	**(12 935)**	**180 473**	**180 473**	**100%**	**0**
Mbhashe	71 487	(4 781)	66 706	66 706	100%	0
Mnquma	82 652	(5 528)	77 124	77 124	100%	0
Great Kei	12 560	(840)	11 720	11 720	100%	0
Amahlathi	32 976	(2 206)	30 770	30 770	100%	0
Ngqushwa	26 163	(1 750)	24 413	24 413	100%	0
Raymond Mhlaba	46 389	(3 103)	43 286	43 286	100%	0
Amathole District Municipality	516 993	(34 578)	482 415	482 415	100%	0
Amathole district	**789 220**	**(52 786)**	**736 434**	**736 434**	**100%**	**0**
Inxuba Yethemba	26 425	(1 767)	24 658	24 658	100%	0
Intsika Yethu	50 968	(3 409)	47 559	47 559	100%	0
Emalahleni	39 487	(2 641)	36 846	36 846	100%	0
Dr AB Xuma (Engcobo)	45 533	(3 045)	42 488	42 488	100%	0
Sakhisizwe	20 959	(1 402)	19 557	19 557	100%	0
Enoch Mgijima	64 378	(4 306)	60 072	60 072	100%	0
Chris Hani District Municipality	345 989	(23 141)	322 848	322 848	100%	0
Chris Hani district	**593 739**	**(39 711)**	**554 028**	**554 028**	**100%**	**0**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Municipality	2023/24 Allocation	Budget	Revised	Expenditure End June 24		Balance (R'000)
		Adjust	Budget	(R'000)	% allocation	
Elundini	54 045	(3 615)	50 430	50 430	100%	0
Senqu	45 485	(3 042)	42 443	42 443	100%	0
Walter Sisulu	21 772	(1 456)	20 316	20 316	100%	0
Joe Gqabi District Municipality	188 614	(12 615)	175 999	175 999	100%	0
Joe Gqabi district	**309 916**	**(20 728)**	**289 188**	**289 188**	**100%**	**0**
Ingquza Hill	64 854	(4 338)	60 516	60 516	100%	0
Port St Johns	48 979	(3 276)	45 703	45 703	100%	0
Nyandeni	72 517	(4 850)	67 667	67 667	100%	0
Mhlontlo	52 455	(3 508)	48 947	48 947	100%	0
King Sabata Dalindyebo	103 269	(6 907)	96 362	96 362	100%	0
O.R.Tambo District Municipality	764 752	(51 149)	713 603	713 603	100%	0
O.R. Tambo	**1 106 826**	**(74 028)**	**1 032 798**	**1 032 798**	**100%**	**0**
Matatiele	58 506	(3 913)	54 593	54 593	100%	0
Umzimvubu	55 067	(3 683)	51 384	51 384	100%	0
Winnie Mdikizela-Mandela (Mbizana)	57 426	(3 841)	53 585	53 585	100%	0
Ntabankulu	31 798	(2 127)	29 671	29 671	100%	0
Alfred Nzo District Municipality	453 563	(30 336)	423 227	423 227	100%	0
Alfred Nzo district	**656 360**	**(43 900)**	**612 460**	**612 460**	**100%**	**0**
	3 649 469	**(244 088)**	**3 405 381**	**3 405 381**	**100%**	**0**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			WSIG S5B

Municipality	2023/24 Allocation	Budget		Revised	Expenditure End June 24		Balance (R'000)
		1st Adjust	Sec 18 & 19 of DoRA	Budget	(R'000)	% allocation	
Dr Beyers Naude	20 000		6 250	26 250	26 250	100%	0
Blue Crane Route	10 000		6 250	16 250	16 250	100%	0
Makana	21 947			21 947	21 947	100%	0
Ndlambe	30 000	(3 038)		26 962	26 962	100%	0
Sundays River Valley	15 000		9 538	24 538	24 538	100%	0
Kouga	30 000			30 000	22 832	76%	7 168
Kou-Kamma	10 000	(1 962)	(2 038)	6 000	1 213	20%	4 787
	136 947	**(5 000)**	**20 000**	**151 947**	**139 992**	**92%**	**11 955**
Amathole District Municipality	60 900	(8 500)	15 000	67 400	67 293	100%	107
	60 900	**(8 500)**	**15 000**	**67 400**	**67 293**	**100%**	**107**
Chris Hani District Municipality	67 017	(5 500)	10 000	71 517	71 517	100%	0
	67 017	**(5 500)**	**10 000**	**71 517**	**71 517**	**100%**	**0**
Joe Gqabi District Municipality	67 000	(5 000)		62 000	62 000	100%	0
	67 000	**(5 000)**	**0**	**62 000**	**62 000**	**100%**	**0**
O.R. Tambo District Municipality	80 000	(8 000)		72 000	72 000	100%	0
	80 000	**(8 000)**	**0**	**72 000**	**72 000**	**100%**	**0**
Alfred Nzo District Municipality	105 000	(8 000)	(34 000)	63 000	63 000	100%	0
	105 000	**(8 000)**	**(34 000)**	**63 000**	**63 000**	**100%**	**0**
	516 864	**(40 000)**	**11 000**	**487 864**	**475 802**	**98%**	**12 062**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			RBIG S5B

Municipality	2023/24 Allocation	Budget		Revised	Expenditure End June 24		Balance (R'000)
		1st Adjust	Sec 18 & 19 of DoRA	Budget	(R'000)	% allocation	
Nelson Mandela By	348 000	0		348 000	208 000	60%	140 000
	348 000	**0**	**0**	**348 000**	**208 000**	**60%**	**140 000**
Chris Hani District Municipality	203 000	(19 000)		184 000	184 000	100%	0
	203 000	**(19 000)**		**184 000**	**184 000**	**100%**	**0**
Joe Gqabi District Municipality	20 000	0		20 000	20 000	100%	0
	20 000	**0**	**0**	**20 000**	**20 000**	**100%**	**0**
O.R. Tambo District Municipality	160 849	(20 149)	(20 000)	120 700	120 700	100%	0
	160 849	**(20 149)**	**(20 000)**	**120 700**	**120 700**	**100%**	**0**
	731 849	**(39 149)**	**(20 000)**	**672 700**	**532 700**	**79%**	**140 000**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			RBIG S6B

Municipality	2023/24 Allocation	Budget		Revised	Expenditure End June 24		Balance (R'000)
		1st Adjust	Sec 18 & 19 of DoRA	Budget	(R'000)	% allocation	
Nelson Mandela By		1 442	1 069	2 511	2 510	100%	1
	0	**1 442**	**1 069**	**2 511**	**2 510**	**100%**	**1**
Dr Beyers Naude	31 000	(5 910)		25 090	24 670	98%	420
Makana	40 000		(6 861)	33 139	33 139	100%	0
Ndlambe	20 000	(1 179)	(12 300)	6 521	2 996	46%	3 525
Sundays River Valley	22 000		(5 149)	16 851	16 851	100%	0
Kou-Kamma	7 600	1 179		8 779	7 111	81%	1 668
	120 600	**(5 910)**	**(24 310)**	**90 380**	**84 767**	**94%**	**5 613**
Amathole District Municipality	115 000	(41 863)	(4 000)	69 137	47 770	69%	21 367
	115 000	**(41 863)**	**(4 000)**	**69 137**	**47 770**	**69%**	**21 367**
Alfred Nzo District Municipality	68 000	(9 290)	(43 400)	15 310	15 310	100%	0
	68 000	**(9 290)**	**(43 400)**	**15 310**	**15 310**	**100%**	**0**
	303 600	**(55 621)**	**(70 641)**	**177 338**	**150 357**	**85%**	**26 981**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

INEP S5B

Municipality	2023/24 Allocation	Budget		Revised	Expenditure End June 24		Balance (R'000)
		1st Adjust	Sec 18 & 19 of DoRA	Budget	(R'000)	% allocation	
Blue Crane Route	204		(104)	100	100	100%	0
Kouga	4 700	(611)		4 089	3 403	83%	686
Sarah Baartman district	**4 904**	**(611)**	**(104)**	**4 189**	**3 503**	**84%**	**686**
Mbhashe	4 760	(618)		4 142	4 142	100%	0
Mnquma	10 700			10 700	10 700	100%	0
Great Kei	5 625	(625)		5 000	5 000	100%	0
Ngqushwa	3 752	(752)		3 000	3 000	100%	0
Raymond Mhlaba	5 900			5 900	5 900	100%	0
	30 737	**(1 995)**	**0**	**28 742**	**28 742**	**100%**	**0**
Intsika Yethu	30 196	(2 300)		27 896	27 896	100%	0
Emalahleni	24 881	(2 500)		22 381	22 381	100%	0
Dr AB. Xuma	18 381	(2 300)		16 081	16 081	100%	0
Sakhisizwe	13 880	(1 800)		12 080	12 080	100%	0
	87 338	**(8 900)**		**78 438**	**78 438**	**100%**	**0**
Elundini	17 759	(2 300)		15 459	15 459	100%	0
	17 759	**(2 300)**	**0**	**15 459**	**15 459**	**100%**	**0**
Ingquza Hill	2 618		2 500	5 118	2 618	51%	2 500
Port St Johns	26 768	(2 400)		24 368	24 368	100%	0
Nyandeni	23 313	(2 000)		21 313	21 313	100%	0
Mhlontlo	13 361			13 361	13 361	100%	0
	66 060	**(4 400)**	**2 500**	**64 160**	**61 660**	**96%**	**2 500**
Matatiele	39 900	(2 500)	3 600	41 000	41 000	100%	0
Umzimvubu	17 350	(1 500)		15 850	15 850	100%	0
Winnie Madikizela Mandela	17 000	(1 000)		16 000	16 000	100%	0
Ntabankulu	6 006			6 006	6 006	100%	0
Alfred Nzo District Municipality							
	80 256	**(5 000)**	**3 600**	**78 856**	**78 856**	**100%**	**0**
	287 054	**(23 206)**	**5 996**	**269 844**	**266 658**	**99%**	**3 186**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			MDRG S7B

Municipality	2023/24	Expenditure End June 2024		Balance
		Total	Percentage spent	
	Allocation	Exp. Alloc	Spent as % of total allocation	
Dr Beyers Naude	3 500	3 500	100%	0
Blue Crane Route	3 200	3 200	100%	0
Kouga	3 000	3 000	100%	0
	9 700	**9 700**	**100%**	**0**
Mbhashe	7 485	7 485	100%	0
Mnquma	4 000	4 000	100%	0
Amahlathi	4 700	4 700	100%	0
Ngqushwa	6 200	6 200	100%	0
	22 385	**22 385**	**100%**	**0**
Inxuba Yethemba	5 600	5 600	100%	0
Intsika Yethu	4 190	4 190	100%	0
Emalahleni	3 395	3 395	100%	0
Dr. A.B Xuma	6 500	6 500	100%	0
Sakhisizwe	3 940	3 940	100%	0
Enoch Mgijima	7 316	7 316	100%	0
Chris Hani District Municipality	11 055	11 055	100%	0
	41 996	**41 996**	**100%**	**0**
Senqu	6 400	6 400	100%	0
	6 400	**6 400**	**100%**	
Ingquza Hill	4 138	4 138	100%	0
Port St Johns	20 530	20 530	100%	0
Nyandeni	4 600	4 600	100%	0
Mhlontlo	5 100	5 100	100%	0
King Sabata Dalindyebo	5 360	5 360	100%	0
	39 728	**39 728**	**100%**	**0**
Matatiele	2 251	2 251	100%	0
Umzimvubu	3 500	3 500	100%	0
	5 751	5 751	100%	0
	125 959	**125 960**	**100%**	**0**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			MDRG S5B

MDRG S5B

Municipality	2023/24			Expenditure End June 2024		Balance
				Total	Percentage spent	
	Allocation	Budget Adjustment	Revised Allocation	Exp. Alloc	Spent as % of total allocation	
Dr Beyers Naude		6 585	6 585	175	3%	6 410
Blue Crane Route		30 491	30 491	428	1%	30 063
		37 076	**37 076**	**603**	**2%**	**36 473**
Mbhashe		32 204	32 204	13 954	43%	18 250
Mnquma		8 625	8 625	8 625	100%	0
Amahlathi		25 512	25 512	11 092	43%	14 420
Ngqushwa		20 330	20 330	9 159	45%	11 171
Raymond Mhlaba		36 534	36 534	36 534	100%	0
Amathole District Municipality						
		123 205	**123 205**	**79 364**	**64%**	**43 841**
Inxuba Yethemba		11 233	11 233	7 943	71%	3 290
Intsika Yethu		38 991	38 991	23 165	59%	15 826
Emalahleni		42 739	42 739	22 106	52%	20 633
Dr. A.B Xuma		25 172	25 172	25 172	100%	0
Sakhisizwe		47 326	47 326	10 452	22%	36 874
Enoch Mgijima		42 681	42 681	2 613	6%	40 068
Chris Hani District Municipality		27 695	27 695	27 695	100%	0
		235 837	**235 837**	**119 146**	**51%**	**116 691**
Ingquza Hill		10 812	10 812	6 006	56%	4 806
Port St Johns		34 161	34 161	2 057	6%	32 104
Nyandeni		46 987	46 987	8 167	17%	38 820
Mhlontlo		33 364	33 364	8 339	25%	25 025
King Sabata Dalindyebo		40 215	40 215	17 613	44%	22 602
O.R. Tambo District Municipality			0	0	#DIV/0!	0
		165 539	**165 539**	**42 182**	**25%**	**123 357**
Matatiele		32 706	32 706	14 607	45%	18 099
Umzimvubu		35 777	35 777	26 050	73%	9 727
Ntabankulu		28 404	28 404	17 499	62%	10 905
Alfred Nzo District Municipality			0	0	#DIV/0!	0
		96 887	**96 887**	**58 156**	**60%**	**38 731**
		658 544	**658 544**	**299 451**	**45%**	**359 093**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			MDRG S7B

Municipality	2023/24		Expenditure End June 2024		Balance
			Total	Percentage spent	
	Allocation	Budget Adjustment	Exp. Alloc	Spent as % of total allocation	
Blue Crane Route		10 550	10 550	100%	0
Makana		9 200	7 364	80%	1 836
Ndlambe		11 250	1 224	11%	10 026
Kouga		10 550	177	2%	10 373
		41 550	**19 315**	**46%**	**22 235**
Great Kei		17 420	1 014	6%	16 406
Amathole District Municipality					0
		17 420	**1 014**	**6%**	**16 406**
Elundini		12 307	953	8%	11 354
Senqu		14 266	3 086	22%	11 180
		26 573	**4 039**	**15%**	**22 534**
Winnie Madikizela Mandela		19 190	12 898	67%	6 292
		19 190	**12 898**	**67%**	**6 292**
		104 733	**37 266**	**40%**	**67 467**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			EPWP

Municipality	2023/24 Allocation	Budget adjustment Sec 18 & 19 of DoRA	2023/24 Revised Budget	Expenditure Exp. June 2024	Expenditure %	Balance To-date
BCM	6 093	340	6 433	6 433	100%	0
NMB	8 397		8 397	8 397	100%	0
	14 490	**340**	**14 830**	**14 830**	**100%**	**0**
Dr Beyers Naude	1 315	(197)	1 118	1 118	100%	0
Blue Crane Route	1 143		1 143	1 143	100%	0
Makana	1 013		1 013	1 013	100%	0
Ndlambe	1 486		1 486	1 486	100%	0
Sundays River Valley	980	(294)	686	686	100%	0
Kouga	2 458		2 458	2 458	100%	0
Kou-Kamma	1 048		1 048	1 048	100%	0
Sarah Bartmaan district	2 181		2 181	2 181	100%	0
Sarah Bartmaan district	**11 624**	**(491)**	**11 133**	**11 133**	**100%**	**0**
Mbhashe	1 750		1 750	1 750	100%	0
Mnquma	1 512		1 512	1 512	100%	0
Great Kei	973		973	973	100%	0
Amahlathi	1 310		1 310	1 310	100%	0
Ngqushwa	1 490		1 490	1 490	100%	0
Raymond Mhlaba	3 885	217	4 102	4 102	100%	0
Amathole District Municipality	5 579	(1 362)	4 217	4 217	100%	0
Amathole district	**16 499**	**(1 145)**	**15 354**	**15 354**	**100%**	**0**
			0			0
Inxuba Yethemba	1 800	250	2 050	2 050	100%	0
Intsika Yethu	1 749		1 749	1 749	100%	0
Emalahleni	1 416	712	2 128	2 128	100%	0
Dr AB Xuma (Engcobo)	1 927		1 927	1 927	100%	0
Sakhisizwe	1 208		1 208	1 208	100%	0
Enoch Mgijima	2 430		2 430	2 430	100%	0
Chris Hani District Municipality	2 872	(328)	2 544	2 544	100%	0
Chris Hani district	**13 402**	**634**	**14 036**	**14 036**	**100%**	**0**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Municipality	2023/24 Allocation	Budget adjustment Sec 18 & 19 of DoRA	2023/24 Revised Budget	Expenditure Exp. June 2024	%	Balance To-date
Elundini	1 580	350	1 930	1 930	100%	0
Senqu	1 194		1 194	1 194	100%	0
Walter Sisulu	1 201		1 201	1 201	100%	0
Joe Gqabi District Municipality	1 382	350	1 732	1 732	100%	0
Joe Gqabi district	**5 357**	**700**	**6 057**	**6 057**	**100%**	**0**
			0			0
Ingquza Hill	1 184	200	1 384	1 384	100%	0
Port St Johns	1 555	250	1 805	1 805	100%	0
Nyandeni	1 707		1 707	1 707	100%	0
Mhlontlo	1 754		1 754	1 754	100%	0
King Sabata Dalindyebo	4 238		4 238	4 238	100%	0
O.R.Tambo District Municipality	6 809	(1 662)	5 147	5 147	100%	0
O.R. Tambo	**17 247**	**(1 212)**	**16 035**	**16 035**	**100%**	**0**
Matatiele	3 974	222	4 196	4 196	100%	0
Umzimvubu	2 917	163	3 080	3 080	100%	0
Winnie Mdikizela-Mandela (Mbizana)	3 222		3 222	3 222	100%	0
Ntabankulu	2 440		2 440	2 440	100%	0
Alfred Nzo District Municipality	6 931	(1 039)	5 892	5 892	100%	0
Alfred Nzo district	**19 484**	**(654)**	**18 830**	**18 830**	**100%**	**0**
			0			0
Totals	**98 103**	**(1 828)**	**96 275**	**96 275**	**100%**	**0**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			2024/25 FINANCIAL YEAR **Provincial Overview**

Grant Type	2024/25 R'000	Budget 1st Adjustment	Revised Budget	Transferred Amounts	Expenditure End Sep 2024 R'000	Expenditure End Sep 2024 % allocation	Expenditure End Sep 2024 % transfer	Balance
Municipal Infrastructure Grant (MIG)	3 536 357	(22 084)	3 514 273	1 101 733	985 525	28%	89%	2 528 748
Expanded Public Works Programme Integrated Grant (Municipality)	78 107		78 107		6 394	8%	#DIV/0!	71 713
Rural Roads Asset Management Systems Grant (RRAMS)	17 749		17 749		2 156	12%	#DIV/0!	15 593
Integrated National Electrification Programme Grant (Municipal)	352 170		352 170	130 498	104 807	30%	80%	247 363
Energy Efficiency and Demand Side Management (Municipal) Grant	26 000		26 000	10 000	424	2%	4%	25 576
Regional Bulk Infrastructure Grant (RBIG) Schedule 5B	707 935		707 935	258 487	82 854	12%	32%	625 081
Regional Bulk Infrastructure Grant (RBIG) Schedule 6B	317 423		317 423		110 924	35%	#DIV/0!	206 499
Water Services Infrastructure Grant (Schedule 5B)	562 092		562 092	210 832	88 025	16%	42%	474 067
Water Services Infrastructure Grant (Schedule 6B)	45 000		45 000		5 305	12%	#DIV/0!	39 695
Municipal Disaster Recovery Grant (MDRG)	494 205		494 205	98 848	0	0%	0%	494 205
Informal Settlements Upgrading Partnership Grant (ISUPG)	666 391		666 391	152 581	47 685	7%	31%	618 706
Public Transport Network Grant (PTNG)	339 948		339 948	22 035	10 013	3%	45%	329 935
Urban Settlement Development Grant (USDG)	1 170 838		1 170 838	349 249	105 583	9%	30%	1 065 255
Programme and Project Preparation Support Grant (PPPSG)	30 000		30 000	6 000	2 138	7%	36%	27 862
Neighbourhood Development Partnership Grant (NDPG) S5B	**72 868**		**72 868**	**21 081**	**2 138**	**3%**	**10%**	**70 730**
Total	**8 417 083**	**(22 084)**	**8 394 999**	**2 361 344**	**1 553 971**	**19%**	**66%**	**6 841 028**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			Metro's

Municipal name	Type of grant	2024/25			Expenditure Sep 2024			Balance of transfer (R'000)	Balance total allocation (R'000)
		Main allocation	Revised Budget	Total amount received	Total	Percentage spent			
					Exp. Allocation	Spent as % of transfers	Spent as % of total allocation		
NMBM	Public Transport Infrastructure	339 948	339 948	22 035	10 013	45%	3%	12 022	329 935
	Urban Settlements Development	635 473	635 473	177 932	22 593	13%	4%	155 339	612 880
	Neighbourhood Development Partnership	17 213	17 213	3 750	0	0%	0%	3 750	17 213
	Programme and Project Preparation Support Grant	15 000	15 000	3 000	0	0%	0%	3 000	15 000
	Regional Bulk Infrastructure Grant (RBIG) Schedule 5B	250 000	250 000	110 000	0	0%	0%	110 000	250 000
	Informal Settlements partnership Grant	361 684	361 684	54 075	33 883	63%	9%	20 192	327 801
	Energy Efficiency & Demand Side Management	7 000	7 000	2 700	0	0%	0%	2 700	7 000
	EPWP Incentive	3 480	3 480	869	104	12%	3%	765	3 376
		1 629 798	**1 629 798**	**374 361**	**66 593**	**18%**	**4%**	**307 768**	**1 563 205**
BCMM	Urban Settlements Development	535 365	535 365	171 317	82 990	48%	16%	88 327	452 375
	Neighbourhood Development Partnership	55 655	55 655	17 331	2 152	12%	4%	15 179	53 503
	Programme and Project Preparation Support Grant	15 000	15 000	3 000	2 138	71%	14%	862	12 862
	Informal Settlements partnership Grant	304 707	304 707	98 506	13 802	14%	5%	84 704	290 905
	EPWP Incentive	2 314	2 314	578	1 052	182%	45%	(474)	1 262
		913 041	**913 041**	**290 732**	**102 134**	**35%**	**11%**	**188 598**	**810 907**
		2 542 839	**2 542 839**	**665 093**	**168 727**	**25%**	**6.6%**	**496 366**	**2 374 112**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			EEDSM S5B

Municipality	2024/25	Expenditure Sep 2024			Balance
		Total	Percentage spent	Percentage spent	
	Allocation	Exp. Alloc	Spent as % of total allocation	Spent as % of total transfers	
Buffalo City	0				
Nelson Mandela Bay	7 000	360	5%	13%	6 640
	7 000	**360**	**5%**	**13%**	**6 640**
Blue Crane Route	4 000	64	2%	4%	3 936
Sundays River Valley	4 000	0	0%	0%	4 000
Kou-Kamma	4 000	0	0%		4 000
Sarah Baartman District Municipality	0				0
	12 000	64	1%	1%	11 936
					0
Amahlathi	3 000	0	0%	0%	3 000
	3 000	**0**	**0%**	**0%**	**3 000**
Walter Sisulu	4 000		43%	0%	4 000
	4 000	**0**	**0%**	**0%**	**4 000**
	26 000	**424**	**2%**	**4%**	**25 576**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			MIG S5B

Municipality	2024/25 Allocation	1st Budget	Revised	Total transfers (R'000)	Expenditure End Sep 24			Balance total transfers (R'000)
		Adjust	Budget		(R'000)	% transfers	% allocation	
Dr Beyers Naude	23 477	(39)	23 438	8 400	9 341	111%	40%	(941)
Blue Crane Route	15 999	(30)	15 969	4 800	3 884	81%	24%	916
Makana	27 858	(80)	27 778	11 704	7 232	62%	26%	4 472
Ndlambe	31 238	(109)	31 129	11 690	13 096	112%	42%	(1 406)
Sundays River Valley	39 150	(118)	39 032	14 353	11 617	81%	30%	2 736
Kouga	36 558	(112)	36 446	10 897	6 815	63%	19%	4 082
Kou-Kamma	17 256	(40)	17 216	6 000	2 208	37%	13%	3 792
	0		0					
Sarah Bartmaan district	**191 536**	**(528)**	**191 008**	**67 844**	**54 193**	**80%**	**28%**	**13 651**
Mbhashe	70 329		70 329	22 132	16 513	75%	23%	5 619
Mnquma	73 457		73 457	27 385	37 554	137%	51%	(10 169)
Great Kei	12 436		12 436	3 730	5 046	135%	41%	(1 316)
Amahlathi	37 403		37 403	12 962	11 609	90%	31%	1 353
Ngqushwa	25 797		25 797	9 061	3 637	40%	14%	5 424
Raymond Mhlaba	45 699		45 699	15 280	11 690	77%	26%	3 590
Amathole District Municipality	493 511	(4 929)	488 582	151 168	157 574	104%	32%	(6 406)
Amathole district	**758 632**	**(4 929)**	**753 703**	**241 718**	**243 623**	**101%**	**32%**	**(1 905)**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Municipality	2024/25 Allocation	1st Budget	Revised	Total transfers (R'000)	Expenditure End Sep 24			Balance total transfers (R'000)
		Adjust	Budget		(R'000)	% transfers	% allocation	
Inxuba Yethemba	18 225		18 225	6 290	7 182	114%	39%	(892)
Intsika Yethu	60 166	(10 000)	50 166	18 933	22 595	119%	45%	(3 662)
Emalahleni	38 891		38 891	15 558	28 628	184%	74%	(13 070)
Dr AB Xuma (Engcobo)	44 827		44 827	13 058	5 142	39%	11%	7 916
Sakhisizwe	30 684		30 684	10 303	2 312	22%	8%	7 991
Enoch Mgijima	63 424		63 424	19 030	10 303	54%	16%	8 727
Chris Hani District Municipality	330 979	(3 350)	327 629	111 605	84 110	75%	26%	27 495
Chris Hani district	**587 196**	**(13 350)**	**573 846**	**194 777**	**160 272**	**82%**	**28%**	**34 505**
								0
Elundini	45 340		45 340	17 589	12 990	74%	29%	4 599
Senqu	54 789		54 789	17 124	20 373	119%	37%	(3 249)
Walter Sisulu	21 520		21 520	8 632	10 658	123%	50%	(2 026)
Joe Gqabi District Municipality	180 157	(1 781)	178 376	50 670	66 999	132%	38%	(16 329)
Joe Gqabi district	**301 806**	**(1 781)**	**300 025**	**94 015**	**111 020**	**118%**	**37%**	**(17 005)**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Municipality	2024/25 Allocation	1st Budget	Revised	Total transfers (R'000)	Expenditure End Sep 24			Balance total transfers (R'000)
		Adjust	Budget		(R'000)	% transfers	% allocation	
Ingquza Hill	63 812	10 000	73 812	19 667	31 363	159%	42%	(11 696)
Port St Johns	39 862		39 862	12 000	17 854	149%	45%	(5 854)
Nyandeni	71 339		71 339	26 536	29 015	109%	41%	(2 479)
Mhlontlo	51 631		51 631	17 539	11 911	68%	23%	5 628
King Sabata Dalindyebo	101 606		101 606	29 299	21 578	74%	21%	7 721
O.R.Tambo District Municipality	727 555	(7 230)	720 325	207 034	127 442	62%	18%	79 592
O.R. Tambo	**1 055 805**	**2 770**	**1 058 575**	**312 075**	**239 163**	**77%**	**23%**	**72 912**
								0
Matatiele	57 584		57 584	18 674	18 034	97%	31%	640
Umzimvubu	54 199		54 199	17 730	19 370	109%	36%	(1 640)
Wonnie Mdikizela-Mandela (Mbizana)	56 512		56 512	18 605	17 284	93%	31%	1 321
Ntabankulu	41 331		41 331	13 113	14 397	110%	35%	(1 284)
Alfred Nzo District Municipality	431 756	(4 266)	427 490	123 182	108 169	88%	25%	15 013
Alfred Nzo district	**641 382**	**(4 266)**	**637 116**	**191 304**	**177 254**	**93%**	**28%**	**14 050**
	3 536 357	**(22 084)**	**3 514 273**	**1 101 733**	**985 525**	**89%**	**28%**	**116 208**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			WSIG S5B

