FREE STATE DEPARTMENT OF
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

ANNUAL REPORT

FINANCIAL YEAR

2024/25

VOTE NO. 8

cooperative governance
and traditional affairs

Department of Cooperative Governance
and Traditional Affairs
FREE STATE PROVINCE

Contents

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
AC	Audit Committee
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
IAF	Internal Audit Function
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

3. FOREWORD BY THE MEC

Photo of MEC

Honorable T.Z. Mokoena
MEC: Cooperative Governance and Traditional Affairs

It gives me pleasure to submit the 2024 / 2025 financial year Annual Report. This Annual Report is a "Check against delivery" on the commitments we have made at the beginning of the 2024/ 2025 Financial year.

The reconfiguration of the Department from Local Government to Cooperative Governance, has placed us as the cog in the Cooperative Governance system, as enshrined in the shortest chapter of the constitution, chapter 3, made up of only two sections, 40 and 41.

Section 41 enjoins all spheres and all organs of state within each sphere to comply with principles of Cooperative governance and inter-governmental relations. It directs the enactment of the IGR Framework Act. It then regulates dispute resolution mechanisms in the IGR system.

We are referring to section 41 because we have observed a fundamental departure from this section in that we have observed a series of litigations between local government and community-based organisations (CBO's), citing both the province and national government, as co-respondents.

The often violent and community unrests/protests during the period under review are a clear reflection of community frustration with government's failures and have generated a negative narrative and perceptions for municipalities, especially to the local government audit report outcomes. Issues around mismanagement of funds and maladministration still a concern that needs more support. Local government expertise, in terms of skills and knowledge are key for the betterment of service delivery. We will, in collaboration with other relevant stakeholders continued to provide necessary support and capacity to municipalities in our province.

On the Institution of Traditional Leaders, the Department has upscaled its support and guidance to these institutions. Traditional leaders are now an integral part of Local Government in line with Section 81 of the Structures Act. Additional resources have been made available to give effect to both the Traditional and Khoisan Leaders Act and the Customary Initiation Act 2 of 2021. Therefore, this a significant achievement for the province although much more still needs to be done. The fundamentals are however in place.

We have successfully established the Investigative Committee that deals with issues of disputes and recognition of Traditional Leadership. Its establishment is to give necessarily support to the Traditional Leaders with regards to all issues of initiation schools in the province.

During the month of December 2024, the Free State hosted a very successful Local Government Summit where far-reaching resolutions and Declarations were made. Municipalities agreed to present the resolutions of the submit for approval in their municipal councils. These we all done in the period under review. The Council resolutions in this regard would be used as some of the mechanisms and measures put in place for implementation of such resolutions.

Honourable TZ Mokoena, MPL
Member of the Executive Council

Date 29/08/2025

4. REPORT OF THE ACCOUNTING OFFICER

Photo of Accounting Officer

S.T.R. Ramakarane
Head of Department

Overview of the operations of the department:

The Department continued to implement government priorities as outlined in the National Development Plan (NDP): Vision 2030 the revised Medium-Term Strategic Framework (MTSF) for 2019-2024. The Medium-Term Strategic Framework identifies key areas, priorities or goals for implementation by the 6th Administration. It gives me great pleasure to present the Annual Report of the Department of Cooperative Governance and Traditional Affairs for the 2024/2025 financial year as we have concluded by ensuring that we deliver as expected. This is a strategic report consolidated from the performance plan executed under the year of review.

With great appreciation and a sense of responsibility, I present this summary of key achievements recorded by the Department of Cooperative Governance and Traditional Affairs (CoGTA) in the Free State Province for the 2024/2025 financial year. The report reflects on both the success and challenges faced by Municipalities in the Province. There is a systematic failure particularly around service delivery on water and sanitation which we continue to address in partnership with sector departments. Central to addressing these challenges remain the appointment of competent, credible and committed senior managers across all local municipalities.

The period under review has been marked by significant progress across critical focus areas, including Integrated Development Planning, Local Economic Development, Spatial Planning, Infrastructure Delivery, Municipal Monitoring and Evaluation, and Public Participation. Through close collaboration with our municipal partners, sector departments, and stakeholders, we have advanced the quality, credibility, and responsiveness of local governance frameworks.

Regrettably, despite our best efforts to assist municipalities with their PMUs, the performance on infrastructure remains a challenge with (11) eleven municipalities underperforming on their allocations. A remedial strategy has been formulated for the coming financial year, notably to have District municipalities as the implementing agents. The Department has also played a pivotal role in supporting municipalities to enhance economic activities, spatial planning compliance, and community engagements, ensuring that development is participatory and inclusive.

These achievements are a testament to the dedication of municipal leadership, the resilience of our communities, and the unwavering commitment of our departmental staff. As we move forward, we remain focused on deepening our support to municipalities to ensure that development outcomes translate into improved quality of life for all residents of the Free State.

- Overview of the financial results of the department:
  - **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
Sale of goods and services other than capital assets	(184)	(197)	(13)	(181	(205)	(24)
Interest, dividends and rent on land	(26)	(31)	(5)	(25)	(22)	3
Sale of capital assets	-	-	-	-	(8)	(8)
Financial transactions in assets and liabilities	(100)	(239)	(139)	(865)	(958)	(93)
Total	**(310)**	**(467)**	**(157)**	**(1 071)**	**(1 193)**	**(122)**

The main reason for over-collection of revenue relates to the following:

- Sale of goods and services: which mainly consist of commission for insurance and Garnishee deductions done by the Department through Persal.
- Interest, Dividends and Rent on Land: Refers to the Interest collected from Debt cases.
- Financial transaction in assets and liabilities: Relates mainly to revenue collected from salary reversals and the capital portion in terms of recovery of debt.