Municipality	2024/25 Allocation (R'000)	2024 transfer (R'000)	Expenditure End Sep 24 (R'000)	% transfers	% allocation	Balance transfers (R'000)	25% of 1st transfer	Amount to reach 25%
Dr Beyers Naude	20 200	13 500	1 863	14%	9%	11 637	3 375	1 512
Blue Crane Route	13 816	2 150	130	6%	1%	2 020	538	408
Makana	19 800	7 000	4 931	70%	25%	2 069	1 750	(3 181)
Ndlambe	32 600	14 032	9 839	70%	30%	4 193	3 508	(6 331)
Sundays River Valley	16 000	8 677	1 439	17%	9%	7 238	2 169	730
Kouga	13 941	7 850	1 623	21%	12%	6 227	1 963	340
Kou-Kamma	15 000	10 534	826	8%	6%	9 708	2 634	1 808
Sarah Baartman District Municipality								
	131 357	**63 743**	**20 651**	**32%**	**16%**	**43 092**	**15 936**	**(4 715)**
Amathole District Municipality	77 525	20 151	8 727	43%	11%	11 424	5 038	(3 689)
	77 525	**20 151**	**8 727**	**43%**	**11%**	**11 424**	**5 038**	
Chris Hani District Municipality	83 600	25 080	26 107	104%	31%	(1 027)	6 270	(19 837)
	83 600	**25 080**	**26 107**	**104%**	**31%**	**-1 027**	**6 270**	
Joe Gqabi District Municipality	60 610	30 110	10 807	36%	18%	19 303	7 528	(3 280)
	60 610	**30 110**	**10 807**	**36%**	**18%**	**19 303**	**7 528**	
O.R. Tambo District Municipality	100 000	29 784	10 012	34%	10%	19 772	7 446	(2 566)
	100 000	**29 784**	**10 012**	**34%**	**10%**	**19 772**	**7 446**	
Alfred Nzo District Municipality	109 000	41 964	11 721	28%	11%	30 243	10 491	(1 230)
	109 000	**41 964**	**11 721**	**28%**	**11%**	**30 243**	**10 491**	
	562 092	**210 832**	**88 025**	**42%**	**16%**	**122 807**	**52 708**	

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

WSIG S6B

Municipality	2024/25 Allocation (R'000)	Budget (R'000)	Revised (R'000)	Expenditure End Sep 24			Balance (R'000)
		1st Adjust	Sec 18 & 19 of DoRA	Budget	(R'000)	% allocation	
Makana	45 000			45 000	16 896	37.55%	28 104
	45 000	**0**	**0**	**45 000**	**16 896**	**37.55%**	**28 104**

RBIG S5B

Municipality	2024/25 Allocation (R'000)	Total transfer 2024/25 (R'000)	Expenditure End Sep 24			Balance Transfer (R'000)	25% of 1st transfer	Amount to reach 25%
			(R'000)	% transfers	% allocation			
Nelson Mandela By	250 000	110 000	0	0%	0%	110 000	27 500	27 500
	250 000	**110 000**	**0**	**0%**	**0%**	**110 000**	**27 500**	
Chris Hani District Municipality	116 822	44 248	39 973	90%	34%	4 275	11 062	(28 911)
	116 822	**44 248**	**39 973**	**90%**	**34%**	**4 275**	**11 062**	
Joe Gqabi District Municipality	50 000	15 000	1 252	8%	3%	13 748	3 750	2 498
	50 000	**15 000**	**1 252**	**8%**	**3%**	**13 748**	**3 750**	
O.R. Tambo District Municipality	291 113	89 239	41 629	47%	14%	47 610	22 310	(19 319)
	291 113	**89 239**	**41 629**	**47%**	**14%**	**47 610**	**22 310**	
	707 935	**258 487**	**82 854**	**32%**	**12%**	**175 633**	**64 622**	

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			RBIG S6B

Municipality	2025/24 Allocation	Budget		Revised	Expenditure End Sep 24		Balance (R'000)
		1st Adjustment	2nd Adjustment	Budget	(R'000)	%	
Makana	35 000			35 000	33 862	97%	1 138
Ndlambe	15 000		(5 000)	10 000	4 169	42%	5 831
Sundays River Valley	18 000			18 000	10 563	59%	7 437
Kou-Kamma	300	2 878		3 178	2 160	68%	1 018
Sarah Baartman District Municipality							
	68 300	**2 878**	**(5 000)**	**66 178**	**50 754**	**77%**	**15 424**
Amathole District Municipality	89 682			89 682	60 170	67%	29 512
	89 682	**0**	**0**	**89 682**	**60 170**	**67%**	**29 512**
Alfred Nzo District Municipality	159 441	(2 878)	(116 563)	40 000	0	0%	40 000
	159 441	**(2 878)**	**(116 563)**	**40 000**	**0**	**0%**	**40 000**
	317 423	**0**	**(121 563)**	**195 860**	**110 924**	**57%**	**84 936**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			INEP S5B

INEP S5B

Municipality	2024/25 Allocation	Total transfer (R'000)	Expenditure End Sep 2024 (R'000)	% transfers	% allocation	Balance transfer (R'000)	50% of 1st transfer	Amount to reach 50%
Sundays River Valley	495	495	495			0	248	(248)
Kouga	4 203		64	#DIV/0!	2%	(64)	0	(64)
Koukama	6 462	2 600	1 295	50%	20%	1 305	1 300	5
Sarah Baartman district	0							
Sarah Baartman district	**11 160**	**3 095**	**1 854**	**60%**	**17%**	**1 241**	**1 548**	
Mbhashe	9 029	4 000	3 721	93%	41%	279	2 000	(1 721)
Mnquma	1 152	1 152	1 152	100%	100%	0	576	(576)
Great Kei			0					
Amahlathi	1 860	600	496	83%	27%	104	300	(196)
Ngqushwa	7 013	2 200	1 077	0%	0%	1 123	1 100	23
Raymond Mhlaba	409	409	409	0%	0%	0	205	(205)
Amathole district								
Amathole District municipalities	**19 463**	**8 361**	**6 855**	**82%**	**35%**	**1 506**	**4 181**	
							0	
Inxuba Yethemba	6 322	2 322	2 228	96%	35%	94	1 161	(1 067)
Intsika Yethu	8 652	3 028	780	26%	9%	2 248	1 514	734
Emalahleni	44 431	14 051	6 455	46%	15%	7 596	7 026	571
Dr AB. Xuma	38 126	21 000	18 636	89%	49%	2 364	10 500	(8 136)
Sakhisizwe	5 140	2 400	1 463	61%	28%	937	1 200	(263)
Enoch Mgijima	24 027	11 000	3 861	35%	16%	7 139	5 500	1 639
Chris Hani district								
Chris Hani District municipalities	**126 698**	**53 801**	**33 423**	**62%**	**26%**	**20 378**	**26 901**	
Elundini	12 994	4 000	131	3%	1%	3 869	2 000	1 869
Senqu	2 115	615	0	0%	0%	615	308	308
Walter Sisulu	6 067	2 067	0	0%	0%	2 067	1 034	1 034
Joe Gqabi district								
Joe Gqabi District municipalities	**21 176**	**6 682**	**131**	**2%**	**1%**	**6 551**	**3 341**	

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Municipality	2024/25 Allocation	Total transfer (R'000)	Expenditure End Sep 2024			Balance transfer (R'000)	50% of 1st transfer	Amount to reach 50%
			(R'000)	% transfers	% allocation			
Ingquza Hill	18 162	6 000	5 676	95%	31%	324	3 000	(2 676)
Port St Johns	31 277	9 500	9 437	99%	30%	63	4 750	(4 687)
Nyandeni	17 850	6 200	3 388	55%	19%	2 812	3 100	(288)
Mhlontlo	13 836	3 836	3 713	97%	27%	123	1 918	(1 795)
King Sabata Dalindyebo	7 931	2 500	571	23%	7%	1 929	1 250	679
OR Tambo district								
OR Tambo District Municipalities	**89 056**	**28 036**	**22 785**	**81%**	**26%**	**5 251**	**14 018**	
Matatiele	26 648	8 327	14 736	177%	55%	(6 409)	4 164	(10 573)
Umzimvubu	22 728	7 955	4 814	61%	21%	3 141	3 978	(837)
Winnie Madikizela Mandela	25 362	9 362	17 606	188%	69%	(8 244)	4 681	(12 925)
Ntabankulu	9 879	4 879	2 603	53%	26%	2 276	2 440	(164)
Alfred Nzo district								
Alfred Nzo District municipalities	**84 617**	**30 523**	**39 759**	**130%**	**47%**	**-9 236**	**15 262**	
	352 170	**130 498**	**104 807**	**80%**	**30%**	**25 691**	**65 249**	

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			MDGR S5B

Municipality	Allocation 2024/25	Total	Expenditure Sep 2024			Balance Sep 2024
		Transfers	Total	% spent allocation	% spent transfers	
Dr Beyers Naude	5 005	1 001	0	0%	0%	5 005
Blue Crane Route	22 880	4 576	0	0%	0%	22 880
Sarah Baartman District Municipalities	**27 885**	**5 577**	**0**	**0%**	**0%**	**27 885**
Mbhashe	24 166	4 833	0	0%	0%	24 166
Mnquma	6 472	1 294	0	0%	0%	6 472
Amahlathi	19 145	3 829	0	0%	0%	19 145
Ngqushwa	15 256	3 057	0	0%	0%	15 256
Raymond Mhlaba	27 415	5 483	0	0%	0%	27 415
Amathole Distict municipalities	**92 454**	**18 496**	**0**	**0%**	**0%**	**92 454**
Inxuba Yethemba	8 429	1 686	0	0%	0%	8 429
Intsika Yethu	29 258	5 852	0	0%	0%	29 258
Emalahleni	32 071	6 414	0	0%	0%	32 071
Dr. A.B Xuma	18 898	3 780	0	0%	0%	18 898
Sakhisizwe	35 515	7 103	0	0%	0%	35 515
Enoch Mgijima	32 028	6 406	0	0%	0%	32 028
Chris Hani District Municipality	20 742	4 148	0	0%	0%	20 742
Chris Hani District municipalities	**176 941**	**35 389**	**0**	**0%**	**0%**	**176 941**
Ingquza Hill	8 113	1 623	0	0%	0%	8 113
Port St Johns	25 634	5 127	0	0%	0%	25 634
Nyandeni	35 259	7 052	0	0%	0%	35 259
Mhlontlo	25 037	5 007	0	0%	0%	25 037
King Sabata Dalindyebo	30 178	6 036	0	0%	0%	30 178
OR Tambo District municipalities	**124 221**	**24 845**	**0**	**0%**	**0%**	**124 221**
Matatiele	24 542	4 908	0	0%	0%	24 542
Umzimvubu	26 848	5 370	0	0%	0%	26 848
Ntabankulu	21 314	4 263	0	0%	0%	21 314
Alfred Nzo district municipalities	**72 704**	**14 541**	**0**	**0%**	**0%**	**72 704**
	494 205	**98 848**	**0**	**0%**	**0%**	**494 205**

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr><td></td><td></td><td></td><td>5. whether any conditional grant funding has been reduced due to under-expenditure for the aforementioned financial years as at the latest specified date for which information is available; if so, can he kindly provide a detailed breakdown of the conditional grants that were reduced?

The above tables reflect Section 18 of Division of Revenue Act (stopping of funds) meaning reduction of conditional grants was implemented.
Whether any conditional grant funding has been returned to National Treasury due to under-expenditure for the financial years mentioned above as at the latest specified date for which information is available; if so, can he kindly provide a detailed breakdown of the conditional grants that were returned?
The process of Section 21 of Division of Revenue Act (unspent) for 2023/24 financial year will be started in November 2024 as per MFMA circular 128, therefore, there are no funds returned to NT at this stage.

This question is not applicable in 2023/24 and 2024/25 financial years at this stage.</td></tr>
<tr><td>8 Nov 2024</td><td>IQP 17</td><td>Dr M J Figg to ask the MEC responsible for Finance:

Whether he can kindly outline the total material losses suffered by provincial government departments for (a) laptop damages, (b) replacement of laptops, (c) replacement of cell phones, (d) late cancellation of accommodation, (e) catering invoices in excess of quotes, (f) government vehicle damages and (g) damage to hired vehicles for the (i) 2020/21, (ii) 2021/22, (iii) 2022/23, (iv) 2023/24 and (v) 2024/25 financial years to date?</td><td>Response:
The following summaries the total cost incurred on losses, damages, and replacement of state assets for understated period(s).
<table>
<tr><th></th><th colspan="2">FY2020/21</th><th colspan="2">FY2021/22</th><th colspan="2">FY2022/23</th><th colspan="2">FY2023/24</th><th colspan="2">FY2024/25 (UPTO 30 Oct 2024)</th></tr>
<tr><td>Laptop damages</td><td>10</td><td>R232 890.13</td><td>36</td><td>R168 802.37</td><td>8</td><td>R316 646.76</td><td>28</td><td>R1 907 846.27</td><td>27</td><td>R173715.52</td></tr>
<tr><td>Laptop losses</td><td>5</td><td>R321 578.06</td><td>8</td><td>R208 062.47</td><td>6</td><td>R151 952.42</td><td>8</td><td>R401 003.60</td><td>10</td><td>R120165.49</td></tr>
<tr><td>Replacement of laptops</td><td>151</td><td>R23 122 016.75</td><td>187</td><td>R5 445845.60</td><td>367</td><td>R7 308 038.61</td><td>420</td><td>R11 804 226.17</td><td>144</td><td>R10745730.44</td></tr>
<tr><td>Replacement of cell phones</td><td></td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Government vehicle damages</td><td>166</td><td>R23 676 484.94</td><td>231</td><td>R5 822710.44</td><td>381</td><td>R7 776 637.79</td><td>456</td><td>R14 113 076.04</td><td>181</td><td>R11039611.45</td></tr>
<tr><td>Damage to hired vehicles</td><td>317</td><td>R46 798 501.69</td><td>418</td><td>R11 268556.04</td><td>748</td><td>R15 084 676.40</td><td>876</td><td>R25 917 302.21</td><td>325</td><td>R21785341.89</td></tr>
<tr><td>TOTAL</td><td>649</td><td>R94 151 471.57</td><td>880</td><td>R22 913976.92</td><td>1510</td><td>R30 637 951.98</td><td>1788</td><td>R54 143 454.29</td><td>687</td><td>R43864564.79</td></tr>
</table></td></tr>
</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
8 Nov 2024	IQP 17	**Mr R Odendaal to ask the MEC responsible for Finance:** (1) Whether there is any provincial municipality that has difficulty with the implementation of Municipal Standard Chart of Accounts (mSCOA); if so, (a) which municipalities, (b) what is the extent of the problems encountered with the implementation of mSCOA in these municipalities and (c) what is the time-frame to fix and/or attend to the problems encountered with the implementation of mSCOA in said municipalities; (2) whether the Provincial Treasury is confident that these municipalities have the required capacity to deal with the problems that have been encountered in the implementation of mSCOA; if not, why; (3) whether the Provincial Treasury is providing any provincial municipality with support with a view to assisting with the implementation of mSCOA; if so, (a) which municipalities and (b) what is the nature of the support provided to these municipalities?	**Response:** 1. (a) All municipalities in the province are implementing mSCOA, this is evident by their monthly submissions to NT's LG data base as submitted for the 2024/25 FY, the Draft Budgets, Adopted Budgets & Monthly IYM submissions as indicated in the table below. However, there are municipalities "RED" with outstanding submissions which are: Blue Crane, Joe Gqabi, Makana & Senqu of which, PT has engaged these Municipalities together with their Financial System Vendors to assist with the non-submissions.

MSCOA - Summary per Municipality - Upload and Segment Validation as on 2024/11/12 22:45:10
Green = correct (Phase 2), Yellow = Segment errors (Phase 2), Orange = Submitted with Error (Phase 1), Red = Outstanding, Blank = N/A

			Financial,Year 2023			2025						
Province :(EC) EASTERN CAPE			RAUD	PAUD	AUDA	TABB	ORGB	PROR	M01	M02	M03	MCUM
Alfred Nzo	DC44	M										
Amahlathi	EC124	L										
Amathole	DC12	H										
Blue Crane Route	EC102	L										
Buffalo City	BUF	H										
Chris Hani	DC13	M										
Dr Beyers Naude	EC101	L										
Dr. A.B. Xuma	EC137	M										
Elundini	EC141	L										
Emalahleni (EC)	EC136	L										
Enoch Mgijima	EC139	M										
Great Kei	EC123	L										
Intsika Yethu	EC135	L										
Inxuba Yethemba	EC131	L										
Joe Gqabi	DC14	H										
King Sabata Dalindyebo	EC157	H										
Kou-Kamma	EC109	M										
Kouga	EC108	M										
Makana	EC104	M										
Matatiele	EC441	M										
Mbhashe	EC121	L										
Mhlontlo	EC156	L										
Mnquma	EC122	M										
Ndlambe	EC105	L										
Nelson Mandela Bay	NMA	H										
Ngqushwa	EC126	M										
Ngquza Hills	EC153	L										
Ntabankulu	EC444	L										
Nyandeni	EC155	L										
O R Tambo	DC15	H										
Port St Johns	EC154	M										
Raymond Mhlaba	EC129	L										
Sakhisizwe	EC138	L										
Sarah Baartman	DC10	M										
Senqu	EC142	M										
Sundays River Valley	EC106	M										
Umzimvubu	EC442	M										
Walter Sisulu	EC145	L										
Winnie Madikizela-Mandela	EC443	M										

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			(b) The transversal issue that is a challenge in the province is the credibility of monthly financial and non-financial data strings, the assessment is conducted through IYM reports (Monthly) which are submitted by municipalities, seamless integration of the financial systems, utilisation of the financial system modules, the criteria classifying municipalities to "good", "fair "and "poor". The large number of municipalities in the province their data strings are in the category: "fair" whilst we have two municipalities where their data strings are concerning as they are "poor" which are Amathole District & Makana. Note this is status changes monthly based on the finding of the PT's assessment hence there is targeted support for each municipality. (c) Municipalities have the mSCOA Road maps which clearly illustrates areas of support and timelines, it is important to note that the issue of the submissions and credibility of the data strings of which the target date is 31 March 2025, as this is monitored monthly through IYM assessment. 2. Yes, there is capacity within these municipalities, however the support package by PT is for the Institution as mSCOA Regulation is an Organizational Reform, therefore Change Management sessions are conducted for both Political & Administrative Leadership and furthermore support is provided on budgeting and reporting, by both PT & Financial System Vendors of these municipalities to ascertain root cause of these challenges on whether it is a system issues or operational issues in terms of utilizing the system. 3. (a) all municipalities are supported in the province monthly on the credibility of the financial and non-financial data strings by the district mSCOA Champion and MFIP Advisor municipalities, however municipalities with non-submission of the data strings there is hands on support that is provided to targeted municipalities to improve data string credibility working through IYM's assessments. (b) what is the nature of the support provided to these municipalities including all municipalities in the provice: • Continuous mSCOA session relating to the implementation of Balance Sheet budgeting, Water Inventory and Cash Flow Budgeting. • Conduct working sessions in municipalities on monitoring on the effective implementation of mSCOA Circulars & Change Management Sessions. • Provides monthly feedback reports, quarterly sessions with municipalities to discuss IYM reports including Financial System Vendors where necessary to address system issues as part of capacity building. • Support municipalities by participating in the different mSCOA user groups of the different Financial System Vendors. • Encourage municipalities on attending NT's Masterclasses & any capacity building initiatives. • Include all proposed amendments and data string errors to the Adjustment Budget into Mid-year Budget engagements. • Provide support through oversight on the establishment and functionality of mSCOA Governance Structures. • Close monitoring of the NT Go-Muni to ensure submission of the mSCOA documents such as Road Maps, ToR & Minutes of the Governance Structures. • Facilitate Provincial mSCOA Day where all issues related to mSCOA are discussed in the province and quarterly present status of the province at the national level. Finally, continue with engagements with both Municipalities & Financial Systems Vendors to address system issues and capacity building.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
22 Nov 2024	IQP 19	**Dr M J Figg to ask the MEC responsible for Finance:** Noting that there is a reported link between infrastructure development and economic growth: (1) Whether he can kindly advise with regard to the total budget the province has invested in infrastructure projects including projects related to water, sanitation, roads and telecommunications for the (i) 2019/20, (ii) 2020/21, (iii) 2021/22, (iv) 2022/23 and (v) 2023/24 financial years as at the latest specified date for which information is available;	**Response:** In response to (1) above, the audited outcomes for infrastructure are presented in the tables 1 & 2 below for the financial years specified, per cluster and per nature of investment, respectively:

Table 1: Infrastructure payments summary by department

Department (R' 000)	2019/20	2020/21	2021/22	2022/23	2023/24
	Audited Outcomes				
Office Of Premier	173 368	303 611	202 068	304 220	412 892
Cooperative Governance and Traditional Affairs	23 077	31 462	2 631	3 260	2 681
Provincial Treasury	23 587	-	-	-	-
Sub -Total Governance, State Capacity and Institutional Development Cluster	**220 032**	**335 073**	**204 699**	**307 480**	**415 573**
Health	1 569 676	1 424 131	1 141 127	1 156 532	1 112 389
Social Development	43 268	28 338	25 104	34 918	23 456
Education	1 591 271	1 229 449	1 221 574	1 859 747	1 710 374
Sport, Recreation, Arts and Culture	33 924	14 716	52 862	58 051	24 706
Sub -Total Social Protection, Community and Human Development Cluster	**3 238 139**	**2 696 634**	**2 440 667**	**3 109 248**	**2 870 925**
Public Works and Infrastructure	266 002	213 698	224 173	251 153	220 032
Rural Development and Agrarian Reform	137 481	167 635	143 697	127 851	113 371
Economic Development, Environmental Affairs and Tourism	179 459	85 202	300 089	-	360 650
Transport	2 123 295	2 182 482	2 176 053	2 431 512	2 205 772
Human Settlements	1 897 702	1 275 152	2 147 794	2 049 058	1 917 979
Sub -Total Economic Sectors, Investment, Employment and Infrastructure Development Cluster	**4 603 939**	**3 924 169**	**4 991 806**	**4 859 574**	**4 817 804**
Total Provincial Infrastructure	**8 062 110**	**6 955 876**	**7 637 172**	**8 276 302**	**8 104 302**

Table 1 above indicates that majority of infrastructure spending, on an annual basis, has been on infrastructure within the economic sector departments, mainly within the Departments of Transport and Human Settlements. Expenditure in Department of Transport increased from R2.213 billion in 2019/20 to R2.205 billion in 2023/24, while Human Settlements spending increased from R1.897 billion in 2019/20 to R1.917 billion in 2023/24.

The allocations to the Department of Economic Development, Environmental Affairs and Tourism increased over the specified period including in the 2023/24 financial year due to the Budget Facility for Infrastructure funding for the Coega SEZ Water Security Programme. Within the Office of the Premier, the Infrastructure spending has also increased steadily over the period due to investments into infrastructure in the local sphere of government (including roads, water and sanitation & electrification) through the Small-Town Revitalisation intervention and the investment into telecommunications through the Eastern Cape Broadband Project.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Table 2: Infrastructure payments summary by category

Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24
	Audited outcome				
Existing infrastructure assets	**4 417 053**	**3 656 323**	**3 560 646**	**4 395 223**	**4 074 658**
Maintenance and repairs	2 116 096	1 864 878	1 487 042	1 907 311	2 051 080
Upgrades and additions	1 731 755	1 302 892	1 686 939	2 092 602	1 732 860
Rehabilitation and refurbishment	569 202	488 553	386 665	395 310	290 718
New infrastructure assets	**1 006 743**	**811 426**	**560 408**	**525 403**	**324 403**
Infrastructure transfers	**2 300 149**	**1 637 871**	**2 619 942**	**2 268 514**	**2 528 875**
Infrastructure transfers - Current	14	156 755	175	3	81
Infrastructure transfers - Capital	2 300 135	1 481 116	2 619 767	2 268 511	2 528 794
Infrastructure: Payments for financial assets	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-
Non-Infrastructure	**338 165**	**850 255**	**896 176**	**1 087 162**	**1 176 366**
Total Provincial Infrastructure	**8 062 110**	**6 955 875**	**7 637 172**	**8 276 302**	**8 104 302**

Table 2 above indicates that proportionally, provincial infrastructure spending is focused mainly on investment into the maintenance, upgrading and rehabilitation of existing infrastructure assets.
Capital Infrastructure Transfers have remained steady over the specified period (with exception to the 2019/20 financial year impacted by COVID – 19 pandemic) and is contributed mainly by the Eastern Cape Department of Human Settlements housing programmes funded by the Human Settlements Development Grant and Informal Settlements Upgrading Partnership Grant. The main contributor to spending under the Upgrades and Additions are the Department of Education who continue with improvements to schools towards the eradication of mud structures and development of school infrastructure towards compliance with the regulated norms and standards.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			2. Whether the economic figures are available for the province over the last five financial years; if so, can he kindly provide all the relevant details in this regard.

Eastern Cape Economic Growth - Constant 2015 prices - percentage changes

Industry	2019	2020	2021	2022	2023
Primary Industries	**-7.8**	**6.8**	**9.9**	**0.6**	**-5.2**
Agriculture, forestry and fishing	-8.7	9.3	9.9	1.8	-5.7
Mining and quarrying	-0.3	-12.8	9.5	-11.0	0.5
Secondary Industries	**-1.4**	**-14.0**	**7.3**	**0.0**	**-1.4**
Manufacturing	-0.8	-14.2	10.7	1.0	-1.3
Electricity and water	-2.9	-6.5	1.7	-0.6	-3.8
Construction	-3.2	-16.5	-3.2	-4.1	-1.0
Tertiary Industries	**0.6**	**-4.0**	**4.5**	**2.6**	**1.4**
Wholesale & retail trade; hotels & restaurants	-0.7	-11.5	7.8	3.2	-0.9
Transport and communication	-0.8	-13.1	7.6	9.5	4.6
Finance, real estate and business services	1.1	0.7	2.9	3.0	2.0
Personal services	1.1	-2.5	4.9	1.6	2.0
General government services	0.9	0.6	0.3	0.1	0.2
GDPR at market prices	**0.1**	**-6.0**	**5.3**	**2.1**	**0.8**

Source: Stats SA, Provincial GDP Release 2024

The above economic growth estimates for the province represent the latest available data that was released by Stats SA on 19 September 2024. The link between infrastructure expenditure and economic growth represents a long-term relationship and may therefore not be fully captured over shorter periods.

However, the prevailing consensus is that infrastructure investment serves to enhance the economy's productive capacity and improves access to public services both which are necessary for long-term economic growth.

Furthermore, it is to be noted that construction sector in the province, a sector closely linked to infrastructure expenditure, is gradually reducing/reversing its earlier declines, where in 2020 the construction sector declined by 16.5 per cent but in 2023, the decline is only 1 per cent.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
18 Dec 2024	OTP IQP 23	**Dr V Knoetze to ask the Premier:** 1) Which departments and/ or entities currently have attachment orders, can he kindly provide a full breakdown in this regard; 2) Whether he can kindly provide a full breakdown of the total value of each attachment order against the respective department and/or entity; 3) What items are covered by each attachment order specifically (a) office furniture, (b) equipment, (c) vehicles, (d) electronics or (e) other to be listed, to satisfy the payment of damages; 4) Whether he can kindly provide a breakdown of the circumstances or events that led to the issuance of each attachment order?	**RESPONSE** 1) All 10 Provincial Public Entities have no attachment orders against them. 2) There is nothing that has been attached for the public entities. 3) N/a 4) N/a

DATE	IQP NUMBER	ISSUES RAISED
28 Jan 2025	IQP 25	**Dr M J Figg to ask the MEC responsible for Finance:** With regard to the financial management of the province's own revenue generation: (1) What specific measures has the provincial government planned for the improvement of the province's own revenue generation for the 2025/26 financial year as at the latest specified date for which information is available; (2) how much revenue was generated by the province in over the (i) 2021/22, (ii) 2022/23 and (iii) 2023/24 financial years broken down by source i.e. (a) property rates, (b) vehicle licenses and (c) other fees; (3) (a) what strategies has the provincial government put in place towards minimising revenue leakages and (b) how does his Department monitor compliance with these measures; 1. whether there are any assets or investments identified for leasing or sale to increase own revenue; if so, what is the projected revenue from these initiatives

DEPARTMENT'S REPONSE

Response:

(1) The specific measures consist of the following:

- assistance provided to the departments with the development of revenue plans for implementation over the short term, medium term and long-term ending 2030 in line with the National Development Plan as the departments did not achieve revenue targets as originally anticipated over the medium term.
- PT assisted with the establishment of an Ad hoc committee to resolve the bottlenecks with the approval of lease agreements particularly in respect of the delegations of approvals in terms of the Eastern Cape Land Disposal Act.
- The support extends to the placement of student interns at the Department of Public Works and Infrastructure to assist with the collection of tenant revenue of the lease of government-owned properties.
- PT was responsible for the orientation and training of the student interns that were placed at DPWI.
- At the Department of Transport, PT intervened by taking part of the discussions with municipalities to agree on the payment plans to pay-over of motor vehicle license fees owed to the department as well as providing inputs to amend the service level agreements with registering authorities to enforce the pay-over of revenue.
- At the Department of Health, PT has intervened with the processing of outstanding claims from the Road Accident Fund (RAF) and is part of the technical discussions and the steering committee between RAF and the department to process claims to be paid over to the department.
- Provincial Treasury (PT) requested that the revenue study performance should form part of the scope of work of the Provincial Project Support Unit (PPSU) at the Office of the Premier (OTP) which include Chief Financial Officers. Workgroups are held with departments to assess the efficiencies and new sources for implementation and to confirm the revenue estimates for the 2025/26 financial year. The revenue estimates are submitted to OTP for reporting as an item in the Program of Action (POA).

(2) Table 1 below provides a breakdown of the total revenue collection by the province over the (i) 2021/22, (ii) 2022/23 and (iii) 2023/24 financial years.

Table 1: Provincial Revenue by economic classification / source

Economic classification	2021/22			2022/23			2023/24		
	Adjusted Budget	Actual Revenue	Under (-) / Over +	Adjusted Budget	Actual Revenue	Under (-) / Over +	Adjusted Budget	Actual Revenue	Under (-)/ Over +
Tax receipts	900 009	805 280	(94 729)	953 205	878 504	(74 701)	998 640	911 654	(86 986)
Casino taxes	194 286	150 155	(44 131)	208 977	181 687	(27 290)	219 319	178 101	(41 218)
Horse racing taxes	8 125	9 101	976	9 381	8 460	(921)	10 343	6 156	(4 187)
Liquor licences	11 539	22 942	11 403	18 600	26 144	7 544	20 500	21 957	1 457
Motor vehicle licences	686 059	623 082	(62 977)	716 247	662 213	(54 034)	748 478	705 440	(43 038)
Sales of goods and services other than capital assets	417 446	175 874	(241 572)	442 901	281 712	(161 190)	485 398	315 202	(170 196)
of which: Health patient fees	*210 059*	*22 553*	*(187 506)*	*219 911*	*124 416*	*(95 495)*	*241 794*	*154 125*	*(87 669)*
Property rentals	*45 021*	*12 897*	*(32 124)*	*54 382*	*16 856*	*(37 526)*	*79 157*	*14 622*	*(64 535)*
Transfers received	-	-	0	-	-	0	-	-	0
Fines, penalties and forfeits	15 385	5 628	(9 757)	16 065	9 709	(6 356)	16 788	37 615	20 827
Interest, dividends and rent on land	121 501	359 613	238 112	127 765	573 937	446 172	133 871	902 614	768 743
Sales of capital assets	2 196	16 573	14 377	2 158	13 065	10 907	2 703	4 941	2 238
Financial transactions in assets and liabilities	46 781	41 713	(5 068)	49 831	79 527	29 696	52 328	47 388	(4 940)
Total	1 503 318	1 404 681	(98 637)	1 591 925	1 836 455	244 530	1 689 728	2 219 415	529 687

Source: In-Year Monitoring reports as at 31 March for the 2021/22, the 2022/23 and the 2023/24 financial years

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			The reasons for the over / under collection in the 2021/22 financial year are as follows: • **Tax receipts** collected R805.280 million and under collected by R94.729 million, mainly due to lower than anticipated revenue from renewals for motor vehicle license fees and casino taxes. • **Sale of goods and services other than capital assets** collected R175.874 million and under collected by R241.572 million, mainly due to delay in pay-overs for patient fees from mainly the Road Accident Fund (RAF) as more detailed documentation for verification such as official accident reports was requested by RAF for the processing of claims while fewer patients for evaluation from the Department of Justice were admitted for observation at the public hospitals as well as lower than anticipated rental income as well as recoveries in respect of the outstanding state property rentals by Department of Public Works and Infrastructure (DPWI). • **Fines, penalties and forfeits** collected R5.628 million and under collected by R9.757 million due to lower than anticipated traffic fines paid by traffic offenders. • **Interest, dividends and rent on land** collected R359.613 million and over collected by R238.112 million mainly due to higher than anticipated interest received from exchequer investments and other four accredited commercial banks. • **Sale of capital assets** collected R16.573 million and over collected by R14.377 million due to government fleet auction sales by Government Fleet management Services (GFMS) and the sale of livestock. • **Financial transactions in assets and liabilities** collected R41.713 million and under collected by R5.068 million due to less than anticipated revenue from previous expenditure recoveries in respect of staff debts. The reasons for the over / under collection in the 2022/23 financial year are as follows: • **Tax receipts** collected R878.504 million and under collected by R74.701 million, mainly due to lower than anticipated motor vehicle license fees, casino taxes and horse racing taxes. • **Sale of goods and services other than capital assets** collected R281.712 million and under collected by R161.190 million mainly due to lower than projected revenue collected from patient fees and recoveries from medical funders such as the Road Accident Fund (RAF) and Department of Justice (DoJ) as well as property rentals from the Department of Public Works and Infrastructure (DPWI). • **Fines, penalties and forfeits** collected R9.709 million and under collected by R6.356 million due to lower than anticipated traffic fines paid by traffic offenders. • **Interest, dividends and rent on land** collected R573.937 million and over collected by R446.172 million mainly due to higher than anticipated interest received from exchequer investments and other four accredited commercial banks as well as interest received from the trust accounts. • **Sale of capital assets** collected R13.065 million and over collected by R10.907 million due to auction of obsolete motor vehicles and the sale of livestock. • **Financial transactions in assets and liabilities** collected R79.527 million and over collected by R29.696 million due to higher than projected recoveries of previous expenditure recoveries in respect of the staff debts. The reasons for the over / under collection in the 2023/24 financial year are as follows: • **Tax receipts** collected R911.654 million and under collected by R86.986 million mainly from motor vehicle licence fees and casino taxes due to lower than anticipated collections in respect of casino operators, route and site operators, bingo halls and bookmakers. • **Sale of goods and services other than capital assets** collected R315.202 million and under collected by R170.196 million due to less than anticipated recoveries in respect of patient fees from the Road Accident Fund (RAF) and Department of Justice (DoJ) as well as outstanding rentals from DPWI. • **Fines, penalties and forfeits** collected R37.615 million and over collected by R20.827 million due to higher than anticipated fines paid by traffic offenders given the few awareness campaigns and roadblocks that were conducted in the period under review. • **Interest, dividends and rent on land** collected R902.614 million and over collected by R768.743 million mainly due to higher than anticipated interest received from exchequer investments and other four accredited commercial banks.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

- **Sale of capital assets** collected R4.941 million and over collected by R2.238 million due to the auction of obsolete motor vehicles and the sale of livestock.
- **Financial transactions in assets and liabilities** collected R47.388 million and under collected by R4.940 million due to lower than anticipated recoveries of previous expenditure recoveries.

(3) The strategy that provincial government has put in place consist of the implementation of the revenue study to identify new revenue sources and implement efficiencies of existing revenue sources that will improve revenue collection. As responded in number 1 above, PT support departments is as follows:

- assistance provided to the departments with the development of revenue plans for implementation over the short term, medium term and long-term ending 2030 in line with the National Development Plan as the departments did not achieve revenue targets as originally anticipated over the medium term.
- PT assisted with the establishment of an Ad hoc committee to resolve the bottlenecks with the approval of lease agreements particularly in respect of the delegations of approvals in terms of the Eastern Cape Land Disposal Act.
- The support extends to the placement of student interns at the Department of Public Works and Infrastructure to assist with the collection of tenant revenue of the lease of government-owned properties.
- PT was responsible for the orientation and training of the student interns that were placed at DPWI.
- At the Department of Transport, PT intervened by taking part of the discussions with municipalities to agree on the payment plans to pay-over of motor vehicle license fees owed to the department as well as providing inputs to amend the service level agreements with registering authorities to enforce the pay-over of revenue.
- At the Department of Health, PT has intervened with the processing of outstanding claims from the Road Accident Fund (RAF) and is part of the technical discussions and the steering committee between RAF and the department to process claims to be paid over to the department.
- Provincial Treasury (PT) monitors the compliance of departments with the monthly reports on revenue that are submitted with the In-year Monitoring (IYM) and the revenue study implementation. The revenue performance is presented as part of the financial position reports that are presented to the Sub-Cabinet Budget Committee (CBC), CBC and EXCO.

(4) With regard to the target of 2025/26, the budgeting processing is still on going and not yet finalised as the Provincial budget is not yet tabled. However, the Department of Public Works and Infrastructure (DPWI) has identified 11 properties that will generate R2.728 million which will form part of the revenue targets in 2025/26. These properties are provided in the table below.

Table: DPWI Properties leases

No.	Tenants	Region	2025/26
1	Vulindlu Solutions (Pty) Ltd	BCMM	R89 040.00
2	Syracom (Pty) Ltd	Amathole	R76 320.00
3	Armlo Civils	NMMM	R636 000.00
4	Out of the Box Property Developer	Sarah Bartmaan	R351 072.00
5	WosaNawe	OR Tambo	R76 320.00
6	K2015004832	Amathole	R318 000.00
7	Mint Fresh Travel	Amathole	R203 520.00
8	Sisonke-Phambili Trading CC	Alfred Nzo	R137 376.00
9	Gaisey Fikile Coastal Properties	BCMM	R577 488.00
10	Adendorff Architects JV	Sarah Bartmaan	R69 756.48
11	Masha and Design Architects	BCMM	R193 565.20
TOTALS			**R2 728 457.68**

Source: DPWI

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr>
<td>28 Jan 2025</td>
<td>IQP 25</td>
<td>Dr M J Figg to ask the MEC responsible for Finance:

With regard to the financial management of the province's utilisation of the provincial reserve fund:
(1) (a) What is the current balance of the provincial reserve fund and (b) how does it compare to the balance as at the close of the 2023/24 financial year as at the latest specified date for which information is available;

(2) (a) how much has been withdrawn from the provincial reserve fund over the (i) 2021/22, (ii) 2022/23 and (iii) 2023/24 financial years and (b) for what specific purposes were these funds utilised;

(3) what (a) plans has his Department put in place towards replenishing the reserve fund and (b) is the targeted reserve balance for the end of the 2025/26 financial year;

(4) if own revenue targets are not met, what contingency measures his Department anticipates will be implemented with a view to ensuring that the province meets its financial obligations;</td>
<td>RESPONSE:
1. In terms of National Treasury Regulations Section 15.2.2, the Provincial Revenue Fund is defined as consisting of exchequer bank account and paymaster general account. In this regard the closing balance as at end of March 2024 in the PRF amounted to R8. 772 billion prior taking to account the unspent conditional grants and other funds to be transferred which amounted to R279. 4 million as well as the MTEF financing amounting to R3.193 billion and commitments of R3.851 billion thus the resulted PRF balance is R1. 449 billion as the end of March 2024. Similarly accounting for the same MTEF financing and commitments the balance of the PRF as at end of December 2024 is R1. 345 billion.
2. (a) Table below provides the funds withdrawn from the provincial reserve fund for the 2021/22, 2022/23 and 2023/24 financial years.
<table>
<tr><th>Department (Amount in R'000)</th><th>(i) 2021/22</th><th>(ii) 2022/23</th><th>(iii) 2023/24</th></tr>
<tr><td>Provincial Allocation (From Surplus Funds)</td><td></td><td></td><td></td></tr>
<tr><td>Education</td><td>414 559</td><td>324 691</td><td>772 484</td></tr>
<tr><td>Health</td><td>1 031 471</td><td>1 173 937</td><td>811 150</td></tr>
<tr><td>Social Development</td><td>8 704</td><td>1 326</td><td>10 000</td></tr>
<tr><td>Office of the Premier</td><td>40 011</td><td>140 993</td><td>213 000</td></tr>
<tr><td>Provincial Legislature</td><td>24 740</td><td>87 566</td><td>54 654</td></tr>
<tr><td>Public Works & Infrastructure</td><td>175 799</td><td>233 713</td><td>75 726</td></tr>
<tr><td>Cooperative Governance & Traditional Affairs</td><td>33 513</td><td>43 367</td><td>41 740</td></tr>
<tr><td>Rural Development & Agrarian Reform</td><td>17 000</td><td>2 650</td><td>0</td></tr>
<tr><td>Economic Development Environmental Affairs & Tourism</td><td>502 446</td><td>241 899</td><td>523 832</td></tr>
<tr><td>Transport</td><td>10 279</td><td>(8 894)</td><td>70 000</td></tr>
<tr><td>Human Settlements</td><td>14 173</td><td>49 537</td><td>38 264</td></tr>
<tr><td>Provincial Treasury</td><td>(7 440)</td><td>4 994</td><td>12 192</td></tr>
<tr><td>Sport, Recreation, Arts & Culture</td><td>10 000</td><td>22 331</td><td>14 886</td></tr>
<tr><td>Community Safety</td><td>7 508</td><td>4 173</td><td>9 865</td></tr>
<tr><td>Total</td><td>2 282 763</td><td>2 322 283</td><td>2 647 793</td></tr>
</table>
(b) In order to supplement national funding due to fiscal consolidation, these funds withdrawn from the PRF were amongst others for the Compensation of Employees especially in the Department of Health, rate and taxes in Public Works, Norms and Standards in Education and DEDEAT for Stimulus Funding, Property Modernisation and Economic Development Fund.
Annexure provides the specific purposes for which these funds were utilised funds by the departments for the 2021/22, 2022/23 and 2023/24 financial years.
3. (a) Reserve funds can be increased through an increase in the collection of provincial own revenue by all departments.
(b) With regards to the target of 2025/26, the budgeting processing is still on going and not yet finalised as the Provincial budget is not yet tabled.
4. The Province is working very hard to ensure that the targets are met, this is evidenced by Work Group consisting of Provincial Project Support Unit (PPSU) at OTP which meets on a weekly basis with departments to identify the support required by departments on intervention measures to increase revenue.</td>
</tr>
</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		(5) how is his Department collaborating with municipalities to improve their revenue collection processes and enhance their contributions to the provincial budget; (6) what mechanisms has his Department put in place towards ensuring that the utilisation of the provincial reserve fund is transparent, efficient and aligned with the province's financial priorities?	5. In terms of the collaborating with municipalities to improve their revenue collection processes and enhance their contributions to the provincial budget, it is noted that the Municipalities are another sphere of government. The role of Municipality is to act as a collecting agent on behalf of the province for revenue from vehicle licence fees. Any funding to be approved from the provincial revenue fund is approved by the MEC of finance and thereafter by the Executive Council prior to allocating to Departments. after the MEC of finance tabled the provincial budget, the appropriation bill is submitted through Legislature processes for enactment. These structures ensures efficiency and transparency.
07 Feb 2025	IQP 27	**Dr M J Figg to ask the MEC responsible for Finance:** With regard to the province's irregular, fruitless and wasteful expenditure: (1) How much, in rands and cents, has been returned to the National Revenue Fund in the last three financial years as at the latest specified date for which information is available and can he kindly provide a breakdown, per provincial department; (2) what measures has the provincial government implemented towards recovering funds lost due to irregular, fruitless and wasteful expenditure;	**RESPONSE:** 1. In terms of Section 21 of DORA, 2023 any conditional grant allocation, or a portion thereof, that is not spent at the end of the financial year reverts to the National Revenue Fund, unless the roll over of the application is approved in terms of subsection 2. The table below reflects the total unspent Conditional Grants for the departments affected that were surrendered at the end of the financial years of 2023/24; 2022/23 and 2021/22 to the National Revenue Fund. **Annexures A, B and C** provide further breakdown per department.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		(3) (a) how many officials or entities have been held accountable for such expenditures and (b) what disciplinary actions have been taken in this regard; (4) what steps has his Department taken towards strengthening financial controls to prevent future occurrences of irregular, fruitless and wasteful expenditure; (5) whether there are any pending investigations or legal proceedings related to the mismanagement of funds; if so, what is the current status of these cases; (6) what mechanisms has his Department put in place with a view to ensuring that departments comply with financial management regulations to avoid further wasteful expenditure?	EASTERN CAPE CONDITIONAL GRANT Final unspent conditional grant surrendered to NT

Grant Name (R'000)	2021/22	2022/23	2023/24
Vote 08 - Rural Development and Agrarian Reform	**3 601**	**16 968**	**590**
Comprehensive Agricultural Support Programme	3 601	16 826	502
Ilima / Letsema	-	1	1
Land Care Programme	-	141	87
Expanded Public Works Programme - integrated		-	-
Provincial Disaster Relief Grant: Drought Relief	-	-	-
Vote 06 - Education	**50 249**	**31 785**	**16 140**
Education Infrastructure Grant	-	533	57
HIV and Aids (Life Skills Education) Grant	651	244	-
National School Nutrition Programme Grant	5 863	-	14 129
Maths, Science and Technology Grant	1 070	201	38
Expanded Public Works Programme - integrated	895	95	-
Expanded Public Works Programme - social	37	-	-
FET (Dept of Education)	-	-	-
Early Childhood Development Grant	36 216	27 494	1 916
Learners with Profound Intellectual Disabilities Grant	5 517	3 218	-
Dinaledi Schools Grant	-	-	-
Technical Secondary Schools Recapitalisation Gran	-	-	-
OSD for Therapists	-	-	-
Vote 03 - Health	**3 001**	**721**	**504**
District Health Programmes grant (HIV, TB, Malaria and Community Outreach)	139	479	-
Statutory Human Resources and Health Pofessions Training and Development	107	13	-
Health Facility Revitilisation Grant	78	228	-
Human Papillomavirus Vaccine Grant		-	-
National Tertiary Services Grant	2 300	-	504
National Health Insurance Grant	-	-	-
Expanded Public Works Programme - integrated	339	1	-
Expanded Public Works Programme - social	38	-	-
COVID-19 Disaster Response Grant	-	-	
Vote 11 - Human Settlements	**2 201**	**4**	**105**
Human Settlements Development grant	2 164	4	77
Title Deeds Restoration Grant	2	-	-
Provincial Emergency Housing grant	-	-	7
Informal Settlements Upgrading Grant	35		21
Expanded Public Works Programme - integrated	-	-	-
Vote 14 - Sport, Recreation, Arts and Culture	**2 876**	**5 687**	**378**
Community Library Services grant	832	3 995	-
Mass Sport and Recreation Participation Programme	2 044	1 692	378
Expanded Public Works Programme - integrated	-	-	-
Expanded Public Works Programme - social	-	-	-
Vote 05 - Public Works and Infrastructure	**-**	**1**	**-**
Expanded Public Works Programme - integrated	-	1	-
Vote 10 - Transport	**-**	**4 161**	**44 970**
Public Transport Operations	-	-	-
Provincial Road Maintenance Grant	-	2 210	44 970
Expanded Public Works Programme - integrated	-	1 951	-
Vote 04 - Social Development	**93**	**3 434**	**5**
Social Worker Employment Grant	-	-	-
Substance Abuse Treatment Grant	-	-	-
Expanded Public Works Programme - integrated	-	67	5
Expanded Public Works Programme - social	93	3 367	-
Vote 7 - Cooperative Governance and Traditional Affairs	**1**	**3**	**-**
Expanded Public Works Programme - integrated	1	3	-
Vote 9 - Economic Development, Environmental Affairs and Tourism	**-**	**-**	**-**
Expanded Public Works Programme - integrated	-	-	-
Vote 15 - Community Safety	**7**	**-**	**-**
Expanded Public Works Programme - social	7	-	-
Total Conditional Grants	**62 029**	**62 764**	**62 692**

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr><td>07 Feb 2025</td><td>IQP 27</td><td>Dr M J Figg to ask the MEC responsible for Finance:

With regard to overspending and mismanagement of resources:

(1) Whether he can kindly provide reasons for over expenditures in the following departments over the past three financial years: (a) Department of Public Works and Infrastructure, (b) Department of Health and (c) Department of Transport;

(2) (a) which specific projects or programmes within each of these departments contributed to overspending in the last three financial years and (b) what were the original and actual expenditure amounts for each;

(3) what measures has the provincial government put in place with a view to curbing overspending and ensuring fiscal discipline;

(4) whether the provincial government has implemented any cost-cutting initiatives in response to this overspending; if not, why; if so, what are they;

(5) what (a) has been the impact of this overspending on the accruals of each of these departments and (b) is the current state of outstanding accruals;</td><td>RESPONSE:
The responses are provided hereunder for each department:

a. Public Works and Infrastructure
(1) The Department of Public Works did not overspend. The table below shows the under spending for each of the three years.

Table 1: Summary of Budget and Expenditure for three financial years
<table>
<tr><th>Financial Year</th><th>Main Budget (R'000)</th><th>Adjusted Budget (R'000)</th><th>Total Expenditure (R'000)</th><th>(Over)/Under Expenditure (R'000)</th></tr>
<tr><td>2021/22</td><td>2 505 503</td><td>2 526 329</td><td>2 526 170</td><td>159</td></tr>
<tr><td>2022/23</td><td>2 584 294</td><td>2 680 473</td><td>2 680 288</td><td>185</td></tr>
<tr><td>2023/24</td><td>2 503 875</td><td>2 515 853</td><td>2 461 087</td><td>54 766</td></tr>
</table>
Source: 2021/22, 2022/23 and 2023/24 Annual Financial Statements

• For the financial year 2021/22: DPWI did not incur over expenditure in that financial year.
• For the financial year 2022/23: DPWI did not incur over expenditure as well in this financial year.
• For the financial year 2023/24: DPWI did not incur over expenditure, instead an under expenditure amounting to R54.766 million was recorded. The relevant rollover application was submitted by the department to Provincial Treasury (PT).

(2) Not applicable, there has been underspending for the three consecutive financial years.

(3) Not applicable to DPWI for the past three financial years.

(4) PT issued a Provincial Instruction Note 01 of 2023/24 on Provincial Cost Containment Measures, dated 13 October 2023 to provide the necessary guidance to departments. Attached is a copy of the Circular as Annexure A.

(5) The department had payables and accruals in all these three years, of which were always subsequently paid in the subsequent financial year. The department does not have outstanding payables and accrual relating to the past year, all had been cleared in the 2024/25 financial year.</td></tr>
</table>

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr><td></td><td></td><td>(6) (a) how has this overspending affected the Provincial Revenue Fund and (b) what measures is his Department taking towards ensuring that the fund remains sufficient for future financial obligations;

(7) what is the projected impact of this overspending on the overall provincial budget for the next financial year;

(8) how will the provincial government ensure that service delivery is not negatively affected by corrective measures taken to address this financial mismanagement?</td><td>(6) No impact on the Provincial Revenue Fund as there was no overspending by the Department of Public Works and Infrastructure (DPWI).

(7) There is no impact on the provincial budget as there was no overspending in the past three financial years by DPWI.

(8) There was no overspending of its budget by DPWI.

b. Department of Health
(1) The Table below provides a summary of the adjusted budget, total expenditure and the over and under spending for three financial years:

Table 1: Summary of Budget and Expenditure
<table>
<tr><th>Financial Year</th><th>Main Budget</th><th>Adjusted Budget</th><th>Total Expenditure</th><th>(Over/ Under Expenditure</th></tr>
<tr><td>2021/22</td><td>26 430 588</td><td>27 774 734</td><td>27 631 903</td><td>142 831</td></tr>
<tr><td>2022/23</td><td>27 358 281</td><td>28 251 570</td><td>28 189 296</td><td>62 274</td></tr>
<tr><td>2023/24</td><td>28 139 339</td><td>29 117 112</td><td>29 126 813</td><td>(9 701)</td></tr>
</table>
Source: 2021/22, 2022/23 and 2023/24 Annual Financial Statements

2021/22 – No overspending

2022/23 – No overspending

2023/24 – Overspent by R9.701 million- the overspending was due to payment of accruals and payables as well as the payment of medico legal claims higher than anticipated and higher than expected payment of leave gratuities.</td></tr>
</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			(2) (a) There was no overspending in the 2021/22 and 2022/23 Financial Years. However, for 2023/24, the overspending of R9.701 million emanates from Programme 2 (District Health Services) mainly from Goods and Services (accruals) and Transfers and Subsidies (medic-legal payments). (b) Table 3 below shows the original budget, adjusted budget and the expenditure per programme for 2023/24 while Table 4 shows these per economic classification:

Table 2: Summary of 2023/24 Budget and Expenditure per programme

2023/24				
Programme	**Main Budget**	**Adjusted Budget**	**Total Expenditure**	**(Over/Under Expenditure**
ADMINISTRATION	798917	802 452	758667	43785
DISTRICT HEALTH SERVICES	14 188 408	14 757 701	15618193	(860492)
EMERGENCY MEDICAL SERVICES	1 507673	1 519 607	1360385	159222
PROVINCIAL HOSPITAL SERVICES	3886714	4 253 816	4253340	476
CENTRAL HOSPITAL SERVICES	4943073	5 130 576	4928873	201 703
HEALTH SCIENCE AND TRAINING	1245542	1 249 721	1076571	173150
HEALTH CARE SUPPORT SERVICES	175171	199900	112696	87204
HEALTH FACILITIES MANAGEMENT	1393841	1 203 339	1018088	185251
Total	**28139339**	**29 117 112**	**29126813**	**(9701)**

Source: 2023/24 Annual Financial Statements

Table 4: Summary of 2023/24 Budget and Expenditure at economic classification

2023/24				
Financial Year	**Main Budget**	**Adjusted Budget**	**Total Expenditure**	**(Over/Under Expenditure**
Compensation of Employees	19022415	20 028 901	19952151	76 750
Goods and Services	7482657	7 332 485	7528082	(195597)
Transfers and Susidies	270569	371 722	520844	(149122)
Payments for Capital Assets	1363698	1 384 004	1106521	277 483
Interest and Rent on Land	-	-	19215	(19215)
Total	**28 139 339**	**29 117 112**	**29107598**	**(9701)**

Source: 2023/24 Annual Financial Statements

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			(3) Provincial Treasury (PT) issued an instruction note Instruction (Note 01 of 2023/24) on cost containment measures which seeks to ensure no overspending occurs. This is achieved by appraising Accounting Officers and Accounting Authorities on the requirement to implement control measures to ensure that all expenditure in their respective institutions is necessary, appropriate, cost effective and is recorded and reported as prescribed by the relevant legislative framework. PT also writes quarterly feedback letters to departments cautioning departments on potential overspending. (4) Since medico-legal payments are a major contributing factor to the overspending, Provincial Treasury, working with the Department of Health and the State Attorney at the Office of the Premier is pursuing a legal strategy to reduce the medico-legal payments. The Department of Health has pleaded "public healthcare defence" in court whereby the department provides the beneficiary with medical care in public facilities as opposed to paying settlement amounts for medical care. In this regard, the Department has designated Cecelia Makiwane Hospital and Mthatha Regional Hospital to treat cerebral palsy patients which are the biggest part of the medico-legal payments. (5) a) The impact is that the amount for payables and accruals increases and the following years budget is then utilised to settle the accruals and payables. b) As at December 2024, the department had a balance of R5.375 billion in accruals and payables. (6) a) The overspending negatively affects the Provincial Revenue fund as this contributes to unauthorised expenditure, which must be approved through SCOPA processes. b) Currently, the Provincial Revenue Fund (PRF) has a positive balance and the excess funds are held in short term investment account that generates interest income that accrues to the PRF. Furthermore, the province has also conducted a revenue study that seeks to improve revenue collection to improve the finances of the province. Provision has been made in the PRF for commitments over the 2024 MTEF for which funds had been allocated ensuring that the future commitments have been cash-backed. (7) Currently, provision has been made in the PRF to finance the overspending in the Department of Health once the SCOPA processes are completed as the overspending is regarded as unauthorised expenditure. (8) Provincial Treasury, together with the National Department of Health, Provincial Department of Health, National Treasury and the Office of the Premier is engaged in an intervention to support Health turnaround. This turnaround strategy also focusses on Financial Sustainability which seeks to address Financial Management Optimization; Procurement Planning by Involving clinicians in the review and development of facility procurement plans to ensure that equipment purchases align with clinical needs; Appointment and capacitation of Ethics Officers in all Districts to drive the Ethics Management Programme and improve Financial disclosures of designated categories below senior management service; Implementation of robust Accruals Management Strategy; Invoice Tracing System; Optimise Budget through Implementing robust cost containment measures and Improved Contract Management. **c. Department of Transport** (1) The Department of Transport (DoT) has demonstrated prudent fiscal management over the past three financial years. Notably, the department did not incur any over-expenditure during this period: • For the 2021/22 financial year, the DoT recorded an under-spending of R179 thousand, across all programmes. • In the 2022/23 financial year, the department reported an under-spending of R19.646 million. • The 2023/24 financial year saw an under-expenditure of R199.458 million.

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT'S REPONSE</th></tr>
<tr><td></td><td></td><td></td><td>(2) Not applicable, there has been savings and underspending for the three consecutive financial years.
(3) Not applicable to DoT for the past three financial years.
(4) PT issued a Provincial Instruction Note 01 of 2023/24 on Provincial Cost Containment Measures, dated 13 October 2023 to provide the necessary guidance to departments. Furthermore, a letter dated 09 July 2024 was written to the department to implement the new rate card for scholar transport payments, automate scholar transport systems, and engage with transport operators to ensure a seamless transition.
(5) The department had payables and accruals in all these three years, of which were always subsequently paid in the subsequent financial year. The department does not have outstanding payables and accrual relating to the past year, as all had been cleared in the 2024/25.
(6) No impact on the Provincial Revenue Fund as there was no overspending.
(7) There is no impact on the provincial budget as there was no overspending in the past three financial years by DoT.
(8) There was no overspending of its budget by DoT.</td></tr>
<tr><td>14 Feb 2025</td><td>IQP 28</td><td>Noting that one of the conditional grants with material projected under expenditure at the end of the year, is the Education Infrastructure Grant, by amount of R74. 114 million and further noting that this is due to the termination of contracts on various underperforming projects:

(1) Whether he can kindly provide a breakdown of all projects where contracts have been terminated, including (a) the name of each project, (b) the stage of completion at the time of the contract termination, (c) the total expenditure incurred on each project to date and (d) the reasons for termination;</td><td>(1) The table below reflects the details of the breakdown of the terminated projects as follows;
<table>
<tr><th>Name of Project (1.a) (R' 000)</th><th>Stage at termination (1.b)</th><th>Total expenditure at termination (1.c)</th><th>Reasons for termination (1.d)</th></tr>
<tr><td>Hendrik Kanise Combined School</td><td>Stage 5 - Construction</td><td>278</td><td>Poor performance of the contractor</td></tr>
<tr><td>Prospect Primary School</td><td>Stage 5 - Construction</td><td>2 100</td><td>Contractors poor planning and cashflow issues</td></tr>
<tr><td>Grahamstown Amasango Career School</td><td>Stage 5 - Construction</td><td>189</td><td>Poor performance of the contractor</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>DATE</th><th>IQP NUMBER</th><th>ISSUES RAISED</th><th>DEPARTMENT’S REPONSE</th></tr>
<tr><td></td><td></td><td>2) for each of the projects listed above, can he kindly provide details on whether it will be re-tendered for new contactors, including (a) the name of the project, (b) the remaining scope of work required for completion (c) the estimated cost implications of the new tender process and (d) the anticipated time-frame for completion;

(3) what is the overall implication of these project terminations on the total budget for the Education Infrastructure Grant, including (a) the financial impact on the grant allocation and whether additional funding will be required, (b) the expected cost overruns for each project due to delays and re-tendering and (c) how these delays and cost overruns have affected the delivery of educational infrastructure and services;

(4) what measures has his Department put in place towards ensuring that similar issues of site abandonment and poor project delivery do not recur with the newly appointment contractors;</td><td>(2) The table below reflects the details requested on the individual projects. However, the remaining scope of work for each contract and anticipated time – frames have been requested from the Department of Education and will be furnished once received. In respect of the estimated costs, this has been sourced from the 2024 MTEF Infrastructure Reporting Model (IRM), including the total estimated project costs.

<table><tr><th>Name of Project (2.a) (R’000)</th><th>Current Status</th><th>Total project costs (2.c)</th></tr><tr><td>Hendrik Kanise Combined School</td><td>Procurement (re – tender)</td><td>32 000</td></tr><tr><td>Prospect Primary School</td><td>Procurement(re – tender)</td><td>67 000</td></tr><tr><td>Grahamstown Amasango Career School</td><td>Procurement (re – tender)</td><td>14 000</td></tr></table>
(3.a) In the 2024/25 financial year adjustment period, the department catered for these project terminations through shifting these funds away from these projects to progressing projects in the infrastructure portfolio. In 2025/26 MTEF the department will re-prioritize within infrastructure portfolio budget to cater for these projects.

(3.b) The cost overruns cannot be accurately determined until the procurement processes are complete and the new contract amount is determined. The department must implement the provisions of the contract of the terminated service provider by claiming from the construction guarantee to recover the expense and loss suffered due to any potential cost overruns that may emanate from increased construction costs.

(3.c) Any delays and cost overruns affecting projects in the infrastructure portfolio impact negatively on the delivery of services. The re – tendering process will be monitored closely to ensure that the contractors are on site as planned through Infrastructure Governance Structures i.e. Provincial Infrastructure Steering Committee (PISC), Technical - Provincial Infrastructure Co – ordinating Committee (T - PICC) and the Provincial Infrastructure Co – ordinating Council(PICC).

(4) The Provincial Treasury continues to monitor the performance of the Departments using the Infrastructure Reporting Model (IRM) and In-year Monitoring (IYM) processes. On a monthly basis PT conducts analysis of provincial spending and performance, and these are escalated to Sub-CBC, CBC and EXCO. PT further provides departments with feedback letters on a quarterly basis indicating recommendations to improve performance and reporting.

PT further engages the Departments monthly utilising the detailed PT technical analysis of the IRM, through the Provincial Infrastructure Steering Committees (PISC), T - PICC and Provincial Infrastructure Coordination Commission wherein the performance of Departments and projects is discussed in detail including challenges and corrective actions on individual projects which are required in order to improve performance.</td></tr>
</table>

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		(5) how is the performance of newly appointed contractors monitored to prevent further project failures and cost overruns; if no monitoring measures exist, why; (6) (a) what steps has his Department taken against contractors who have failed to fulfil their mandates and (b) whether the contractors will be blacklisted from participating in future government infrastructure projects; if not, why; (7) whether the contracts with new contractors include specific clauses to prevent cost overruns; if so, what are the details of these clauses; if not, why?	(5) PT shall continue with the process of institutionalization of the Infrastructure Delivery Management System (IDMS) as required by DORA which prescribes best practices for portfolio management, program management, operations and maintenance as well as project management. This is done in conjunction with the infrastructure performance-based system which requires the department to prepare the program management plans and monitor the program implementing plans of the various implementing agents. The Provincial Treasury continues to monitor the performance of the Departments using the Infrastructure Reporting Model (IRM) and In-year Monitoring (IYM) processes. On a monthly basis PT conducts analysis of provincial spending and performance, and these are escalated to Sub-CBC, CBC and EXCO. PT further provides departments with feedback letters on a quarterly basis indicating recommendations to improve performance and reporting. PT further engages the Departments monthly utilising the detailed PT technical analysis of the IRM, through the Provincial Infrastructure Steering Committees (PISC), T - PICC and Provincial Infrastructure Coordination Commission wherein the performance of Departments and projects is discussed in detail including challenges and corrective actions on individual projects which are required in order to improve performance. (6) a) The accounting officer of the sector department, as the institution that has entered into the contract with the contractor, is responsible for the implementation of the provisions of the contract that relate to non/under performance, including the levying of penalties for late completion, issuing notices of breach of contract, notices of cancellation of contract as well as claiming from construction guarantees or retention monies. (6) b) It is the prerogative of an accounting officer to initiate the process of restricting a supplier where there is documentary evidence of the non-performance of a service provider. The accounting officer must be able to prove non-performance through the warning/ notice of default letters which were issued to the contractor as well as termination letters. The application for restriction must be submitted to the National treasury for processing by the accounting officer. Restriction of a supplier may not exceed 10 years. (7) The projects are still under the procurement stage and no new contractors have been appointed as yet for the above-mentioned projects. However, to mitigate the risks of appointing contractors who may underperform which may lead to cost overruns once on site, departments may implement in the tender conditions and as part of the procurement process, eligibility and functionality criteria to test the previous performance on similar projects, financial and human resource capacity as well as availability of plant and equipment to execute the works from potential bidders. This information can be used as part of the technical risk analysis during the bid evaluation and adjudication processes of the departments.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
07 Mar 2025	IQP 03	**Mr Y Cassim to ask the MEC responsible for Finance:** With reference to paid media across various publications for all provincial departments: (1) Whether he can kindly confirm the total (a) budget allocated and (b) amount spent for paid media in the various print publications for each department for the (i) 2020/21, (ii) 2021/22, (iii) 2022/23, (iv) 2023/24 and (v) 2024/25 financial years as at the latest specified date for which information is available; (2) (a) how many paid media publications were published, (b) in which print publications and (c) how often are / were the paid media publications released, per department, during the aforementioned financial years as at the latest specified date for which information is available; (3) what benefits have been gained from paid print media, per department, during the financial years mentioned above as at the latest specified date for which information is available and can he kindly provide all the relevant details in this regard;	**RESPONSE** Table below reflects the submission matrix of IQP 3 responses received from Provincial Departments. To date responses has been received from seven (7) departments with seven (7) highlighted in red still outstanding:

Department	Submitted
Vote 01: Office of the Premier	Yes
Vote 02: Provincial Legislature	No
Vote 03: Health	No
Vote 04: Social Development	No
Vote 05: Public Works and Infrastructure	Yes
Vote 06: Education	No
Vote 07: Cooperative Governance and Traditional Affairs	Yes
Vote 08: Rural Development and Agrarian Reform	No
Vote 09: Economic Development, Environmental Affairs and Tourism	No
Vote 10: Transport	No
Vote 11: Human Settlements	Yes
Vote 12: Provincial Treasury	Yes
Vote 14: Sport, Recreation, Arts and Culture	Yes
Vote 15: Community Safety	Yes

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		(4) whether he can kindly confirm the total budget (a) allocated and (b) for radio interviews, per department for the above-mentioned financial years as at the latest specified date for which information is available; (5) (a) how many paid radio interviews were conducted, (b) at which radio stations were these interviews conducted and (c) how often these radio interviews were conducted, per department, in each respect, for the financial years mentioned above as at the latest specified date for which information is available; (6) what benefits have been gained from the radio interviews conducted, per department, during the above-mentioned financial years as at the latest specified date for which information is available?	They responded as follows:

Question 1

Vote 01	2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
	6 454	6 454	6 787	6 303	6 646	6 566	10 703	10 701	4 484	3 440
	6 454	**6 454**	**6 787**	**6 303**	**6 646**	**6 566**	**10 703**	**10 701**	**4 484**	**3 440**

Vote 05	2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Advert Mar	735 946	735 946	824 861	824 861	1 166 024	1 166 024	526 445	526 445	-	-
Tenders	479 586	479 585	27 193	27 193	27 193	27 193	16 470	16 470	-	-
Recruitme	2 878	2 877	-	-	70 643	70 643	99 218	99 218	666 786	666 786
	1 218 410	**1 218 408**	**852 054**	**852 054**	**1 263 860**	**1 263 860**	**642 133**	**642 133**	**666 786**	**666 786**

Vote 11	2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
	-	-	-	-	-	-	-	-	280	280
	-	-	-	-	-	-	-	-	**280**	**280**

Vote 12	2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Print	516	498	325	322	650	540	794	740	726	241
Radio	646	645	758	753	200	189	643	634	2 070	410
	1 162	**1 143**	**1 083**	**1 075**	**850**	**729**	**1 437**	**1 374**	**2 796**	**651**

Vote 14	2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Print					1 850	785	1 850	1 010	1 000	825
Radio						883		629		100
TV						180		210		
	-	-	-	-	**1 850**	**1 848**	**1 850**	**1 849**	**1 000**	**925**

Vote 15	2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Print							130	122	105	26
Radio										
	-	-	-	-	-	-	**130**	**122**	**105**	**26**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Vote 07: Detailed letter from the Department is attached.

Question 2

Office of the Premier

Financial year	Publication	Media treatment	No. of placement	Period
2020/21	IsoLezwe LeSiXhosa	Covid19 Awareness Campaign – full page advert	1	Once off
2021/22	Daily Dispatch	SOPA half page Advert on Daily Dispatch	1	Once off
2023/24	Daily Dispatch & The Herald	1. SOPA Publicity Campaign - Strip adverts	3	3 days
		2. SOPA double spread native Page (Advertorial)	1	Once off
2023/24	Daily Dispatch & The Herald	Government Youth Programmes Publicity - Full native page	1	Once off
2024/25	Daily Dispatch & The Herald	Publicity Campaign Opening of Provincial Legislature		
		1. Adverts	3	3 Days
		2. Full native page	1	Once off
2024/25	Daily Dispatch & The Herald	SOPA Publicity Campaign -		
		1. Adverts	3	3 days
		2. Full native page	1	Once off
Total placements for the period 2020 – 2025			**15**	

Department of Public Works and Infrastructure

2 (1)	Vote 05	2020/21		2021/22		2022/23		2023/24		2024/25	
		Budget	Expenditure	Budget	xpenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
	Advert Market	735 946	735 946	824 861	824 861	1 166 024	1 166 024	526 445	526 445	-	-
	Tenders	479 586	479 585	27 193	27 193	27 193	27 193	16 470	16 470	-	-
	Recruitment	2 878	2 877	-	-	70 643	70 643	99 218	99 218	666 786	666 786
		1 218 410	**1 218 408**	**852 054**	**852 054**	**1 263 860**	**1 263 860**	**642 133**	**642 133**	**666 786**	**666 786**

Question 2. (2)											
2 (2) (a & b)	Vote 05	2020/21		2021/22		2022/23		2023/24		2024/25	
		Number of paid publications	Type of Publication	Number of paid publications	Type of Publication	Number of paid publications	Type of Publication	Number of paid publications	Type of Publication	Number of paid publications	Type of Publication
	Advert Market	3	Newspaper	6	Newspaper	13	Newspaper	5	Newspaper	-	-
	Tenders	8	Newspaper	1	Newspaper	1	Newspaper	1	Newspaper	-	-
	Recruitement	1	Newspaper	-	-	1	Newspaper	1	Newspaper	4	Newspaper

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Human Settlements

Two paid media publications were published in the Herald and Daily Dispatch newspapers, with each publication being released once during the 2024/25 financial year.

Provincial Treasury

Year	(a) No. of paid media Publications published	(b) Name of print publications	(c) No. of media Publications released
2020/21	Two	DailyDispatch, Isolezweand Herald	Twice
2021/22	Two	DailyDispatch, Isolezweand Herald	Twice
2022/23	Two	DailyDispatch, Eastern CapeCommunity MediaPrint and Herald	Twice
2023/ 24	Two	DailyDispatch, Eastern CapeCommunity MediaPrint and Herald	Twice
2024/ 25	One	DailyDispatch and Herald	Once

Sport, recreation, arts and culture

2024/25 FINANCIAL YEAR

DATE	ACTIVITY/ EVENT	MEDIA PLATFORMS			COVERAGE (Rands)	SPENT (Rands)	TOTAL VALUE
		Print	Radio	TV/ Livestreaming			
21/03/25	Human Rights Day	The Herald and Daily Dispatch			60 000		60 000
04/03/25	Social Cohesion	The Herald and the Daily Dispatch		SABC TV MpumaKapa	150 000		150 000
18/07/24	Nelson Mandela Day			SABC TV morning live	300 000		300 000
22/05/24	National Arts Festival	Daily Dispatch, The Herald and Grocotts Mail advert	Live reads on 3 community radio stations	SABC TV news and live crossing	90 000	90 879	180 879
14/08/24	Sport Awards	Daily Dispatch and The Herald advert	Live reads		80 000	290 801	370 801
					680 000	**381 680**	**1 061 680**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

2023/24 FINANCIAL YEAR

DATE	ACTIVITY/EVENT	MEDIA PLATFORMS			COVERAGE (Rands)	SPENT (Rands)	TOTAL VALUE
		Print	Radio	TV/Livestreaming			
20/03/24	Social Cohesion	The Herald and Daily Dispatch x 2			30 000	60 000	90 000
21/03/24	Human Rights Day	The Herald and Daily Dispatch x2			30 000	60 000	90 000
21/04/23	Freedom Day	Daily Dispatch article		Livestreaming	35 000	145 000	180 000
27/06/23	Netball World Cup Trophy Tour production	Daily Dispatch article x 3		- Social media production	700 000	377 000	1 077 000
				- eNCA live crossing			
				- SABC Interview			
				- eNCA live crossing			
				- SABC Morning Live			
31/08/23	ECPGNC Social Dialogue	The Herald advert and article	Nkqubela fm		35 000	28 577	63 577
21/09/23	Heritage Day Adverts	The Daily Dispatch and the Rap newspaper	Outside Broadcast - Vukani Community Radio Hub	- SABC TV - eNCA	50 000	177 000	277 000
28/10/23	ECPGNC public hearing	The Herald and Daily Dispatch and articles			120 000	39 984	159 984
30/11/23	Call for nominations	Daily Dispatch, Herald and Government Gazzette			150 000	137 510	287 510
30/11/23	Isingqi Festival	Daily Dispatch advert and article	Outside Broadcast	SABC TV -News	200 000	98 450	298 450
11/12/23	National Youth Camp		Vukani, Mdantsane and uMhlobo Wenene		150 000	115 970	265 970
					1 500 000	**1 239 491**	**2 739 491**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

2022/23 FINANCIAL YEAR

DATE	ACTIVITY/EVENT	MEDIA PLATFORMS	COVERAGE (Rands)	SPENT (Rands)	TOTAL VALUE		
		Print	Radio	TV/Livestreaming			
05/05/22	ECPGNC Public Hearing – Great Kai	Daily Dispatch			30 000	21 016	51 016
03/11/22	Public Hearing	Daily Dispatch and Herald			70 000	63 343	133 343
30/11/22	Day of Reconciliation	Daily Dispatch and Herald			40 000	37 500	77 500
30/11/22	Isingqisethu and Sondela Festival	The Herald and Daily Dispatch with articles	Outside Broadcasting	Livestreaming and production	550 000	492 395	1 042 395
					690 000	614 254	1 304 254

Community Safety

a) There were two media publications

b) In Daily Dispatch

c) Publications were released as part of creating awareness as and when required

Question 3 - Benefits Gained

Department	Benefit
Office of the Premier	• During the above financial years, a total of three print media houses were utilised, i.e IsoLezwe LesiXhosa, The Herald and Daily Dispatch. All three are provincial mainstream media platforms and serve a variety of readership from different areas of the province. With the afro mentioned publications one has certainty that government messaging has reached a sizeable audience of the Eastern Cape.
	• IsoLezwe lesiXhosa operates successfully as a weekly newspaper – published every Thursday. It has a print run of 30 000 and its distribution is across the Eastern Cape Province with an up weighted focus on the key economically active regions of Mthatha, East London, King Williamstown and Port Elizabeth. I'solezwe lesiXhosa nurtures and fosters pride within the wider Xhosa community – a community that is proud of its traditions, its heritage and culture.
	• When it comes to print media, newspapers covering Eastern Cape news and are distributed daily happen to be The Herald and Daily Dispatch. Both newspapers have a circulation of more than 10 000 copies a day. Though they are both Eastern Cape based, The Herald is mainly circulated in the Western part of the province and Daily Dispatch covers the rest of the areas where The Herald does not reach.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE	
			Department	**Benefit**
			Department of Public Works and Infrastructure	• Awareness to the public of departmental programmes, priorities and achievements
				• Property Investment Conference
				• EPWP Phase 5 Launch
				• Advertisements of tenders on departmental projects
				• Advertisements of jobs
				• Community outreach programmes
				• Stakeholder engagements sessions
				• Policy and Budget Speech interviews to clarify departmental mandate and programmes
			Human Settlements	• Raising public knowledge about housing projects and services, especially for underserved communities.
				• Reaching specific demographics, particularly in rural or remote areas, ensuring vital information is accessible.
				• Transparency and Accountability by showing how funds are being used effectively.
				• Clarifying policies and processes, reducing confusion and misinformation thereby providing educational value.
				• Brand visibility by building the department's credibility and trust with the public over time.
			Provincial Treasury	• It helps ensure that citizens understand government initiatives, participate meaningfully, and minimises the spread of misinformation. By providing a platform for stakeholders to share their views, paid print media fosters collaboration and strengthens public trust.
				• Print media has been particularly effective in informing citizens about significant events, such as the actual date for the tabling of the budget speech by the MEC for Finance.
				• This communication effort includes a one-page editorial of the Provincial Budget that unpacks the speech and an EC Budget Guide produced by the Department, which is distributed through local and community newspapers.
				• These measures not only raise awareness but also deepen the public's understanding of the provincial budget, promoting transparency and accountability
			Sport, Recreation, Arts and Culture	Not specified
			Community Safety	• The advertisements have educated and alerted the public to upcoming events and programmes rolled out for the communities by the Department.
				• They have also reinstated the rebranding of the Department from Safety and Liaison to Community Safety.
				• There has been a huge turnout on programmes held over the past financial years

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Question 4

Department	Response
Vote 01	Budget for interviews 2023 – 2025: R2 673 293.00
Vote 05	

Vote 05	2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Expenditure	Budget	xpenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Advert Market	1 383 755.00	1 383 754.50	746 756	746 755	1 029 999	1 029 999	522 925	522 925	2 203 239	2 203 239

Department	Response
Vote 07	

Vote 11	FINANCIAL YEAR	BUDGET ALLOCATION	AMOUNT SPENT
	2020/21	R 12,850	R 12,850
	2021/22	R 12,850	R 12,850
	2022/23	-	-
	2023/24	R 119,350	R 119,350
	2024/25	R 87,630	R87,630

Vote 12	Year	(a) No. of paid radio interviews conducted	(b) Radio stations where interviews were conducted	(c) No. of times radio interviews were conducted
	2020/ 21	Three	SABC, AlgoaRadio & Eastern Cape Community Radio Stations	Twice
	2021/ 22	Three	SABC, AlgoaRadio & Eastern Cape Community Radio Stations	Twice
	2022/ 23	Two	SABC, AlgoaRadio & Eastern Cape Community Radio Stations	Twice
	2023/ 24	Two	SABC, AlgoaRadio & Eastern Cape Community Radio Stations	Twice
	2024/ 25	Two	SABC, AlgoaRadio & Eastern Cape Community Radio Stations	Twice

Department	Response
Vote 14	Covered in tables above.

Vote 15	FINANCIAL YEAR	(a) ALLOCATED BUDGET	(b) BUDGET SPENT
	2020/21	R43 904.00	R43. 904.00
	2021/22	R663 231.72	R 63.756.00
	2022/23	R147 180.10	R122 000
	2023/24	130 597.50	R90.252
	2023/24	R130 597.50	R122. 325

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			Question 5

Department	Response
Vote 01	

Financial Year	Media Platform	Budget for Radio Interviews	Interviews
2023/24 10 months campaign	Umhlobo Wenene	R1 705 680.00	25 minutes interviews X 10 5 minutes interviews on BBE X 5 5 minutes on the afternoon drive X 5
2024/25 July 2024 – March 2025	SABC Radio Station (Umhlobo Wenene & SA FM)	R 768 613.00	X 25 minutes Interviews on Umhlobo Wenene FM 1 hour interview on SA FM 1 X 5 minutes Interview on Umhlobo Wenene BEE- 1X 5 minutes interview for SOPA preview on Umhlobo Wenene afternoon drive
2024/25 March 2025	Eastern Cape Community Radio Forum (16 stations i.e Unitra FM, Vukani FM, Rhodes FM, Nkqubela FM, Ekhephini FM, Inkonjane FM, Alfred Nzo FM, Mdantsane FM, Kumkani FM, Kouga FM, Ingwane FM, Ngqushwa FM, Ndlambe FM, Engcobo FM, Forte FM, Bay FM-)	R199 000.00	1 hour interview (syndicated broadcast to 16 stations
TOTAL BUDGET		**R2 673 293.00**	**27**

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE

Vote 05

Radio Intervi	2020/21		2021/22		2022/23		2023/24		2024/25	
	Number of paid Interviews	Radio Stations	Number of paid Interviews	Radio Stations	Number of paid Interviews	Radio Stations	Number of paid Interviews	Radio Stations	Number of paid Interviews	Radio Stations
Advert Marke	5	UWFM, Lukhanji, Ekhephini	6	UNITRA, UCR, UWFM, Vukani, Takalani, Inkonjane, Alfred Nzo	6	Algoa FM, UWFM, TRUFM, SAFM	3	UWFM, TRUFM, Lesedi FM	34	UWFM,Mdantsane,Alfred Nzo Com FM,Ngqushwa,Inkonjane,Matatiele,Lukhanji, UNITRA, Khanya,Rhodes,Takalani,Nkqubela,Vukani,Khaya,Ekhephini Izwi lethemba.

Vote 07

Vote 11

A total of five radio interviews were conducted between the 2020/21 and 2024/25 financial years.

Two interviews took place with Keith Ngesi Radio in 2020/21 and 2021/22, one with Algoa FM in 2023/24, and two with Umhlobo Wenene FM in 2023/24 and 2024/25.

Vote 12

Year	(a) No. of paid radio interviews conducted	(b) Radio stationswhere interviewswere conducted	(c) No. of timesradio interviewswere conducted
2020/ 21	Three	SABC, AlgoaRadio & Eastern CapeCommunity Radio Stations	Twice
2021/ 22	Three	SABC, AlgoaRadio & Eastern CapeCommunity Radio Stations	Twice
2022/ 23	Two	SABC, AlgoaRadio & Eastern CapeCommunity Radio Stations	Twice
2023/ 24	Two	SABC, AlgoaRadio & Eastern CapeCommunity Radio Stations	Twice
2024/ 25	Two	SABC, AlgoaRadio & Eastern CapeCommunity Radio Stations	Twice

Vote 14

Not provided

Vote 15

(a) Four (4) interviews were conducted

(b) Eastern Cape Community Radio Forum; Umhlobo Wenene FM

(c) Interviews were conducted once in a year.

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT’S REPONSE
			Question 6

Department	Response
Vote 01	Eastern Cape is a vast and multilingual province, the use of community, regional and national media platforms is imperative to effectively communicate appropriate government messages to the target audience and further reach the broader community. Radio platforms enable the Provincial Government to disseminate information due to the language preference of the intended audience. Furthermore, electronic media, particularly radio, has a wider and even bigger reach as compared to print media. Each interview was a success due to the certainty of audience reached as well as feedback from the public as some of the paid interviews were interactive, with the listeners given an opportunity to engage with government representatives on the platforms. Millions of Eastern Cape Citizens beyond the province were reached and informed about the programmes of the Eastern Cape government. The platforms utilized vary in reach as follows: • **Umhlobo Wenene FM** is an SABC national radio station, the only radio station that broadcasts in IsiXhosa with the largest footprint in the province. As per the latest South African Audience Research Foundation (SAARF), the station has grown its listenership to close to 5million, nationally and it covers 7 out of 9 provinces. According to the survey results, UWFM talks to 90% of the population of the Eastern Cape Province and is the number one radio station in the province and the Western Cape in terms of listenership. • **SA FM** is a high-profile English national news and talk radio station. It draws its audience from SEM’s 8-10, who have influence in decision making. It aims to deliver credible and up-to-the-minute news coverage alongside relevant, informed analysis of current affairs, in accordance with its Public Broadcasting Service mandate. It also explores broader themes and subjects relevant to its target market and delivers the information in a manner which benefits all South Africans. The station targets discerning, mature, and sophisticated listeners nationally. The focus is primarily on decision makers seeking insightful and enabling information to keep themselves informed, with a 578 000 listenership • **Community Radio Stations** in the Eastern Cape is predominantly rural and targets people in the bracket of SEM 1 – 3, with some facing significant challenges related to poverty, unemployment, inadequate housing and limited access to essential services. The advantage of Community Radio stations is that they are based in Local and District Municipalities and therefore spread across the province and have a greater potential to penetrate every Municipal Ward. The community radio sector in the province has a collective of 2 million listeners per week, as according to figures from the South African Advertising Research Foundation (SAARF), and listeners spend an average of three and a half hours a day listening to the radio. Government Communication Strategy targets this group as its primary target audience for its messaging.
Vote 05	1. Awareness to the public of departmental programmes, priorities and achievements 1.1 Property Investment Conference 1.2 EPWP Phase 5 Launch 1.3 Advertisements of tenders on departmental projects 1.4 Advertisements of jobs 1.5 Community outreach programmes 1.6 Stakeholder engagements sessions 1.7 Policy and Budget Speech interviews to clarify departmental mandate and programmes

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
			Vote 07
			Vote 11 The benefits gained from radio interviews for the department were: • The engagement of communities with limited communication access, especially in rural areas. • Real-Time Interaction allowing for immediate feedback and public engagement through live call-ins. • Establishing the department as a trustworthy, accessible source of information. • Promoting housing programs effectively to a wide audience. • Building stronger relationships between the department and the public, fostering trust.
			Vote 12 • Radio has been a valuable tool for public education and engagement, particularly through programmes that provide a synopsis of the Provincial Budget Speech, announce its tabling date, and unpack the budget's content. • These broadcasts highlight the work done by departments in the current and previous financial years, educate the public about departmental work processes, and explain how provincial departments benefit from allocations by the Provincial Treasury. • Radio interviews have significantly increased awareness and understanding of government initiatives
			Vote 14 Not specified.
			Vote 15 • The interviews have educated and alerted the public to upcoming events and programmes rolled out for the communities by the Department. • They have also reinstated the rebranding of the Department from Safety and Liaison to Community Safety. • There has been a huge turnout on programmes held over the past financial years.
12 Mar 2025	**OTP IQP 3**	1) Whether he can kindly advise how many forensic audits has the provincial government initiated in respect of the provincial municipalities since the 2020/21 financial year to date; (b) if any, (a) can he kindly specify the aim and/or objective as well as the scope of investigation for each of these forensic audits and (b) whether external service providers were utilized to attend to any of these investigations; if so,	**RESPONSE** The Office of the Premier collates the investigation reports for all departments, with specific reference to CoGTA who perform investigations at the provincial municipalities. Therefore, the response below relates only to investigations conducted by the Provincial Treasury at the provincial municipalities. **2020/21 – 1** (a) Construction of VIP toilets by the Chris Hani District Municipality – was the supplier paid for goods/services not delivered? (b) Internal **2021/22 – 1** (a) Construction of the Lesseyton Sportsfield in the Enoch Mgijima Local Municipality – was the supplier paid for goods/services not delivered? (b) Internal **2022/23 – 0** **2023/24 – 2** (a) Deviation of a plant hire tender by the Municipal Manager of the Enoch Mgijima Local Municipality – was the deviation process correctly followed? (b) Internal (a) Payroll system of the Sundays River Valley Local Municipality – was the system manipulated to overpay certain officials? (b) Internal

DATE	IQP NUMBER	ISSUES RAISED	DEPARTMENT'S REPONSE
		2) (a) Which service providers were appointed in each respective case, (b) can he kindly provide a short summary of the findings of each of the respective forensic audits in this regard and (c) what was the total cost to the provincial government and/or the respective municipalities in respect of each of the aforementioned forensic audits initiated; 3) Whether any funds/monies were recovered from individuals that were found to have been responsible for any financial losses or misappropriation of funding in a municipality; if so, (a) what was the amount in question in each specific case and (b) whether there are any specific forensic audits that have been initiated but that have not yet rendered a final report; if so, which are these?	**2024/25 – 2** (a) Procurement for the repair and maintenance of a road in the Winnie Madikizela-Mandela Local Municipality – was the correct process followed? (b) Internal (a) Abuse of municipal assets by the Municipal Manager of the Kumkani Mhlontlo Local Municipality – was the asset utilised for the approved use? (b) Internal 2) (a) None appointed (b) **2020/21 –** (1) the allegation could not be substantiated and the contract was fulfilled on time. **2021/22 –** (1) all the evidence was handed over to the Directorate for Priority Crime Investigation of the South African Police Service who had a criminal investigation open. **2022/23 – None** **2023/24 –** (1) The Enoch Mgijima Local Municipality Municipal Manager was found guilty by the East London Regional Court of 3 counts of financial misconduct. (2) The overpayments were due to human errors. **2024/25 –** (1) An affidavit on the process according to prescripts was submitted to the Directorate for Priority Crime Investigation of the South African Police Service who had a criminal investigation open. (2) The Municipal Manager of the Kumkani Mhlontlo Local Municipality was found to have used the asset beyond the scope approved by the Municipal Council. (c) Total cost was R nil 3) No recoveries were made from individuals found to have been responsible. (a) R nil. However, R62,559.43 was recovered (and paid into the Provincial Revenue Fund in September 2022) from a service provider who had been overpaid by the King Sabata Dalindyebo Local Municipality in June 2021. (b) None

8. SCOPA RESOLUTIONS

There were no SCOPA resolutions or outstanding from the previous years related to the Department for the period under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior audit modifications to audit reports.

10.INTERNAL CONTROL UNIT

During the period under review the Internal Control Unit continued to ensure that the Department complies with the prescription, laws and regulations by implementing preventative, investigative and corrective internal control measures to address, rectify and report cases of non-compliance, including deviation from normal processes and procedures. This unit has managed the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&WE) cases by maintaining the UIF&WE Registers on a monthly basis and performed investigations of all identified cases to ensure that they are resolved accordingly.

It has also conducted investigation of loss control cases until they are finalised, including writing off or recovery where necessary. The unit prepared the Audit Improvement Plan based on the Auditor General findings. This plan was monitored monthly to track progress made in resolving the audit findings. The Audit Committee was updated, through the office of the Chief Audit Executive, on the status of these findings & action plans.

11.INTERNAL AUDIT AND AUDIT COMMITTEES

The internal audit function (IAF) is a fundamental component of the department's governance and accountability system. It is a function created by the department through legal prescription imposed by the Public Finance Management Act (PFMA) read together with Treasury Regulation 3.2.2. In light of Treasury Regulation 3.2.6, which stipulates that internal audit must be conducted in accordance with the Standards™ set by the Institute of Internal Auditors, the IAF is guided by the International.

Professional Practices Framework® (IPPF®) published by the Institute of Internal Auditors (The IIA); to act independently and objectively in providing assurance and advisory services in respect of the department's overall governance, risk management, and internal control processes. The IAF's functional reporting to the audit committee (AC) as prescribed by the PFMA is intended to protect its independence and objectivity.

The AC is established by the department as prescribed by the PFMA and its core functions and responsibilities are spelled out in the Treasury Regulations and the Audit Committee Terms of Reference (Charter) approved by the Accounting Officer in consultation with the Executive Authority. The AC plays a pivotal role in assessing, and based on such assessment, advising the Accounting Officer and Executive Authority regarding:

- the effectiveness of the department's overall governance, risk management and internal control system;
- the effectiveness of the internal audit function;
- the adequacy, reliability and accuracy of financial and performance information produced by the department;
- accounting and auditing concerns identified through internal and statutory audits; and
- the department's compliance with legal and regulatory provisions.

The AC thus assists the department in enhancing its integrity and operational effectiveness through good governance and adherence to the legislative, accounting, and auditing frameworks.

11.1 Internal Audit Function (IAF)

The Internal Audit Function (IAF), mandated by Section 38 of the PFMA and Treasury Regulations 76 and 77, strengthens the organisation's ability to create, protect, and sustain value by providing independent, risk-based assurance, advice, insight, and foresight to the board and management. The Internal Audit Function (IAF) maintains dual reporting lines to support its independence and effectiveness. Administratively, it reports to the Accounting Officer and Functionally, to the Audit Committee (AC). The IAF operates in accordance with a current charter endorsed by the Accounting Officer and approved by the AC.

The vision of the IAF is to be recognised as an agile, critical component and effective business partner within the Provincial Treasury, ensuring the prosperity of the Eastern Cape Province through sound governance, ethical standards, risk management, and effective control processes. This internal audit vision aligns with that of the Eastern Cape Provincial Treasury by positioning the Internal Audit Function (IAF) as a strategic partner that upholds sound governance, ethical conduct, risk management, and control processes—all essential for driving the province's prosperity and effective public service delivery.

The Internal Audit Charter, internal audit methodology, the rolling 3-year strategic internal audit plan, and the annual internal audit plan for the first year of the rolling plan were reviewed and approved by the Audit Committee.

For the reporting period, the Internal Audit Function (IAF), through the Chief Audit Executive (CAE), confirmed its organisational independence. The IAF operated without interference, maintaining full freedom to carry out its work independently from departmental management. Auditors consistently upheld objectivity in the execution of audit engagements. No instances compromising independence or objectivity were identified during the period under review.

The IAF of ECPT is in-house, while the majority of audit services are conducted in-house, Information and Communication Technology (ICT) audits are outsourced to an external service provider. This modality emanated from a provincial decision to secure the necessary technical expertise for specialised audits.

The Internal Audit Function (IAF) of the Eastern Cape Provincial Treasury currently has eight approved positions, all of which are filled. The team comprises one Chief Audit Executive (CAE), two Deputy Directors, two Assistant Directors, and three Internal Auditors. The collective skills and experience of the IAF staff are generally appropriate. Training and development for internal audit staff are supported through the Human Resource Development (HRD) funding and Transversal Internal Audit Services (TIAS). The budget allocated for the Internal Audit Function is sufficient.

A Quality Assurance and Improvement Program (QAIP) is in place for the Internal Audit Function (IAF). The last internal assessment was conducted in March 2024, while the most recent external assessment took place during the 2022/24 period. The outcome of the external assessment indicated that the IAF Partially Conformed with the International Standards for the Professional Practice of Internal Auditing. However, the identified issues have since been addressed. The Audit Committee has assessed the IAF's performance, and the function also incorporates feedback from key stakeholders through client satisfaction surveys completed after each audit, ensuring continuous improvement and value-add.

The Internal Audit Function (IAF) maintains strong relationships with key stakeholders to support a coordinated and effective assurance framework. It reports functionally to the Audit Committee, which provides oversight and assesses the IAF's performance and independence. Regular engagement with executive and senior management ensures audit activities remain aligned with strategic priorities and emerging risks, while client satisfaction surveys offer valuable feedback on performance and value-add. The IAF also collaborates with the Auditor-General of South Africa (AGSA) to enhance audit efficiency and avoid duplication. Additionally, through combined assurance framework plans to works closely with risk management and other internal assurance providers to support a robust combined assurance model, promoting sound governance and control across the department.

The Eastern Cape Provincial Treasury's Internal Audit Activity executed 100% of the planned audits for the 2024/25 financial year, comprising of the following assurance and consulting engagements:

Assurance Audits

1. Draft Annual Financial Statements (AFS)
2. Annual Performance Report (APR)
3. Asset and Employee Verifications (AGSA Reliance)
4. Follow-Up Reviews (Internal Audit Findings)
5. Provincial Procurement Plans and Contract Management
6. Payroll Process
7. Audit of Performance Objectives (AOPO)
8. Supply Chain Management (Procurement & Tenders)
9. Liquidity and Debt Management
10. Budget and In-Year Monitoring
11. Governance and Ethics
12. Draft Annual Performance Plan (APP)

Consulting Engagements

1. Interventions (Oversight Framework)
2. Enterprise Risk Management (Business Continuity)
3. Detailed ICT Audit (Conducted by TIAS)

Implementation of Audit Recommendations:

2024/25 Financial Year

- Total recommendations issued by IAF: 56
- Recommendations implemented by management: 38
- Implementation rate: 68%

2023/24 Financial Year (Carryover)

- Prior-year outstanding findings: 20
- Findings resolved in 2024/25: 10
- Resolution rate: 50%

Progress in 2024/25: Management addressed 68% of new recommendations, reflecting improved responsiveness compared to the prior year's carryover rate (50%).

The Internal Audit Function (IAF) has added significant value by strengthening governance, risk management, and operational efficiency. Key achievements include improving financial controls (68% of 2024/25 recommendations implemented), enhancing risk mitigation (50% resolution of prior-year findings), and streamlining processes in procurement and HR. The IAF's advisory role has strengthened business continuity plans and fraud prevention frameworks, while training programs have built staff capacity on compliance and controls. Ongoing initiatives include implementing a real-time tracking dashboard for audit recommendations and increasing collaboration with other assurance providers to eliminate duplication of efforts, further driving improvements across the department.

One of the key limitations impacting the optimal performance of the Internal Audit Function (IAF) is the use of outdated audit software, which affects efficiency and limits the ability to leverage automation and data analytics in audit processes. Additionally, the absence of comprehensive historical audit data hinders the IAF's ability to accurately estimate audit timeframes and resource requirements. These constraints can impact planning, execution, and overall audit effectiveness, highlighting the need for improved technological tools and data management systems.

11.2 Audit Committee (AC)

The Audit Committee of the Eastern Cape Provincial Treasury is constituted in accordance with Sections 76 and 77 of the Public Finance Management Act (PFMA) and the Treasury Regulations issued thereunder. As outlined in its approved charter, the Committee is established as a statutory committee of the Provincial Treasury to fulfil its oversight responsibilities. Its purpose is to provide independent and objective oversight of the department's Governance, Risk Management, and Internal Control processes, thereby strengthening accountability and supporting the effective use of public resources. The Committee plays a vital public interest role by ensuring that the department upholds transparency, financial integrity, and sound governance in serving the citizens of the Eastern Cape.

The authority and mandate of the Committee are grounded in the PFMA, Treasury Regulations, and its charter, which empowers the committee to access information, systems, and personnel necessary to perform its functions. The Committee fulfilled all its duties and responsibilities in line with the PFMA, Treasury Regulations and its charter, which is reviewed and approved annually.

The Committee meets with the Executive Authority at least annually to clarify his expectations, report on the department's governance, risk management and control processes and share departmental success stories and challenges.

The Committee operated freely and independently during the reporting period, without any undue influence or interference from management or other stakeholders, in line with its approved charter and legislative requirements. To uphold its independence and integrity, the Committee actively assessed potential conflicts of interest among its members by requiring each member to confirm their independence and the absence of conflicts of interest, in writing, at the start of each meeting and as circumstances changed.

During the reporting period, the Committee reviewed the organisational positioning and independence of the Internal Audit Function (IAF), confirming that appropriate safeguards were in place to protect Internal Auditors from threats or victimisation. The Committee hosts quarterly in – committee meetings with the Internal Audit Function, the Accounting Officer and has an open-door policy to meet separately with the Office of the Auditor General of South Africa (AGSA) should the AGSA deem it necessary. No intervention by the Committee was required in the year under review.

The Committee conducted its annual performance evaluation for 2024/25, using a 360-degree assessment involving Audit Committee members, management and the Chief Audit Executive with 9 respondents. The committee achieved an overall "Very Good" rating (93%). This is an improvement compared with the 85% rating achieved at the end of the previous financial year. Key outcomes highlighted strong oversight by the committee and highlighted that the committee discharged its duties and performed its mandate effectively.

The Committee understands and has internalised the requirements of the Global Internal Auditing Standards (GIAS) in exercising its responsibilities. The Audit Committee Charter, Internal Audit Charter and Internal Audit Methodology have been updated to reflect the requirements of the GIAS.

The Committee played an active role in the combined assurance process during the year under review. It approved the Combined Assurance Framework and Methodology and provided guidance to management regarding the composition and functioning of the Combined Assurance Forum to enhance coordination among assurance providers and improve the overall maturity of the process.

Audit Committee Composition & Meeting Attendance

The Committee was appropriately constituted and had four independent external members during the period under review. The Committee collectively possesses the necessary skills, qualifications, competencies and experience to effectively oversee the department's complex operations. The Committee convened 9 times during the year under review for ordinary and special meetings.

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

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA)	Appointment Term of Office		No. of Meetings Attended in 2024/25	Has the Audit Committee Member declared private and business interest in every meeting (Yes/No)	Is the Audit Committee Member and employee of an organ of state (Yes/No)	No. of other AC that the member served on during the period (whether in public sector or not)	No. of other governance structures that member served on during the reporting period, e.g Boards, Risk Committee, etc, whether in this or any other institution
			Start Date	End Date					
*Dr. T. Sethibe	Doctor of Business Leadership Master of Business Leadership Master of Information Technology BSc in Computer Science (Honours) Bachelor of Science Computer Science and Applied Mathematics	N/A	January 2024	27 July 2025	8	No	Yes	03	03
Ms. C. Abdoll	Chartered Accountant CA(SA) Post Graduate Diploma: Certified Internal Auditing Certificate in the Theory of Accounting (CTA) B Compt Hons B Com Accounting	SAICA IOD (SA) IIA	January 2024	December 2027	08	Yes	No	6	3 boards (2 included in previous column) 1 Trust
Mr. C. Sparg	Chartered Accountant CA (SA) Certificate in the Theory of Accounting (CTA) B. Com Certified Director	SAICA IoDSA	January 2024	December 2027	09	No	No	4	3
Mr. S. Maharaj	Master's in Business Administration (MBA), CUM LAUDE Chartered Government Finance Officer, Municipal Executive Financial Management Black Belt Digital Six Sigma Certificate Charted Accountant CA (SA) Hons B Compt Degree BCom Degree	SAICA	January 2024	December 2027	09	No	No	4	3

- Remuneration of Audit Committee members:
  - The Rates for the Audit Committee were as follows:
    - R2 202 per hour for Audit Committee Chairperson
    - R1 943 per hour for Audit Committee members
  - The *Audit Committee member who works for an organ of state was not remunerated as per the rates above.

12.AUDIT COMMITTEE REPORT

The following was reviewed during the year under review:

Effectiveness of Internal Control

The Committee considered the effectiveness of the internal control processes based on the results of internal and external audit reviews and confirms that the internal controls, including financial controls, are generally adequate and effective.

Effectiveness of the Internal Audit Function (IAF)

The Committee is responsible for overseeing the IAF, under the management and supervision of the Chief Audit Executive. The Committee considered and approved the rolling three-year strategic and annual risk-based internal audit plan and reviewed the independence and effectiveness of the IAF, internal audit reports, and the co-ordination with the Auditor-General of South Africa.

The IAF executed 95% of the planned audits for the 2024/25 financial year, which included the following assurance and advisory engagements:

Assurance Reviews

1. Draft Annual Financial Statements (AFS)
2. Annual Performance Report (APR)
3. Asset and Employee Verifications (AGSA Reliance)
4. Follow-Up Reviews (Internal Audit Findings)
5. Provincial Procurement Plans and Contract Management
6. Payroll Process
7. Performance Objectives (AOPO)
8. Supply Chain Management (Procurement & Tenders)
9. Liquidity and Debt Management
10. Governance and Ethics
11. Draft Annual Performance Plan (APP) (2024-2025 & 2025-2026)
12. Transversal Risk Management

Advisory Engagements

1. Interventions (Oversight Framework)
2. Enterprise Risk Management (Business Continuity)
3. Detailed ICT Review (Conducted by TIAS)

The Committee reviews the implementation of management actions on a quarterly basis and confirms that management demonstrated commitment to addressing identified issues and improving controls.

The Committee is satisfied that the IAF provided assurance in terms of governance, risk management and control processes as per the approved risk-based audit plan.

Based on the outcome of the reviews performed by the IAF and the Auditor-General of South Africa, the Committee will focus on the following areas in the new financial year:

- Compliance Management;
- ICT; and
- Combined Assurance.

Risk Management and Governance

Risk Management and governance processes are generally adequate and effective, with room for improvement. The Committee approved the Combined Assurance Framework and Methodology and Management established the relevant governance structures during the year under review; however, the Combined Assurance Framework has not yet been implemented.

Although no matters were brought to the attention of the Committee to indicate any significant non-compliance with relevant laws and regulations, Management is encouraged to establish a compliance management framework, report the status of compliance and to address compliance weaknesses identified during the year under review.

External Audit

The Committee is responsible for overseeing the external audit process and confirms that the Auditor-General of South Africa is independent of Provincial Treasury and conducted the audit without influence from the department.

The Committee met with the Auditor-General of South Africa (AGSA) independently of Management.

In-Year Management and Monthly/Quarterly Reports

Provincial Treasury reported quarterly to the National Treasury and the Executive Authority as required by the PFMA. The Committee as well as assurance providers provided Management with recommendations to improve the quality of financial and performance information reporting during the year under review.

Evaluation of Financial Statements and Annual Performance Report

The Committee has reviewed:

- The unaudited annual financial statements, with due consideration of the independent assurance provided by the IAF as well as the assurance provided by Management;
- Changes in accounting policies and practices;
- Compliance with legal and regulatory provisions;
- The basis for the going concern assumption, including any financial sustainability risks and issues;
- The unaudited annual performance information on predetermined objectives with due consideration of the independent assurance provided by the IAF as well as the assurance provided by Management;
- The Auditor-General of South Africa's (AGSA) audit and management reports, with due consideration of the responses provided by Management; and
- The audited financial statements as well as the information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Officer.

Auditor-General of South Africa (AGSA) Report

The Committee concurs with the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

Conclusion

The Committee would like to express our appreciation to the Executive Authority and the Accounting Officer for their leadership and support as well as all other assurance providers and most importantly commend the Department for maintaining an unqualified audit opinion without findings.

Ms. C. Abdoll
Chairperson of the Audit Committee
Eastern Cape Provincial Treasury
Date: 31/07/2025

13.B-BBEE COMPLIANCE PERFORMANCE

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 and Industry.

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	N/A
Developing and implementing a preferential procurement policy?	Yes	The department has been utilising an approved SCM policy and Standard Operating Procedure aligned to PPR of 2017 which advocated the significance of the preferential procurement to advance previously disadvantaged groups. All procurement transactions above R29 999,99 threshold value were evaluated on both price and B-BBEE points based on the Preferential Procurement Regulations of 2017 and Broad Economic Empowerment Act No. 53 of 2003 until the PPR of 2017 was repealed on 16 January 2023. The department had also enforced the consideration of B-BBEE status amongst other measures to resolve on price deadlocks/ ties regardless of the procurement value.
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	N/A

PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

2.1 The Status of Human Resources in the Department

For the period under review, the department consisted of four hundred and sixty-two (462) employees with 282 females and 180 males, this is an increase of 13 compared to 449 recorded in April 2024. The department had a total number of sixty- four (64) SMS members, which consists of 31 males and 33 females. The percentage of females at SMS level is 51%.

Total number of youth in the department stood at eighty-seven (87) which translates to 18% of the total workforce.

2.2 Human Resource Priorities for the Year Under Review and the Impact of These

a) Review of the organisational structure and the implementation of change management strategies:

   The organisational structure was developed in consultation with relevant stakeholders. The proposed organisational structure was submitted to the DPSA, and a concurrence letter was received in March 2024 after which the Member of the Executive Council approved the organisational structure on 22 August 2024 and implemented from 01 September 2024.

b) Implementation of Exit Management strategies:

   The Exit Management Policy was approved and the employees exiting the department were interviewed to ensure that the department improves where there could be gaps. Exit reports were compiled and submitted to management and these were also utilised in the departmental Change Management initiatives.

2.3 Human Resources Development

The department has an approved Human Resources Development Strategy (2020-25) and continues to implement its pillars when undertaking all training and development initiatives. The department continued to provide training opportunities to employees to address performance gaps and enhance their effectiveness in fulfilling their duties. Internal bursaries were awarded to staff members to support their pursuit of further qualifications, thereby boosting overall departmental performance. Additionally, external bursaries were made available to support underprivileged communities within the province. The department also secured funding from Finance and Accounting Services Sector Education and Training Authority (FASSET) to support graduate interns with Internal Auditing qualifications and to accommodate Work Integrated Learning (WIL) students. This initiative has benefitted eighty (80) young people.

a) Provision of credible and updated PERSAL data: The focus was to ensure proper decision making by the management. The department ensured all personnel data was correct and the information captured monitored on a regular basis.

b) Implementation of the Employment Equity Plan across all occupational levels: The priority was to appoint more females at SMS level to meet 50% target and to appoint persons with disability to meet the 2% target. The other priority was to focus on attracting and appointing youth in the department. Women at SMS level stood at 51%, persons with disability at 3% and youth in the department was at 18% at the end of the financial year.

c) Implementation of Ethics, values, Employee and Labour Relations: The department is committed to ensure that the departmental values were adhered to; and these were highlighted during the workshops. Ethical conduct was also highlighted to ensure that all officials were knowledgeable and new recruits were inducted with emphasis on adherence to ethical standards. The regular engagement between Human Resources Management and Organised Labour has resulted into sound Labour Relations. The Employment Relations Unit ensured compliance with the prescripts with regard to grievances and disciplinary processes.

2.4. Employee Wellness Programmes

HIV and TB Management

During the year under review, quarterly HIV testing and TB screenings were conducted, and fifty-nine employees were tested. In the fourth quarter a virtual STI awareness session was held during the last quarter.

Health and Productivity Management

A comparative sick leave analysis was done bi-annually; January to June and January to December 2025. The trends were compared to the previous year same period. Latest sick utilisation indicates that 66% of all employees in the departments utilised on average 6 days over the 12-month period.

Several mental health interventions were conducted especially during the women's and men's months programmes. These were well received and supported by all staff.

A virtual spinal health programme was offered in partnership with Workforce Healthcare as part of the OHS-Ergonomics programme.

Safety, Health, Environment, Risk and Quality Management

The departmental Risk Assessment exercise was conducted by an external Service Provider and report with recommendations were shared with relevant internal stakeholders. Quarterly SHERQ Committee meetings were held. External guests were invited from Disaster Management and COGTA to educate members on issues relating Evacuation and Disaster Management respectively.

Wellness Management

A 24-hour wellness support service was not available for 4 months; however, employees were serviced by internal wellness manager and in some instances external referrals were done for specialised services. The total number of new EAP cases for the year was 59. The top presenting problems are stress, loss issues, relationships, child and family care.

Hosting of departmental Women's month dialogues on weekly basis where a variety of topics was addressed. Some of the topics included were inclusion of people with special needs and autism, mental health and toxic masculinity.

The men's Programme for the duration of November providing departmental men in some instances female a platform to engage on pertinent issues affecting their wellbeing in general. The programme was supported by males across all salary levels.

Physical wellness programme included and annual fun run, launch of weight loss programme and participation in interdepartmental recreational activities e.g. internal audit sports day and the Old Mutual annual wellness Day. Sport gear for the department was procured and delivered during the last quarter.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce.

The organisational structure to address the needs of the department was approved. An implementation plan has been developed after which a person to post matching exercise was embarked upon. Employees with capacity gaps were offered training and or bursaries to improve their qualifications and skills.

2.5 Employee Performance Management

Performance Management and Development System (PMDS) is fully implemented within the department. Functional Programme Interim Review Committees (PIRCs) have been established and convene at the end of each semester to assess the performance of each programme. During these reviews, early warning signs of underperformance are identified, allowing for the timely development and implementation of performance improvement plans and necessary interventions.

2.6 Highlight Achievements and Challenges Faced by the Department, as well as Future Human Resource Plans/Goals

The department managed to appoint youth and interns during the period under review. The number of interns is 33 with 7% of the total establishment. The target of 50% for women at SMS level has been achieved with 51% of female representatives at SMS level. All Wellness Programme outcomes were achieved and as a result the department was recognised as the best department in the province in implementing wellness Programmes. Furthermore, one PT employee was received an award for being the best Wellness Practitioner in the Province. The target of 2% for people with disability has been achieved as the department is sitting at 3%.

The Workplace Skills Plan was developed and approved. This plan was utilised to offer training to officials with capacity gaps.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel Related Expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025

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	187 785	122 858	1 556	1 319	65.42	620
Sustainable Resource Management	77 103	74 379	-	1 273	96.47	942
Asset and Liability Management	28 625	26 572	1 634	-	92.83	805
Financial Governance	91 437	77 141	2 202	848	84.37	857
Municipal finance governance	55 139	52 382	-	-	95.00	845
Total	**440 089**	**353 332**	**5 392**	**3 440**	**80.29**	**765**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

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)	-	-	-	-
Skilled (level 3-5)	2 310	0.7	15	154
Highly skilled production (levels 6-8)	50 112	14.2	127	395
Highly skilled supervision (levels 9-12)	209 219	59.2	257	814
Senior and Top management (levels 13-16)	91 691	26.0	63	1 455
Total	**353 332**	**100.0**	**462**	**765**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

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	103 786	84.5	-	0.0	2 781	2.3	5 011	4.1
Sustainable Resource Management	64 641	86.9	-	0.0	1 037	1.4	1 926	2.6
Asset and Liability Management	22 611	85.1	-	0.0	669	2.5	838	3.2
Financial Governance	68 249	88.5	-	0.0	958	1.2	1 674	2.2
Municipal finance governance	46 212	88.2	-	0.0	580	1.1	1 025	2.0
Total	**305 499**	**86.5**	**-**	**0.0**	**6 025**	**1.7**	**10 474**	**3.0**

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

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)	-	0.0	-	0.0	-	0.0	-	0.0
Skilled (level 3-5)	3 663	158.6	-	-	240	10.4	333	14.4
Highly skilled production (levels 6-8)	40 222	80.3	-	-	1 738	3.5	3 501	7.0
Highly skilled supervision (levels 9-12	179 959	86.0	-	-	2 669	1.3	6 035	2.9
Senior management (level 13-16)	81 655	89.1	-	-	1 378	1.5	605	0.7
Total	**305 499**	**86.5**	**-**	**-**	**6 025**	**1.7**	**10 474**	**3.0**

3.2 Employment and Vacancies

The tables in this section summarise the position regarding employment and vacancies.

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

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme – 1	171	164	4	34
Programme – 2	82	79	3.6	0
Programme – 3	35	33	5.7	0
Programme – 4	92	87	5.4	3
Programme – 5	72	59	18	3
Total	**452**	**422**	**6.6**	**40**

Table 3.2.2 Employment and vacancies by salary band as of 31 March 2025

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)	0	0	0	0
Skilled (3-5)	15	13	13.3	1
Highly skilled production (6-8)	99	95	4	33
Highly skilled supervision (9-12)	271	253	6.6	3
Senior management (13-16)	67	61	8.9	3
Total	**452**	**422**	**6.6**	**40**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	78	74	5.1	34
Communication and information related	4	4	0	0
Finance and economics related	143	139	2.7	0
Financial and related professionals	73	60	17.8	3
Financial clerks and credit controllers	0	0	0	0
General legal administration & rel. professionals	2	2	0	0
Head of department/chief executive officer	1	1	0	0
Human resources related	34	34	0	0
Information technology related	38	36	5.2	0
Library mail and related clerks	7	6	14.2	0
Light vehicle drivers	2	2	0	0
Logistical support personnel	0	0	0	0
Messengers, porters, and deliverers	1	1	0	0
Executive Authority	1	1	0	0
Secretaries & other keyboard operating clerks	2	2	0	0
Senior managers	67	61	8.9	3
Total	**452**	**422**	**6.6**	**40**

Notes

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

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	14	13	92.8	1	7.1
Salary Level 13	48	46	95.8	2	4.1
Total	**67**	**64**	**95.5**	**3**	**4.4**

Total number of SMS members which is 64 is inclusive of 3 SMS members who were appointed additional to the establishment (Contracts). Furthermore, total number of 3 vacancies are the following: - Head of Office (MEC), Chief Director-Infrastructure (Pr3) and Director-Project Management.

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	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	3	3	100	0	
Salary Level 14	14	13	92.8	1	7.1
Salary Level 13	44	43	97.7	1	7.1
Total	**63**	**61**	**96.8**	**2**	**3.1**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

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	1	1	0
Salary Level 13	7	7	0
Total	**8**	**8**	**0**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
None.

Reasons for vacancies not filled within twelve months
None.

Notes

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

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 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
None.

Reasons for vacancies not filled within six months
None.

Notes

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

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025

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 (1-2)	0	0	0	0	0	0	0
Skilled (3-5)	15	0	0	0	0	0	0
Highly skilled production (6-8)	99	0	0	0	0	0	0
Highly skilled supervision (9-12)	271	0	0	0	0	0	0
Senior management (13-16)	67	0	0	0	0	0	0
Total	**452**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2024 and 31 March 2025

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 and 31 March 2025

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025

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

Notes

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

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

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of employees at the beginning of period – 01 April 2024	Appointments and Transfers into the Department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	14	3	1	7
Highly skilled production (Levels 6-8)	87	18	10	11.4
Highly skilled supervision (Levels 9-12)	237	39	12	5
Senior Management Service Bands A	41	8	2	4.8
Senior Management Service Bands B	13	1	1	7.6
Senior Management Service Bands C	3	0	0	0
Senior Management Service Bands D	2	0	0	0
Contracts	52	18	5	9.6
Total	**449**	**87**	**31**	**6.9**

It should be noted that the reporting on the above table is informed by two departmental structures. From April to August 2024, old structure was still in operation. From September 2024 a new structure was implemented. Therefore, figures in first column are based on the old structure whilst others are based on the new structure.

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical occupation	Number of employees at beginning of period- 1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	68	34	8	33.8
Communication and information related	2	3	1	50
Finance and economics related	8	18	0	0
Financial and related professionals	184	8	14	13.5
Financial clerks and credit controllers	2	0	0	0
General legal administration & rel. professionals	2	1	0	0
Head of department/chief executive officer	1	0	0	0
Human resources related	63	0	1	0
Information technology related	19	12	3	5.2
Library mail and related clerks	6	0	0	0
Light vehicle drivers	2	0	0	0
Logistical support personnel	20	2	1	5
Messengers porters and deliverers	1	0	0	0
Executive Authority	1	0	0	0
Secretaries & other keyboard operating clerks	9	0	0	0
Senior managers	61	9	3	4.9
TOTAL	**449**	**87**	**31**	**6.9**

- Total number 87 appointments is inclusive of 18 Interns.
- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	1	0.2
Resignation	19	4.2
Expiry of contract	5	1.1
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	5	1.1
Transfer to other Public Service Departments	1	0.2
Other (early retirement)	0	0
Total	**31**	**6.9**
Total number of employees who left as a % of total Employment	**6.9**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024and 31 March 2025

Occupation	Employees 1 April 2024	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	2	2.9	64	94.1
Communication and Information Related	2	0	0	0	0
Finance and Economics related	8	0	0	7	87.5
Financial and Related Professionals	184	2	1	91	49.4
Financial Clerks and Credit Controllers	2	0	0	0	0
General Legal Administration & Related Professionals	2	0	0	0	50
Head of Department/Chief Executive Officer	1	0	0	0	0
Human Resources Related	63	1	0	25	39.6
Information technology related	19	1	0	17	89.4
Library Mail and Related Clerks	6	1	16	0	0
Light Vehicle Drivers	2	0	0	0	0
Logistical support personnel,	20	0	0	8	40
Messengers; Porters and Deliverers	1	0	0	1	100
Executive Authority	1	0	0	0	0
Secretaries & Other Keyboard Operating Clerks	9	0	0	1	11.1
Senior Managers	61	1	1.6	32	52.4
TOTAL	**449**	**8**	**1.7**	**246**	**54.80**

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	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)	0	0	0	0	0
Skilled (Levels 3-5)	14	0	0	6	42.8
Highly skilled production (Levels 6-8)	87	5	5.7	54	62
Highly skilled supervision (Levels 9-12)	237	2	0.8	150	63.2
Senior Management Service Bands A	41	1	2.4	36	87.8
Senior Management Service Bands B	13	0	0	0	0
Senior Management Service Bands C	3	0	0	0	0
Senior Management Service Bands D	2	0	0	0	0
Contracts	52	0	0	0	0
Total	**449**	**8**	**1.7**	**246**	**54.80**

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 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	22	3	3	3	31	0	2	0	64
Professionals	91	7	2	2	147	4	2	1	256
Technicians and associate professionals	40	0	0	0	87	1	0	0	128
Clerks	5	0	0	0	6	0	0	0	11
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0		0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	2	0	0	0	0	0	0	0	2
Elementary occupations	0	0	0	0	1	0	0	0	1
Total	**160**	**10**	**5**	**5**	**272**	**5**	**4**	**1**	**462**
Employees with disabilities	**5**	**0**	**1**	**1**	**7**	**0**	**0**	**0**	**14**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	0	1	0	0	0	5
Senior Management	18	3	3	3	30	0	2	0	59
Professionally qualified and experienced specialists and mid-management	91	7	2	2	147	4	2	1	256
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	40	0	0	0	87	1	0	0	128
Semi-skilled and discretionary decision making	7	0	0	0	7	0	0	0	14
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**160**	**10**	**5**	**5**	**272**	**5**	**4**	**1**	**462**

Table 3.6.3 Recruitment for the period 1 April 2024 to 31 March 2025

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	2	0	0	0	7	0	0	0	9
Professionally qualified and experienced specialists and mid-management	15	1	0	0	23	0	0	0	39
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	13	0	0	0	18
Semi-skilled and discretionary decision making	0	0	0	0	3	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**22**	**1**	**0**	**0**	**46**	**0**	**0**	**0**	**87**
Employees with disabilities	**1**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**3**
OTHER -INTERN	**9**	**0**	**0**	**0**	**9**	**0**	**0**	**0**	**18**

- The above table reflects the total number of 87 employees which include transfers into the department and 18 interns. The total number of recruitments during the period under review is 87.
- **Please note that total of 87 is inclusive of the 3 permanent employees with disabilities.**

Table 3.6.4 Promotions for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	1	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	3	0	0	0	4
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	**3**	**1**	**0**	**0**	**4**	**0**	**0**	**0**	**8**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.5 Terminations for the period 1 April 2024 to 31 March 2025

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	2	0	0	0	2	0	0	0	4
Professionally qualified and experienced specialists and mid-management	4	0	0	0	11	0	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	6	0	0	0	12
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	**12**	**0**	**0**	**0**	**19**	**0**	**0**	**0**	**31**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.6 Disciplinary action for the period 1 April 2024 to 31 March 2025

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	0	0	0	0	0	0	0	0	0
Final written warning	4	0	0	0	0	0	0	0	4
Suspension without pay	3	0	0	0	0	0	0	0	3
TOTAL	**7**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7**

A total of seven (7) employees underwent disciplinary hearings. Of these, four received final written warnings, while three were sanctioned with a one-month suspension without pay

Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	19	2	3	3	29	0	2	0	58
Professionals	14	0	0	0	18	1	0	0	33
Technicians and associate professionals	13	1	0	1	13	0	0	0	28
Clerks	2	0	0	0	10	0	0	2	14
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	18	0	0	0	34	0	0	0	52
Total	**66**	**3**	**3**	**4**	**104**	**1**	**2**	**2**	**185**
Employees with disabilities	**1**	**0**	**1**	**0**	**3**	**0**	**0**	**0**	**5**

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 16	1	1	1	100
Salary Level 15	3	3	3	100
Salary Level 14	13	13	13	100
Salary Level 13	44	44	44	100
Total		**61**	**61**	**100**
Reasons				
As on 30 June 2024, all SMS members that were in the establishment during the cycle had submitted their Performance Agreements, even those members that left the department during the cycle. Two (2) SMS members that on contract and were appointed in the second half year are treated as exceptions considering that they still have matters to finalize in terms of their job descriptions.				

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2025

Reasons
The department had 0% non-compliance.

Notes

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

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2024 to 31 March 2025

Race and Gender	Beneficiary Profile	Cost			
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	**0**	**420**	**0**	**0**	**0**
Male	0	155	0	0	0
Female	0	265	0	0	0
Asian	**0**	**8**	**0**	**0**	**0**
Male	0	4	0	0	0
Female	0	4	0	0	0
Coloured	**0**	**15**	**0**	**0**	**0**
Male	0	10	0	0	0
Female	0	5	0	0	0
White	**0**	**5**	**0**	**0**	**0**
Male	0	4	0	0	0
Female	0	1	0	0	0
Employees with disability	**0**	**14**	**0**	**0**	**0**
Total	**0**	**462**	**0**	**0**	**0**

The above indicates performance bonuses that were paid to employees per gender, race and disability, regardless of salary or seniority level in the department. Performance bonuses have since been discontinued in the public service.

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2024 to 31 March 2025

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	0	0	0	0	0
Skilled (level 3-5)	0	12	0	0	0	0
Highly skilled production (level 6-8)	0	88	0	0	0	0
Highly skilled supervision (level 9-12)	0	246	0	0	0	0
Other	0	53	0	0	0	0
Total	**0**	**399**	**0**	**0**	**0**	**0**

- Performance bonuses were discontinued in the public service during the year under review.
- The total number displayed under "Other" includes employees that are classified as "Other" and employees that are classified at Contract employees, three (3) employees at levels 3-5, six (6) employees at levels 6 – 8 and eleven (11) for levels 9-12 contracts.
- The total number of 399 are employees between salary levels 1-12 and does not include SMS members.

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2024 to 31 March 2025

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	0	101	0	0	0
Communication and information related	0	6	0	0	0
Finance and economics related	0	116	0	0	0
Financial and related professionals	0	37	0	0	0
Financial clerks and credit controllers	0	3	0	0	0
General legal administration & rel. professionals	0	2	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Human resources related	0	29	0	0	0
Information technology related	0	40	0	0	0
Library mail and related clerks	0	25	0	0	0
Light vehicle drivers	0	0	0	0	0
Logistical support personnel	0	7			
	0	0	0		
Messengers porters and deliverers	0	4	0	0	0
Executive Authority	0	1	0	0	0
Secretaries & other keyboard operating clerks	0	0	0	0	0
Senior managers	0	30	0	0	0
Total	**0**	**442**	**0**	**0**	**0**

Notes

- The total number of SMS members submitted on the table above include the Executive Authority and the Head of Department.
- Further note that we have added Internal Audit since they were not catered for on the table above.
- Further note that we have clustered all the relevant occupations according to the provided occupations.
- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

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

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

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

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2024 to 31 March 2025

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	45	0	0	0	0
Band B	0	13	0	0	0	0
Band C	0	3	0	0	0	0
Band D	0	0	0	0	0	0
Total	**0**	**63**	**0**	**0**	**0**	**0**

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 2024 and 31 March 2025

Salary band	01 April 2024		31 March 2025		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 2024 and 31 March 2025

Major occupation	01 April 2024		31 March 2025		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 2024 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 skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	100	80	12.00	3.5	13.0	114.00
Highly skilled production (Levels 6-8)	568.00	76.0	98.00	28.9	12.0	940.00
Highly skilled supervision (Levels 9-12)	1162.00	78.3	191.00	56.5	11.0	3689.00
Senior management (Levels 13-16)	247.00	93.9	37.00	10.9	14.0	1269.00
TOTAL	**2077.00**	**80.20**	**338.00**	**100**	**6.00**	**6 011.00**

This is inclusive of contract workers (including Interns)

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 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 (Level 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	34.00	100.00	7.00	50.0	9.00	72.00
Highly skilled supervision (Levels 9-12)	396.00	100.00	4.00	28.5	40.00	1258.00
Senior management (Levels 13-16)	2.00	100.00	3.00	21.4	2.00	1.00
TOTAL	**432.00**	**100.00**	**14.00**	**100.00**	**29.00**	**1 330.00**

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 2024 to 31 December 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled (Levels 3-5)	260.00	17.00	15.2
Highly skilled production (Levels 6-8)	3002.00	156.00	19.2
Highly skilled supervision (Levels 9-12)	6491.00	265.00	24.4
Senior management (Levels 13-16)	1664.00	68.00	24.4
TOTAL	**11 417.00**	**506.00**	**23.00**

Table 3.10.4 Capped leave for the period 1 January 2024 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 at End of Period
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	135.00
Highly skilled supervision (Levels 9-12)	3.00	1.00	3.00	76.00
Senior management (Levels 13-16)	0	0	0	74.00
TOTAL	**3.00**	**1.00**	**3.00**	**89.00**

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

Table 3.10.5 Leave pay-outs for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting Previous Appointment	0	0	0
Annual - Discounting with Resignation (Workdays)	693	27	25 667
Annual - Gratuity: Death/Retirement/Medical Retirement (Work	644	7	92 000
Capped - Gratuity: Death/Retirement/Medical Retirement (Work	644	2	322 000
Total	**1981**	**36**	**439 667**

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 and related diseases (if any)	Key steps taken to reduce the risk
According to GEMS Stakeholder reports, employees aged 40-49 are at high risk with a prevalence rate of 27.3% as at 31 December 2024.	A virtual HIV and TB awareness Programme was held to address issues of gender-based violence, behaviour changes, living with HIV and TB prevention. During the second and third quarters HIV testing were offered with a low uptake of 21, no positive test results reported.

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		Ms N Zuma- Director: HRUD
2.	Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Employee Wellness Programme Unit has 3 designated staff members.
3.	Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The Employee Health and Wellness Programme is structured according to the four pillars namely HIV, TB and STI Management, Health and Productivity, SHERQ Management and Wellness Management. The department contracted a service provider to render EAP services that consist of counselling, trauma debriefing, supervisory and management training and education and awareness on specific topics identified by the department. New reported EAP Cases for the year is 59 compared to the 45 in the previous year.
4.	Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The department has an active Health and Safety Committee consisting of employees across occupational levels. The members are: Ms N Zuma, Mrs B Cain-Noveve, Mr X Qinga, Mr M Qeqe, Mr T Dimbaza, Ms V Mahogo are employer representatives. There also employee representatives from both Head Office and PT district offices. Both trade unions and management nominate participants for the SHERQ Committee.
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		All Employee Wellness Policies were reviewed in the previous financial year.
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		Both the Labour Relations and EWP Units have regular interventions to educate employees on human rights issues, stigma, and discrimination. This is in the form of workshops and educational sessions. Measures to manage infected employees are outlined in the HIV and TB management policy.
7.	Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that have been achieved.	X		HIV screening and testing was conducted during the second and 3rd quarter, and twenty-one employees participated. Male uptake is still relatively low.
8.	Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		The impact of health promotion programmes is assessed through sick leave utilisation analysis reports, bi-annually. The department conducts a self-assessment through the systems monitoring tool (SMT) annually.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Subject matter	Date
Total number of Collective agreements	None

No collective agreements were concluded. The department does not have its own bargaining chamber but participates in a provincial bargaining chamber.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	4	57%
Suspended without pay	3	43%
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	**7**	**100%**

The above arose from seven officials that were subjected to a formal disciplinary process.

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Dereliction of duty	1	15%
Prejudiced the administration discipline or efficiency of the department	2	30%
Insubordination	1	15%
Excessive absenteeism	3	40%
Total	**7**	**100%**

The above arose from seven formal disciplinary cases

Table 3.12.4 Grievances logged for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Not given Bursary to study abroad	1	50%
Disrespect of fellow colleagues	1	50%
Total	**2**	**100%**

Two (02) employees lodged grievances.

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Number of disputes upheld	1	100%
Number of disputes dismissed	0	0
Total number of disputes lodged	**1**	**100%**

One dispute case that was lodged during the year under review.

Table 3.12.6 Strike actions for the period 1 April 2024 and 31 March 2025

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

No employees participated in strike action during the year under review.

Table 4.3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

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

No employee was placed on precautionary suspension

3.13 Skills development

This section highlights the efforts of the department regarding skills development.

Table 3.13.1 Training needs identified for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as of 1 April 2022	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female		0	15	2	17
	Male		0	15	0	15
Professionals	Female		0	25	3	28
	Male		0	25	1	26
Technicians and associate professionals	Female		0	25	0	25
	Male		0	25	1	26
Clerks	Female		0	37	9	46
	Male		0	25	1	26
Service and sales workers	Female		0	0	0	0
	Male		0	0	0	0
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	0	0	0
	Male		0	0	0	0
Plant and machine operators and assemblers	Female		0	0	0	0
	Male		0	0	0	0
Elementary occupations	Female		0	10	0	0
	Male		0	10	0	0
Sub Total	Female		0	112	14	126
	Male		0	100	3	103
Total			**0**	**212**	**17**	**229**

Table 3.13.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as of 1 April 2023	Training provided within the reporting period			
			Learner ships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	15	2	17
	Male		0	9	0	9
Professionals	Female		0	13	2	15
	Male		0	13	1	14
Technicians and associate professionals	Female		0	10	0	10
	Male		0	12	0	12
Clerks	Female		0	8	8	16
	Male		0	12	1	13
Service and sales workers	Female		0	0	0	0
	Male		0	0	0	0
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	0	0	0
	Male		0	0	0	0
Plant and machine operators and assemblers	Female		0	0	0	0
	Male		0	0	0	0
Elementary occupations	Female		0	3	0	3
	Male		0	2	0	2
Sub Total	Female		0	49	12	61
	Male		**0**	**48**	**2**	**50**
Total			**0**	**97**	**14**	**111**

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 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.25
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**1**	**0.22**

3.15 Utilisation of Consultants

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

(a) The rendering of expert advice;

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Total number of projects	**Total individual consultants**	**Total duration Work days**	**Total contract value in Rand**

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

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

Table 4.3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

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

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025

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**


Regulations
Guidelines

PART E:

PFMA COMPLIANCE REPORT


ThinkPad

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

1.1 Irregular expenditure

a) Reconciliation of Irregular Expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	51	51
Adjustment to opening balance	0	199
Opening balance as restated	0	250
Add: Irregular expenditure confirmed	0	224
Less: Irregular expenditure condoned	51	423
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	**0**	**51**

Reconciling Notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	199
Irregular expenditure for the current year	0	224
Total	**0**	**423**

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	**0**	**0**

c) Details of Irregular Expenditure Condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	51	423
Total	**51**	**423**

d) Details of Irregular Expenditure Removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	**0**	**0**

e) Details of Irregular Expenditure Recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	**0**	**0**

f) Details of irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

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	
	N/A
	N/A
Total	**R0.00**

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)

Description	2024/2025	2023/2024
	R'000	R'000
	0	0
	0	0
Total	**0**	**0**

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

Disciplinary steps taken
R50 925-00: Contract amount exceeded: Official served with a warning letter.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	9
Adjustment to opening balance	0	1
Opening balance as restated	0	10
Add: Fruitless and wasteful expenditure confirmed	9	1
Less: Fruitless and wasteful expenditure recoverable	9	2
Less: Fruitless and wasteful expenditure not recoverable and written off	0	9
Closing balance	**0**	**0**

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	9	1
Total	**9**	**1**

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	**0**	**0**

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	9	1
Total	**9**	**1**

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	0	9
Total	**0**	**9**

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

Disciplinary steps taken
No disciplinary or criminal steps taken. Expenditure has been recovered from an official responsible.

1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable9	0	0
Less: unauthorised not recoverable and written off10	0	0
Closing balance	**0**	**0**

Reconciling Notes

Description	2024/2025	2023/202411
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
Total	**0**	**0**

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

Description12	2023/2024	2024/2025
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	**0**	**0**

1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)13

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	**0**	**0**

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
	0	0
Total	**0**	**0**

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
	0	0
	0	0
Total	**0**	**0**

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
	0	0
	0	0
Total	**0**	**0**

2. LATE AND / OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	1704	82 765
Invoices paid within 30 days or agreed period	1702	82 752
Invoices paid after 30 days or agreed period	2	11
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

3. INFORMATION ON 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
Procure Cell phone accessories	Vodacom	Deviation	Sundry payments	R7 151.00
Procure Media Services	Arena holdings	Deviation	OR-044375	R32 640.00
Procure Travel Management Services	Coega Development corporation	Deviation	Rate based/ estimated costs	R4 822 704.62
Procure TeamMate plus Audit Software	Wolters Kluwer	Deviation	OR-044706	R 1,139,349.15
Procure of IRMSA Board exams for ECPT and Public entities	Institute of Risk Management SA	Deviation	OR-044519	R81,264.75
Procure Transport Services for an official event	Mayibuye Transport Corporation	Deviation	OR-044529	R 7 894.00
Procure Media Services for tabling of adjustment budget	Media 24	Deviation	OR-044981	R 66 912.75
Procure Media Services for tabling of adjustment budget	Eastern Cape Community Radio	Deviation	OR-044982	R 272 553.60
Procure Media Services for tabling of adjustment budget and MEC outreach	Arena Holdings	Deviation	OR-044965	R 132 250.00
Procure ATZ Catering Services for tabling of Medium-Term Budget Policy Statement	ATZ Marketing CC	Deviation	OR-044984	R 75 000.00
Procure Transport Services for an official men's event from Bisho to EL	Mayibuye Transport Corporation	Deviation	OR-045023	R 7 722.00
Procure Transport Services for a deceased staff member	Mayibuye Transport Corporation	Deviation	OR- 045088	R 12 298.00
Procure Media Services for tabling of annual budget	Eastern Cape Community Radio	Deviation	OR-045299	R 510 960.00
Procure Media Services for tabling of annual budget	Mpuma Kapa TV	Deviation	OR-045297	R 648 830.00
Procure Media Services for tabling of annual budget	Eastern Province Community Print	Deviation	OR-045279	R 215 000.00
Procure Tent Hire for the tabling of budget for 2025/26	ATZ Marketing CC	Deviation	OR-045338	R 55 000.00
Procure Media Services for tabling of annual budget	Arena Holdings	Deviation	OR-045275	R 402 500.00
Procure Media Services for tabling of annual budget	SABC	Deviation	OR-045278	R 738 949.76
Procure catering services for security cluster members on budget day	ATZ Marketing CC	Deviation	OR-045340	R 35 424.00
Total				**R8 043 789.73**

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
Provision of Travel Management Services for a period of thirty-six (36) months in the Provincial Treasury	Hamba Nathi Travel	Extension of six (06) months.	SCMU12-21/22-0006	R9 872 260.33	R614 018.30	R2 399 884.93
Provision of Security Services for Eastern Cape Provincial Treasury at Sarah Baartman (Gqebera) District Offices for a period of 36 Months	Securcorp	Extension for four (04) months	SCMU12-21/22-0008	R3 272 512.44	R0	R98 809.84
Total						**R2 498 695.00**

PART F:

FINANCE INFORMATION


RESEFE YA AFRIKA BORWA
A AFRIKA-DZ
RAND

1. REPORT OF THE AUDITOR-GENERAL TO EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 12: EASTERN CAPE PROVINCIAL TREASURY

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Eastern Cape Provincial Treasury set out on pages 219 to 257, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the 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 Eastern Cape Provincial Treasury as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

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

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

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

Responsibilities of the accounting officer for the financial statements

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

7. 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

8. 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.

9. 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 at page 217, forms part of my auditor's report.

Report on the audit of the annual performance report

10. 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.

11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Sustainable resource management	39	Allocative efficacy through budget preparations, infrastructure budgeting, expenditure monitoring, economic analysis and fiscal policy to all provincial departments, public entities and management of financial assets and liabilities.
Municipal finance governance	57	Provides support to the achievement of sound and sustainable financial management at municipal level through the provision of technical support, and capacity building in the following areas: budgeting, accounting practices, supply chain management, asset management, as well as MFMA compliance.

12. 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.

13. 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.

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

15. I did not identify any material findings on the reported performance information for the selected programmes.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

18. The tables that follow 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 39 to 64.

Sustainable resource management

Targets achieved: 50% *Budget spent: 95,1%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Percentage expenditure by entities within allocated budget	98%	94,29%
CoE ratio	61:39	65,4:34,6
Number of departments paying creditors within 30 days	13	12
Percentage expenditure of allocated infrastructure budget by infrastructure departments	98%	97,35%
Percentage gross capital formation for provincial infrastructure departments	10,7%	4,05%

Municipal finance governance

Targets achieved: 0% *Budget spent: 96%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of funded annual budgets adopted by municipalities	36	27
Percentage expenditure of Municipal Infrastructure Conditional Grants	100%	91,72%
Percentage reduction of irregular expenditure	100%	31,73%
Number of credible AFS submitted by municipalities	36	20
Percentage performance on mSCOA assessment criteria	100%	79,93%

Report on compliance with legislation

19. 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.

20. 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.

21. 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.

22. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

23. The accounting officer is responsible for the other information included in the annual report. The other information 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.

24. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.

25. 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 or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. If, based on the work I have performed on the other information, 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.

Internal control deficiencies

27. 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.

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

Auditor - General

East London

29 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 24 of 2024	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Health Act 61 of 2003	Section 13
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

ANNUAL FINANCIAL STATEMENTS

FOR THE EASTERN CAPE PROVINCIAL TREASURY

For the year ended

31 March 2025

Date authorised for issue: 31 August 2025

Authorised by:

Mr D. Majeke

Accounting Officer

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2. ANNUAL FINANCIAL STATEMENTS (FOR THE YEAR ENDED 31 MARCH 2024)

2.1 Appropriation Statement

APPROPRIATION PER PROGRAMME									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Programme	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Administration	197,405	-	(93)	197,312	187,785	9,527	95.2%	183,833	166,660
2. Sustainable Resource Management	81,041	-	-	81,041	77,103	3,938	95.1%	78,719	75,651
3. Asset and Liabilities Management	28,915	-	35	28,950	28,625	325	98.9%	27,286	26,713
4. Financial Governance	95,396	-	58	95,454	91,437	4,017	95.8%	88,674	79,077
5. Municipal Financial Governance	57,433	-	-	57,433	55,139	2,294	96.0%	50,934	50,883
Subtotal	**460,190**	**-**	**-**	**460,190**	**440,089**	**20,101**	**95.6%**	**429,446**	**398,984**
TOTAL	**460,190**	**-**	**-**	**460,190**	**440,089**	**20,101**	**95.6%**	**429,446**	**398,984**
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				572,585				740,403	
Actual amounts per Statement of Financial Performance (Total Revenue)				**1,032,775**				**1,169,849**	
Actual amounts per Statement of Financial Performance (Total Expenditure)					**440,089**				**398,984**

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**435,496**	**(447)**	**-**	**435,049**	**416,671**	**18,378**	**95.8%**	**407,893**	**388,406**
Compensation of employees	357,074	(33)	-	357,041	353,332	3,709	99.0%	330,570	327,850
Goods and services	78,422	(414)	-	78,008	63,339	14,669	81.2%	77,323	60,556
Transfers and subsidies	**3,366**	**139**	**-**	**3,505**	**3,492**	**13**	**99.6%**	**4,064**	**3,341**
Provinces and municipalities	2	-	-	2	2	-	100.0%	-	-
Departmental agencies and accounts	952	-	-	952	951	1	99.9%	1,045	856
Households	2,412	139	-	2,551	2,539	12	99.5%	3,019	2,485
Payments for capital assets	**21,328**	**308**	**-**	**21,636**	**19,885**	**1,751**	**91.9%**	**17,489**	**7,228**
Machinery and equipment	21,328	308	-	21,636	19,885	1,751	91.9%	17,489	7,228
Payments for financial assets	**-**	**-**	**-**	**-**	**41**	**(41)**	**-**	**-**	**9**
TOTAL	**460,190**	**-**	**-**	**460,190**	**440,089**	**20,101**	**95.6%**	**429,446**	**398,984**

Detail per Programme 1 – Administration (for the year ended 31 March 2025)

PROGRAMME 1: ADMINISTRATION									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub programmes	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1.1 Office of the MEC	10,095	(586)	-	9,509	9,120	389	95.9%	8,002	7,998
1.2 Management Services	81,664	(175)	-	81,489	77,141	4,348	94.7%	60,724	46,406
1.3 Corporate Services	35,857	961	-	36,818	35,644	1,174	96.8%	52,471	50,785
1.4 Financial Management	61,829	(169)	(35)	61,625	58,445	3,180	94.8%	54,860	53,736
1.5 Internal Audit Unit	7,960	(31)	(58)	7,871	7,435	436	94.5%	7,776	7,735
Total for sub programmes	**197,405**	**-**	**(93)**	**197,312**	**187,785**	**9,527**	**95.2%**	**183,833**	**166,660**
Economic classification									
Current payments	**173,379**	**(339)**	**(93)**	**172,947**	**165,137**	**7,810**	**95.5%**	**163,928**	**157,351**
Compensation of employees	124,603	(31)	(93)	124,479	122,858	1,621	98.7%	114,396	114,237
Goods and services	48,776	(308)	-	48,468	42,279	6,189	87.2%	49,532	43,114
Transfers and subsidies	**2,698**	**31**	**-**	**2,729**	**2,722**	**7**	**99.7%**	**2,416**	**2,072**
Provinces and municipalities	2	-	-	2	2	-	100.0%	-	-
Departmental agencies and accounts	952	-	-	952	951	1	99.9%	1,045	856
Households	1,744	31	-	1,775	1,769	6	99.7%	1,371	1,216
Payments for capital assets	**21,328**	**308**	**-**	**21,636**	**19,885**	**1,751**	**91.9%**	**17,489**	**7,228**
Machinery and equipment	21,328	308	-	21,636	19,885	1,751	91.9%	17,489	7,228
Payments for financial assets	**-**	**-**	**-**	**-**	**41**	**(41)**	**-**	**-**	**9**
Total	**197,405**	**-**	**(93)**	**197,312**	**187,785**	**9,527**	**95.2%**	**183,833**	**166,660**

Detail Per Programme 2-Sustainable Resource Management for the year ended 31 March 2025

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub programmes	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
2.1 Programme Support	3,304	(54)	-	3,250	3,031	219	93.3%	3,446	3,232
2.2 Economic Analysis	3,678	-	-	3,678	3,636	42	98.9%	3,368	3,153
2.3 Fiscal Policy	9,538	-	-	9,538	9,472	66	99.3%	9,361	9,187
2.4 Budget Management	64,521	54	-	64,575	60,964	3,611	94.4%	62,544	60,079
Total for sub programmes	**81,041**	**-**	**-**	**81,041**	**77,103**	**3,938**	**95.1%**	**78,719**	**75,651**
Economic classification									
Current payments	**80,948**	**-**	**-**	**80,948**	**77,010**	**3,938**	**95.1%**	**78,342**	**75,275**
Compensation of employees	74,868	-	-	74,868	74,379	489	99.3%	71,886	70,911
Goods and services	6,080	-	-	6,080	2,631	3,449	43.3%	6,456	4,364
Transfers and subsidies	**93**	**-**	**-**	**93**	**93**	**-**	**100.0%**	**377**	**376**
Households	93	-	-	93	93	-	100.0%	377	376
Total	**81,041**	**-**	**-**	**81,041**	**77,103**	**3,938**	**95.1%**	**78,719**	**75,651**

Detail Per Programme 3 – Asset and Liabilities Management for the year ended 31 March 2025

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub programme	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
3.1 Asset Management	28,915	-	35	28,950	28,625	325	98.9%	27,286	26,713
Total for sub programmes	**28,915**	**-**	**35**	**28,950**	**28,625**	**325**	**98.9%**	**27,286**	**26,713**
Economic classification									
Current payments	**28,915**	**(2)**	**35**	**28,948**	**28,625**	**323**	**98.9%**	**26,492**	**26,294**
Compensation of employees	26,548	-	35	26,583	26,572	11	100.0%	24,868	24,793
Goods and services	2,367	(2)	-	2,365	2,053	312	86.8%	1,624	1,501
Transfers and subsidies	**-**	**2**	**-**	**2**	**-**	**2**	**-**	**794**	**419**
Households	-	2	-	2	-	2	-	794	419
Total	**28,915**	**-**	**35**	**28,950**	**28,625**	**325**	**98.9%**	**27,286**	**26,713**

Detail Per Programme 4 – Financial Governance for the year ended 31 March 2025

PROGRAMME 4: FINANCIAL GOVERNANCE									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub programmes	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
4.1 Programme Support	15,509	208	58	15,775	15,694	81	99.5%	14,062	13,271
4.2 Accounting Services	16,671	(48)	-	16,623	16,294	329	98.0%	14,338	13,834
4.3 Norms and Standards	7,042	(47)	-	6,995	6,978	17	99.8%	6,260	6,229
4.4 Risk Management	5,472	(84)	-	5,388	5,207	181	96.6%	5,039	4,589
4.5 Provincial Internal Audit	24,195	(64)	-	24,131	20,752	3,379	86.0%	23,018	15,922
4.6 Supporting &Interlinked Financial Systems	26,507	35	-	26,542	26,512	30	99.9%	25,957	25,232
Total for sub programmes	**95,396**	**-**	**58**	**95,454**	**91,437**	**4,017**	**95.8%**	**88,674**	**79,077**
Economic classification									
Current payments	**95,244**	**(104)**	**58**	**95,198**	**91,182**	**4,016**	**95.8%**	**88,486**	**78,890**
Compensation of employees	77,123	-	58	77,181	77,141	40	99.9%	70,889	69,405
Goods and services	18,121	(104)	-	18,017	14,041	3,976	77.9%	17,597	9,485
Transfers and subsidies	**152**	**104**	**-**	**256**	**255**	**1**	**99.6%**	**188**	**187**
Households	152	104	-	256	255	1	99.6%	188	187
Total	**95,396**	**-**	**58**	**95,454**	**91,437**	**4,017**	**95.8%**	**88,674**	**79,077**

Detail Per Programme 5- Municipal Financial Governance for the year ended 31 March 2025

PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub programmes	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
5.1 Programme Support	17,076	(15)	-	17,061	16,074	987	94.2%	13,257	13,246
5.2 Municipal Budget & Institutional Governance	19,905	5	-	19,910	18,923	987	95.0%	19,523	19,498
5.3 Municipal Accounting & Reporting	20,452	10	-	20,462	20,142	320	98.4%	18,154	18,139
Total for sub programmes	**57,433**	**-**	**-**	**57,433**	**55,139**	**2,294**	**96.0%**	**50,934**	**50,883**
Economic classification									
Current payments	**57,010**	**(2)**	**-**	**57,008**	**54,717**	**2,291**	**96.0%**	**50,645**	**50,596**
Compensation of employees	53,932	(2)	-	53,930	52,382	1,548	97.1%	48,531	48,504
Goods and services	3,078	-	-	3,078	2,335	743	75.9%	2,114	2,092
Transfers and subsidies	**423**	**2**	**-**	**425**	**422**	**3**	**99.3%**	**289**	**287**
Households	423	2	-	425	422	3	99.3%	289	287
Total	**57,433**	**-**	**-**	**57,433**	**55,139**	**2,294**	**96.0%**	**50,934**	**50,883**

2.2 NOTES TO THE APPROPRIATION STATEMENT

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

Detail of these transactions can be viewed in note 6 (Transfers and Subsidies) and Annexure 1 A and B of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in note 5 (Payments for Financial Assets) of the Annual Financial Statements.

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

4.1 Per programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
(I) Administration	197,312	187,785	9,527	4.8%
(II) Sustainable Resource Management	81,041	77,103	3,938	4.9%
(III) Asset and Liabilities Management	28,950	28,625	325	1.1%
(IV) Financial Governance	95,454	91,437	4,017	4.2%
(V) Municipal Financial Governance	57,433	55,139	2,294	4.0%
Total	**460,190**	**440,089**	**20,101**	**4.4%**

4.2 Per economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current Payments	435,049	416,671	18,378	4.2%
Compensation of employees	357,041	353,332	3,709	1.0%
Goods and services	78,008	63,339	14,669	18.8%
Transfers & Subsidies	3,505	3,492	13	0.4%
Provinces and municipalities	2	2	-	0.0%
Departmental agencies & accounts	952	951	1	0.1%
Households	2,551	2,539	12	0.5%
Payment for Capital Assets	21,636	19,885	1,751	8.1%
Machinery & equipment	21,636	19,885	1,751	8.1%
Payment for Financial Assets	-	41	(41)	0.0%
Theft and Losses	-	41	(41)	0.0%
Total	**460,190**	**440,089**	**20,101**	**4.4%**

PROGRAMME 1: ADMINISTRATION – R9.527 MILLION.

Compensation of Employees

Variance: R1.621 million.

Savings in CoE mainly due to staff attrition.

Goods and Services

Variance: R6.189 million.

The variance mainly pertains to:

- Consultancy Services – Delays encountered due to complexity of the middle-management leadership programme bid specification.
- Contractors – Delays encountered in the SITA procurement process with the finalisation of the service level agreement for the maintenance of LAN switches.
- Travel and Subsistence – Savings pertains to meetings that were cancelled due to unforeseen circumstances as well as meetings held virtually.
- Consumable Stationery – Unspent funds pertains to the invoice for printing of the main budget gazette received after the final payment disbursement run date for March 2025, procurement of printer cartridges which did not materialise due to unforeseen circumstances as well as savings in stationery due to lower-than-anticipated demand.
- Fleet Services – Unspent funds due to technical challenges faced by the service provider in printing invoices.
- Computer Services – Unspent funds are mainly due to delays in installing computer server operating software licences, which require a server upgrade before installation can proceed.
- Training and Development – Savings due to invoices being lower than anticipated.
- Property payments – Savings due to renovations carried out by the Department of Public Works and Infrastructure at OR Tambo district office, affecting the provision of cleaning services.
- Advertising – Unspent funds due to late submission of inter-departmental claim for recruitment adverts by the Office of the Premier.

Transfers and Subsidies

Variance: R0.007 million.

The variance pertains to leave gratuity payments due to staff attrition and is immaterial.

Payment for Capital Assets

Variance: R1.751 million.

The variance pertains to invoices for desktop computers received after the final payment disbursement run date for March 2025 as well as delays in finalising installation of safety features for the MEC's motor vehicle.

Payment for Financial Assets

Variance: (R0.041 million)

The write-off is in respect of irrecoverable staff debts.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT – R3.938 MILLION.

Compensation of Employees

Variance: R0.489 million.

Savings in CoE mainly due to staff attrition.

Goods and Services

Variance: R3.449 million.

The variance mainly pertains to:

- Consultancy Services – Unspent funds relating to the Provincial Infrastructure Support project which is under investigation.
- Travel and Subsistence – Savings due to meetings that were cancelled due to unforeseen circumstances as well as engagements that were held virtually.
- Audit Costs – Savings due to an invoice processed for the Provincial Revenue Fund audit being lower than anticipated.
- Operating Payments – Savings due to provisions made for resettlement costs which were not fully utilised.

PROGRAMME 3: ASSET AND LIABILITY MANAGEMENT – R0.325 MILLION.

Compensation of Employees

Variance: R0.011 million.

Savings in CoE due to staff attrition and is immaterial.

Goods and Services

Variance: R0.312 million.

The variance mainly pertains to:

- Travel and Subsistence – Savings pertain to cancellation of site visits due to unforeseen circumstances.
- Catering – Savings pertain to cancellation of meetings due to unforeseen circumstances.

Transfers and Subsidies

Variance: R0.002 million.

The variance pertains to leave gratuity payments which were not utilised and is immaterial.

PROGRAMME 4: FINANCIAL GOVERNANCE – R4.017 MILLION.

Compensation of Employees

Variance: R0.040 million.

Savings in CoE mainly due to staff attrition and is immaterial.

Goods and Services

Variance: R3.976 million.

The variance mainly pertains to:

- Audit Cost – Unspent funds due to the cancellation and rescheduling of forensic investigations, as well as savings from lower-than-anticipated invoices for the consolidated AFS and ICT audits.
- Training and Development – Unspent funds due to delays encountered with the selection of an accredited service provider for CPD training, as well as savings from lower-than-anticipated invoices for risk practitioners training.
- Catering – Savings attributed to cancellation of meetings due to unforeseen circumstances.

Transfers and Subsidies

Variance: R0.001 million.

The variance pertains to leave gratuity payments due to staff attrition and is immaterial.

PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE – R2.294 MILLION.

Compensation of Employees

Variance: R1.548 million.

Savings in CoE mainly due to staff attrition.

Goods and Services

Variance: R0.743 million.

The variance mainly pertains to:

- Travel and Subsistence – Savings attributed to meetings held virtually as well as cancellation of trainings due to unforeseen circumstances.
- Catering – Savings due to meetings held virtually.

Transfers and Subsidies

Variance: R0.003 million.

The variance pertains to leave gratuity payments due to staff attrition and is immaterial.

2.3 STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	460,190	429,446
Departmental revenue	2	572,585	740,403
TOTAL REVENUE		**1,032,775**	**1,169,849**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	353,332	327,850
Goods and services	4	63,339	60,556
Total current expenditure		**416,671**	**388,406**
Transfers and subsidies			
Transfers and subsidies	6	3,492	3,341
Total transfers and subsidies		**3,492**	**3,341**
Expenditure for capital assets			
Tangible assets	7	19,885	7,228
Total expenditure for capital assets		**19,885**	**7,228**
Payments for financial assets	**5**	**41**	**9**
TOTAL EXPENDITURE		**440,089**	**398,984**
SURPLUS FOR THE YEAR		**592,686**	**770,865**
Reconciliation of Net Surplus for the year			
Voted funds		20,101	30,462
Annual appropriation		20,101	30,462
Departmental revenue	11	572,585	740,403
SURPLUS FOR THE YEAR		**592,686**	**770,865**

2.4 STATEMENT OF FINANCIAL POSITION

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets		**20,408**	**30,260**
Cash and cash equivalents	8	20,397	30,149
Receivables	9	11	111
Non-Current assets		**607**	**638**
Receivables	9	607	638
TOTAL ASSETS		**21,015**	**30,898**
LIABILITIES			
Current liabilities		**20,818**	**30,660**
Voted funds to be surrendered to the Revenue Fund	10	20,101	30,462
Departmental revenue to be surrendered to the Revenue Fund	11	68	29
Payables	12	649	169
TOTAL LIABILITIES		**20,818**	**30,660**
NET ASSETS		**197**	**238**
Represented by:			
Recoverable revenue		197	238
TOTAL		**197**	**238**

2.5 STATEMENT OF CHANGES IN NET ASSETS

NET ASSETS	Note	2024/25	2023/24
		R'000	R'000
Recoverable revenue			
Opening balance		238	252
Transfers:		(41)	(14)
Debts recovered (included in departmental receipts)		(94)	(42)
Debts raised		53	28
Closing balance		**197**	**238**
TOTAL		**197**	**238**

2.6 CASH FLOW STATEMENT

	Note	2024/25	2023/24
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**1,171,336**	**1,302,443**
Annual appropriation funds received	1.1	460,190	429,446
Departmental revenue received	2	305	321
Interest received	2.2	710,841	872,676
Net (increase) / decrease in working capital		580	103
Surrendered to Revenue Fund		(741,569)	(899,850)
Current payments		(416,671)	(388,406)
Payments for financial assets		(41)	(9)
Transfers and subsidies paid		(3,492)	(3,341)
Net cash flow available from operating activities	13	**10,143**	**10,940**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(19,885)	(7,228)
(Increase) / Decrease in non-current receivables		31	(193)
Net cash flows from investing activities		**(19,854)**	**(7,421)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (Decrease) in net assets		(41)	(14)
Net cash flows from financing activities		**(41)**	**(14)**
Net increase / (decrease) in cash and cash equivalents		(9,752)	3,505
Cash and cash equivalents at beginning of period		30,149	26,644
Cash and cash equivalents at end of period	14	**20,397**	**30,149**

2.7 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriation funds is measured at the cash amount received. 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. 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. At commencement of the finance lease term, finance lease assets acquired are recorded and measured at: the fair value of the leased asset; or if lower, the present value of the minimum lease payments. Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.
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 and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.
11	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
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 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

14.3	**Intangible assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
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.
16	**Capital Commitments** Capital commitments are recorded at cost in the notes to the financial statements.
17	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. 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.

18	**Irregular expenditure** Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation. 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 includes: For the current financial year - • Amounts incurred and confirmed in that financial year; • Payments made as it relates to multi-year contracts (if not condoned yet). For the previous financial year - • Amounts confirmed in that financial year; • Amounts that were under assessment in that financial year and confirmed in the current financial year; • Amounts that were not identified in the previous year and are identified and confirmed in the current financial year.
19	**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.
20	**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.
21	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
22	**Related party transactions** Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
23	**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.

2.8 NOTES TO THE ANNUAL FINANCIAL STATEMENTS – EXPLANATORY NOTES

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:

Programmes	2024/25			2023/24		
	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	
Administration	197,312	197,312	-	183,833	183,833	-
Sustainable Resource Management	81,041	81,041	-	78,719	78,719	-
Asset and Liabilities Management	28,950	28,950	-	27,286	27,286	-
Financial Governance	95,454	95,454	-	88,674	88,674	-
Municipal Financial Governance	57,433	57,433	-	50,934	50,934	-
Total	**460,190**	**460,190**	**-**	**429,446**	**429,446**	**-**

2. Departmental Revenue

	Note	2024/25	2023/24
		R'000	R'000
Sales of goods and services other than capital assets	2.1	206	201
Interest, dividends and rent on land	2.2	710,841	872,676
Transactions in financial assets and liabilities	2.3	99	120
Total revenue collected		**711,146**	**872,997**
Less: Own revenue included in appropriation	11	(138,561)	(132,594)
Departmental revenue collected		**572,585**	**740,403**

The significant decrease in revenue is primarily due to lower cash balances in the Provincial Revenue Fund owing to the allocation of surplus funds for provincial priorities compared to the prior year. In addition, the decline in interest rates announced by the South African Reserve Bank negatively impacted interest income earned on bank balances.

2.1 Sales of goods and services other than capital assets

	Note	2024/25	2023/24
		R'000	R'000
Sales of goods and services produced by the department	2	**206**	**201**
Other sales		206	201
Total		**206**	**201**

2.2 Interest, dividends and rent on land

	Note	2024/25	2023/24
		R'000	R'000
	2		
Interest		710,841	872,676
Total		**710,841**	**872,676**

2.3 Transactions in financial assets and liabilities

	Note	2024/25	2023/24
		R'000	R'000
Other Receipts including Recoverable Revenue	2	99	120
Total		**99**	**120**

2.4 Transfers received

2.4.1 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

		2024/25	2023/24
	Annex 2	R'000	R'000
Gifts		122	2
Sponsorships		253	175
Total gifts, donations and sponsorships received in kind		**375**	**177**

3. Compensation of employees

	Note	2024/25	2023/24
		R'000	R'000

3.1 Salaries and Wages

Basic salary			
Performance award		252,442	
		234,885	
		427	-
Service Based		232	105
Compensative/circumstantial		630	636
Other non-pensionable allowances		57,793	53,235
Total		**311,524**	**288,861**

3.2 Social contributions

Employer contributions			
Pension		31,281	29,287
Medical		10,474	9,653
Bargaining council		53	49
Total		**41,808**	**38,989**
Total compensation of employees		**353,332**	**327,850**
Average number of employees		**457**	**447**

The increase is due to the implementation of the approved organisational structure. Performance award relates to cash awards made to employees for obtaining additional qualifications.

4. Goods and Services

	Note	2024/25	2023/24
		R'000	R'000
Administrative fees		106	157
Advertising		1,486	1,438
Minor assets	4.1		
2,672		147	
Bursaries (employees)		586	633
Catering		1,757	1,326
Communication		2,581	2,090
Computer services	4.2		
3,960		3,452	
Consultants: Business and advisory services		3,440	7,594
Legal services		2,032	3,490
Contractors		1,163	1,036
Entertainment		73	73
Audit cost – external	4.3		
14,296		11,754	
Fleet services		1,100	1,002
Consumables	4.4	1,678	3,249
Operating leases		2,051	1,849
Property payments	4.5		
7,073		7,607	
Travel and subsistence	4.6		
7,174		5,932	
Venues and facilities		368	295
Training and development		5,392	4,559
Other operating expenditure	4.7	4,351	2,873
Total		**63,339**	**60,556**

The decrease in Consultancy Services is due to expenditure incurred for organisational development projects, provincial expenditure performance reviews and provincial infrastructure support in the prior year. The decrease in Legal Services is due to a reduction in Medico-Legal costs.

4.1 Minor assets

	4		
Tangible assets		**2,672**	**147**
Machinery and equipment		2,672	147
Total		**2,672**	**147**

The increase in Minor Assets is due to the upgrading of the computer server Local Area Network (LAN) infrastructure.

4.2 Computer services

	Note	2024/25	2023/24
		R'000	R'000
	4		
SITA computer services		810	927
External computer service providers		3,150	2,525
Total		**3,960**	**3,452**

4.3 Audit cost – External

	4		
Regularity audits		5,922	5,752
Investigations		6,421	4,331
Computer Audits		1,953	1,671
Total		**14,296**	**11,754**

The increase in Audit Costs is due to an increase in forensic investigations.

4.4 Consumables

	4		
Consumable supplies		488	1,129
Uniform and clothing		94	100
Household supplies		244	749
Communication accessories		111	215
IT consumables		39	65
Other consumables		-	-
Stationery, printing and office supplies		1,190	2,120
Total		**1,678**	**3,249**

The decrease in Consumables is due to a decline in stationery and printing demands as well as once-off costs incurred for office furnishings in the prior year.

4.5 Property payments

	4		
Property maintenance and repairs		4,011	4,384
Other		3,062	3,223
Total		**7,073**	**7,607**

4.6 Travel and subsistence

	4		
Local		7,168	5,848
Foreign		6	84
Total		**7,174**	**5,932**

The increase in Travel and Subsistence is due to easing of lockdown restrictions and a gradual return to physical engagements.

4.7 Other operating expenditure

	Note	2024/25	2023/24
		R'000	R'000
	4		
Professional bodies, membership and subscription fees		268	247
Resettlement costs		1,431	645
Other		2,652	1,981
Total		**4,351**	**2,873**

The increase in Operating Payments is due to higher resettlement costs associated with the implementation of the approved organisational structure, as well as increased expenditure on printing of strategic documents.

5. Payments for financial assets

Debts written off	5.1	41	9
Total		**41**	**9**

5.1 Debts written off

	5		
Other Debts written off			
Debt written off		41	9
Total		**41**	**9**
Total debt written off		**41**	**9**

The write-off is in respect of irrecoverable staff debts.

6. Transfers and subsidies

Provinces and municipalities	28	2	-
Departmental agencies and accounts	Annex 1A	951	856
Households	Annex 1B	2,539	2,485
Total		**3,492**	**3,341**

6.1 Gifts, donations and sponsorships made in kind (not included in the main note)

	Annex 3		
Sponsorships		-	11
Total		**-**	**11**

7. Expenditure for Capital Assets

	2024/25	2023/24
	R'000	R'000
Tangible assets	19,885	7,228
Machinery and equipment	19,885	7,228
Total	**19,885**	**7,228**

The increase is due to the upgrading of the computer server Local Area Network (LAN) infrastructure.

7.1 Analysis of funds utilised to acquire capital assets – 2024/25

	Voted Funds	Total
	R'000	R'000
Tangible assets	**19,885**	**19,885**
Machinery and equipment	19,885	19,885
Total	**19,885**	**19,885**

7.2 Analysis of funds utilised to acquire capital assets – 2023/24

	Voted Funds	Total
	R'000	R'000
Tangible assets	**7,228**	**7,228**
Machinery and equipment	7,228	7,228
Total	**7,228**	**7,228**

7.3 Finance lease expenditure included in Expenditure for Capital Assets

	2024/25	2023/24
	R'000	R'000
Tangible capital assets	**4,303**	**3,738**
Machinery and equipment	4,303	3,738
Total	**4,303**	**3,738**

8. Cash and cash equivalents

	2024/25	2023/24
	R'000	R'000
Consolidated Paymaster General Account	20,392	30,144
Cash on hand	5	5
Total	**20,397**	**30,149**

The decrease is due to lower unspent funds in the current year compared to the prior year.

9. Receivables

		2024/25			2023/24		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	-	-	-	98	-	98
Staff debt	9.2	11	607	618	13	638	651
Total		**11**	**607**	**618**	**111**	**638**	**749**

9.1 Claims recoverable

	Note	2024/25	2023/24
		R'000	R'000
	9 & Annex 5		
National departments		-	-
Provincial departments			98
Total		**-**	**98**

9.2 Staff debt

	Note	2024/25	2023/24
		R'000	R'000
	9		
Debt Account		618	651
Total		**618**	**651**

10. Voted Funds to be Surrendered to the Revenue Fund

	Note	2024/25	2023/24
		R'000	R'000
Opening balance		30,462	26,833
Transfer from Statement of Financial Performance		20,101	30,462
Paid during the year		(30,462)	(26,833)
Closing balance		**20,101**	**30,462**

The decrease is due to lower unspent funds in the current year compared to the prior year.

11. Departmental revenue to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		29	49
Transfer from Statement of Financial Performance		572,585	740,403
Own revenue included in appropriation		138,561	132,594
Paid during the year		(711,107)	(873,017)
Closing balance		**68**	**29**

12. Payables – Current

	Note	2024/25 R'000	2023/24 R'000
Amount owing to other entities	Annex 6	34	1
Advances received	12.1	603	167
Clearing accounts	12.2	12	1
Total		**649**	**169**

The increase is due to advances received from FASSET in respect of a learnership programme.

12.1 Advances received

	12 & Annex 7		
Other institutions		603	167
Total		**603**	**167**

12.2 Clearing accounts

	12		
Sal: ACB Recalls: CA		5	-
Sal: Income Tax		7	1
Total		**12**	**1**

13. Net cash flow available from operating activities

	Note	2024/25 R'000	2023/24 R'000
Net surplus as per Statement of Financial Performance		592,686	770,865
Add back non-cash/cash movements not deemed operating activities		(582,543)	(759,925)
(Increase) / Decrease in receivables		100	17
Increase / (Decrease) in payables – current		480	86
Expenditure on capital assets		19,885	7,228
Surrenders to Revenue Fund		(741,569)	(899,850)
Own revenue included in appropriation		138,561	132,594
Net cash flow generated by operating activities		**10,143**	**10,940**

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

Consolidated Paymaster General account	20,392	30,144
Cash on hand	5	5
Total	**20,397**	**30,149**

15. Contingent Liabilities

15.1 Contingent liabilities

Liable to Nature			
Claims against the department	Annex 4	1,700	800
Total		**1,700**	**800**

1. Litigation: Litigation against the Department in respect of gambling tax revenue. At this stage the department is unable to disclose the timing of any outflow or the possibility of any reimbursement because the matter is pending in court.
2. Disputed Service Provider Claims – Under Assessment: The Department is currently engaged in disputes with two service providers regarding unpaid or partially paid invoices amounting to R900 258.00. These disputes relate to insufficient or incomplete supporting documentation provided by the service providers. The claims are currently under internal assessment and no formal litigation has commenced. Accordingly, the likelihood and timing of any potential liability remain uncertain.

16. Capital Commitments

Machinery and Equipment	969	156
Total	**969**	**156**

17. Accruals and Payables Not Recognised

17.1 Accruals

		Note	**2024/25**	**2023/24**
			R'000	**R'000**
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Compensation of Employees	41	-	41	27
Goods and services	2,064	24	2,088	2,407
Transfers and subsidies	835	-	835	297
Total	**2,940**	**24**	**2,964**	**2,731**

Listed by programme level		
Administration	2,623	2,528
Sustainable Resource Management	46	127
Assets and Liabilities Management	5	3
Financial Governance	231	62
Municipal Financial Governance	59	11
Total	**2,964**	**2,731**

Material accruals mainly consist of Bursaries, Audit Fees, Cleaning services, Communication services and Leave Gratuities.

17.2 Payables not recognised

			2024/25	2023/24
			R'000	R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and Services	146	757	903	16
Transfers and subsidies	6	-	6	-
Total	**152**	**757**	**909**	**16**

	2024/25	2023/24
Listed by programme level		
Administration	11	9
Sustainable Resource Management	898	3
Municipal Financial Governance	-	4
Total	**909**	**16**

The increase is attributable to a higher number of supplier invoices that were confirmed pending internal verification processes.

		2024/25	2023/24
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 6	34	1
Total		**34**	**1**

18. Employee Benefits

	2024/25	2023/24
	R'000	R'000
Leave entitlement	18,059	16,222
Service bonus	9,682	9,016
Performance awards	3,141	4,433
Capped leave	9,052	9,644
Other	289	330
Total	**40,223**	**39,645**

1. The amount reflected under 'Other' comprises of estimated long service awards for the ensuing financial year, employee accruals and employee payables not recognised. At this stage the department is not able to reliably measure the long-term portion of the long service awards.
2. Leave entitlement includes an amount of R284 053.74 for days in respect of officials who have negative leave in the current cycle pro-rata credits. This is due to leave taken more than accrued.

19. Lease Commitments

19.1 Operating leases

2024/25	Machinery and Equipment	Total
	R'000	R'000
	1,099	1,099
Not later than 1 year	1,099	1,099
Later than 1 year and not later than 5 years	65	65
Total lease commitments	**1,164**	**1,164**

2023/24	Machinery and Equipment	Total
	R'000	R'000
Not later than 1 year	1,642	1,642
Later than 1 year and not later than 5 years	1,070	1,070
Total lease commitments	**2,712**	**2,712**

The Department occupies buildings that are owned by / under the custodianship of / leased by the Department of Public Works and Infrastructure. These buildings are occupied for no consideration and no amounts are paid to the Department of Public Works and Infrastructure for the occupation of these premises. The Department entered into a RT3-2022 lease agreement for office equipment commencing from 01 December 2022. Included in the figure above is R4 715.60 which pertains to the expiry of one motor vehicle finance lease.

19.2 Finance leases

2024/25	Machinery and Equipment	Total
	R'000	R'000
Not later than 1 year	3,332	3,332
Later than 1 year and not later than 5 years	2,483	2,483
Total lease commitments	**5,815**	**5,815**

2023/24	Machinery and Equipment	Total
	R'000	R'000
Not later than 1 year	3,722	3,722
Later than 1 year and not later than 5 years	4,337	4,337
Total lease commitments	**8,059**	**8,059**

The Department entered into a lease agreement with the Department of Transport for the provision of twelve vehicles and the lease is treated as a finance lease. The calculations are based on the new client rate card and vehicles are replaced on a five-year cycle. The figures above also include cellular phone and data lease commitments. The Department is participating in the RT15 of 2021 transversal contract for mobile communication solutions and it includes all eligible ECPT employees as per the policy.

20. Accrued Departmental Revenue

	2024/25	2023/24
	R'000	R'000
Interest, dividends and rent on land	3,157	8,728
Total	**3,157**	**8,728**

The significant decrease in revenue is primarily due to lower cash balances in the Provincial Revenue Fund owing to the allocation of surplus funds for provincial priorities compared to the prior year. In addition, the decline in interest rates announced by the South African Reserve Bank negatively impacted interest income earned on bank balances.

20.1 Analysis of accrued departmental revenue

	2024/25	2023/24
	R'000	R'000
Opening balance	8,728	9,601
Less: amounts received	(8,728)	(9,601)
Add: amounts recorded	3,157	8,728
Closing balance	**3,157**	**8,728**

21. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

	2024/25	2023/24
	R'000	R'000
Irregular expenditure - current year	-	224
Fruitless and wasteful expenditure - current year	-	1
Total	**-**	**225**

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

22. Related Party Transactions

The Department occupies buildings that are owned by / under the custodianship of / leased by the Department of Public Works and Infrastructure. These buildings are occupied for no considerations and no amounts are paid to the Department of Public Works and Infrastructure for the occupation of these premises.

23. Key Management Personnel

	2024/25	2023/24
	R'000	R'000
Political office bearers	2,275	2,156
Officials:		
Level 15 and 16	8,411	7,874
Level 14	20,817	19,938
Total	**31,503**	**29,968**

24. Non-Adjusting Events After Reporting Date

No events after the reporting date were identified by management that would affect the operations of the Department or the results of those operations significantly.

25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	**65,551**		**15,582**	**593**	**80,540**
Transport assets	-		800	-	800
Computer equipment	42,676	-	14,666	312	57,030
Furniture and office equipment	9,696	-	69	81	9,684
Other machinery and equipment	13,179	-	47	200	13,026
FINANCE LEASE ASSETS	**5,237**	**-**	**721**	**-**	**5,958**
Finance lease assets	5,237	-	721	-	5,958
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**70,788**	**-**	**16,303**	**593**	**86,498**

The Department entered into a lease agreement with the Department of Transport for the provision of twelve vehicles and the lease is treated as a finance lease. The Department is participating in the RT15 of 2021 transversal contract for mobile communication solutions.

25.1 Movement for 2023/24

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

	Opening balance R'000	Prior Period Error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	**62,439**		**3,491**	**379**	**65,551**
Computer equipment	39,959	-	3,096	379	42,676
Furniture and office equipment	9,547	-	149	-	9,696
Other machinery and equipment	12,933	-	246	-	13,179
FINANCE LEASE ASSETS	**1,247**		**3,990**	**-**	**5,237**
Finance lease assets	1,247	-	3,990	-	5,237
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**63,686**	**-**	**7,481**	**379**	**70,788**

25.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Machinery and equipment	Finance Lease Assets	Total
	R'000	R'000	R'000
Opening balance	9,403	71	9,474
Additions	147	-	147
Disposals	(390)	(67)	(457)
Total Minor Assets	**9,160**	**4**	**9,164**

	Machinery and equipment	Finance Lease Assets	Total
Number of R1 minor assets	7	-	7
Number of minor assets at cost	4,766	1	4,767
TOTAL NUMBER OF MINOR ASSETS	**4,773**	**1**	**4,774**

The difference of R2.525 million in Minor Assets between the general ledger and note compared to the asset register in 2024/25 financial year is due to assets that are not included in the asset register as per the Departmental Asset Management Policy.

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

	Machinery and equipment	Finance Lease Assets	Total
	R'000	R'000	R'000
Opening balance	9,321	67	9,388
Additions	83	4	87
Disposals	(1)	-	(1)
Total Minor Assets	**9,403**	**71**	**9,474**

	Machinery and equipment	Finance Lease Assets	Total
Number of R1 minor assets	7	-	7
Number of minor assets at cost	4,892	19	4,911
TOTAL NUMBER OF MINOR ASSETS	**4,899**	**19**	**4,918**

The difference of R63,886.67 in Minor Assets between the general ledger and note compared to the asset register in 2023/24 financial year is due to assets that are not included in the asset register as per the Departmental Asset Management Policy.

25.3 Movable capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

	Machinery and equipment	Finance Lease Assets	Total
	R'000	R'000	R'000
Assets written off	312	-	312
Total Minor Assets	**312**	**-**	**312**

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	Machinery and equipment	Finance Lease Assets	Total
	R'000	R'000	R'000
Assets written off	380	-	380
Total Minor Assets	**380**	**-**	**380**

26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Software	492	-	-	492
TOTAL INTANGIBLE CAPITAL ASSETS	**492**	**-**	**-**	**492**

26.1 Movement for 2023/24

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	492	-	-	-	492
TOTAL INTANGIBLE CAPITAL ASSETS	**492**	**-**	**-**	**-**	**492**

27. Changes in accounting policies

		Opening balance before the change (1 Apr 2023)	Adjustment of opening balance	Restated opening balance after the change (1 Apr 2023)	Adjustment for 2023/24	Restated closing balance (31 Mar 2024)
Nature of change in accounting policy	**Note**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Finance lease assets						
Movable Tangible Capital Assets	25	-	1,247	1,247	3,990	5,237
Minor Assets	25	-	67	67	4	71

Included in the opening balances for 2023/24 and 2024/25 is a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively.

28. Statement of conditional grants and other transfers paid to municipalities

	2024/25							2023/24	
	GRANT ALLOCATION				TRANSFER				
Name of municipality	DORA and other transfers	Roll overs	Adjustments	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
King William's Town DLTC	2	-	-	2	2	-		-	-
TOTAL	**2**	**-**	**-**	**2**	**2**	**-**		**-**	**-**

Transfer to municipalities pertain to payment of Public Driving Permits (PDP).

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 TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY / ACCOUNT	2024/25					2023/24	
	TRANSFER ALLOCATION			TRANSFER			
	Adjusted Budget	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
South African Broadcasting Corporation (SABC)	3	-	3	3	100.0%	1	1
Finance and Accounting Services Sector Education and Training Authority (FASSET)	949	-	949	948	99.9%	1,044	855
Total	**952**	**-**	**952**	**951**		**1,045**	**856**

Transfer to SABC is for TV licence costs and transfer to FASSET is in respect of skills development fund levies.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	2024/25						2023/24	
	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								
Leave Gratuity	1880		138	2,018	2,008	99.5%	2,382	2,000
Bursaries to Non-employees	532		1	533	531	99.6%	637	485
Total	**2,412**		**139**	**2,551**	**2,539**		**3,019**	**2,485**

ANNEXURE 2

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2024/25	2023/24
		R'000	R'000
Received in kind			
Gifts			
ABSA	Wine set from Boschendal Wine Estate	-	2
MTN	5 Mobile Devices	122	-
Total gifts		**122**	**2**
Sponsorships			
ABSA	Sponsor of Shoes for identified learners of Zwelandile SSS in Cofimvaba	-	11
ABSA	Sponsor of catering - breakfast and finger lunch for Budget Day	-	164
ABSA	Sponsor of catering for Tabling of MTBPS	40	-
ABSA	Sponsor of catering for Budget Day	213	-
Total sponsorships		**253**	**175**
Subtotal – received in kind		**375**	**177**
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		**375**	**177**

ANNEXURE 3

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2024/25	2023/24
	R'000	R'000
Made in kind		
Sponsorships		
Sponsor of shoes for identified learners of Zwelandile SSS in Cofimvaba	-	11
Total sponsorships	**-**	**11**
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**-**	**11**

ANNEXURE 4

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of Liability	Opening Balance 1 April 2024 R'000	Liabilities incurred during the year R'000	Liabilities paid / cancelled / reduced during the year R'000	Liabilities recoverable R'000	Closing Balance 31 March 2025 R'000
Claims against the department					
Litigation	800	-	-	-	800
Disputed Service Provider Claims – Under Assessment	-	900	-	-	900
TOTAL	**800**	**900**	**-**	**-**	**1,700**

ANNEXURE 5

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2024/25	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
EC: Transport	-	3	-	-	-	3		-
EC: Education	-	94	-	-	-	94		-
EC: Human Settlement	-	1	-	-	-	1		-
Subtotal	**-**	**98**	**-**	**-**	**-**	**98**		**-**
TOTAL	**-**	**98**	**-**	**-**	**-**	**98**		**-**

ANNEXURE 6

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL			Cash in transit at year end 2024/25*	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024		Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000			R'000
DEPARTMENTS									
Current									
EC: Health	-	1	-	-	-	1			-
EC: Economic Affairs	34	-	-	-	34	-			-
Subtotal	**34**	**1**	**-**	**-**	**34**	**1**			**-**
TOTAL	**34**	**1**	**-**	**-**	**34**	**1**			**-**

ANNEXURE 7

INTER-ENTITY ADVANCES RECEIVED

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Current						
FASSET	603	167	-	-	603	167
Subtotal	**603**	**167**	**-**	**-**	**603**	**167**
TOTAL CURRENT	**603**	**167**	**-**	**-**	**603**	**167**

The amount pertains to advances received from FASSET in respect of a learnership programme.

NOTES

HOME OF LEGENDS

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