➢ **Tariff Policy**

The 2024/2025 tariffs levied by the Department related to the sale of old cellphones and machinery and equipment. The tariffs are listed below:

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

Programme 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	172 289	164 775	7 514	156 237	151 542	4 695
Local Governance	96 480	78 794	17 686	80 887	78 512	2 375
Development and Planning	63 809	53 141	10 668	74 347	66 026	8 321
Traditional Institutional Management	69 316	65 268	4 048	58 914	53 713	5 201
House of Traditional Leaders	18 128	16 412	1 716	17 277	16 785	492
Total	**420 022**	**378 390**	**41 632**	**387 662**	**366 578**	**21 084**

The budget of the Department was adjusted in March 2025 from R421 447 million to R420.022 million. as at 31 March 2025. The Department has spent R378.390 million against the adjusted budget of R420.022 million which translate to 90% spending of the total budget (surplus of R41.632 million).

The underspending mainly relates to:

- COMPENSATION OF EMPLOYEES: The Department did not fill critical vacancies during the 2024/2025 financial year.

- GOODS AND SERVICES: The necessary procurement processes could not be finalized to procure all goods and services before the end of the financial year, example:
  I. Tools of trade for the cleanest and greenest city competition which was still at evaluation stage.
  II. The appointment of a service provider for IT audits was at price negotiation stage.
  III. Uniform for security management was at order creation stage.

- TRANSFER PAYMENTS: During the second adjustment budget, the Department obtained approval to make transfer payments towards two Municipalities to the total value of R8 million. However, the second adjustment budget was approved on 12 March 2025 and after tabling, the Department realized that irregular expenditure will be incurred if the Department continued as the Division of Revenue Act had a closed date for gazetting by 3 February 2025. The transfer was not done. The Department will request roll over of funds towards the 2025/2026 financial year. Furthermore, an underspending of R5 million relates to a payment made close to year-end depending on a future service and 3-year contract with a non-profit institution which is regarded as a prepayment.

- PAYMENT FOR CAPITAL ASSETS: The necessary procurement processes could not be finalized to procure all IT equipment as well as office furniture before the end of the financial year.

- PAYMENTS FOR FINANCIAL ASSETS: The expenditure of R139 thousand relates to debt written off.

➢ **Virements/roll overs**

			PROGRAMME 1			
FROM: PROGRAMME	EECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	EECONOMIC CLASSIFICATION	INCREASE R'000	NET EFFECT
		-	1	Goods and Services	1,580	
		-	1	Compensation of Employees	1,400	
			1	Compensation of Employees	800	
		-			3,780	3,780

			PROGRAMME 2			
FROM: PROGRAMME	EECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	EECONOMIC CLASSIFICATION	INCREASE R'000	NET EFFECT
2	Compensation of Employees	1,400			-	
					-	
		1,400			-	(1,400)

			PROGRAMME 3			
FROM: PROGRAMME	EECONOMIC CLASSIFICATION	DECREASE R'000	TO: PROGRAMME	EECONOMIC CLASSIFICATION	INCREASE R'000	NET EFFECT
3	Goods and Services	1,580			-	
3	Compensation of Employees	800			-	
		2,380			-	(2,380)

The main reason for virements was to accommodate expenditure for Compensation of Employees between Programmes. Furthermore, virements were done to re-prioritize allocated funds from Programmes 3 to Programme1.

➢ **Roll overs**

The Department requested roll-over of funds from the 2024/2025 financial year towards the 2025/2026 financial year amounting to R2.9 million which is included in the commitments as well as R8 million related to transfers that could not realize:

Goods and Services:	R2 829 851
Machinery and Equipment:	R 72 694
Transfer and Subsidies:	R8 000 000

➢ **Unauthorised expenditure**

The Department did not incur any unauthorised expenditure.

- **Fruitless and wasteful expenditure**

The opening balance of Fruitless and Wasteful cases were R22 thousand. The opening balance was restated with R8 thousand. The Department incurred R57 thousand in terms of new cases, recovered R24 thousand and written R1 thousand off. The closing balance of Fruitless and Wasteful cases is R62 thousand.

- **Gifts and Donations made in kind**

The Department donated fire beaters to Mangaung Metro to mitigate the effects of veldfires to the value of R12 thousand.

The Department also donated grass cutters, waste management bins, notice boards to Tswelopele and Manstsopa Local Municipalities as well as a wheel loader to Tswelopele Local Municipality and a bakkie loader to Dihlabeng Municipality to a total value of R4.8 million in terms of the Cleanest and Greenest City Competition prizes.

The Department also made donations in kind of IT Equipment to eight Schools around Mangaung to the value of ± R1 million.

- **List all unsolicited bid proposals concluded for the year under review**

No unsolicited bid proposals were concluded.

- **Indicate whether SCM processes and systems are in place to prevent irregular expenditure**

Processes and systems are in place because the Department have an updated SCM Policy which serves as a compass to prevent irregular expenditure. The SCM unit further have checklists which effectively ensures adherence to SCM Policy and regulations and further strengthens our control environment.

- **Challenges experienced in SCM and how they were resolved**

The SCM unit experienced late requests which potentially poses a risk of non-compliance because they undermine the spirit of testing the market adequately. Potential suppliers could offer the best prices in the market if afforded enough time. Late requests also undermine compliance to SCM norms and standards. In order to counter this practice, a circular signed by the Accounting Officer was issued to explain timelines that users need to adhere to. This circular explains the number of days in which requests must be submitted so that all the processes that must follow can be executed diligently.

The second challenge is the high vacancy rate in SCM Unit. For SCM Unit to perform optimally, the demand needs to match the resources. Currently, it is not the case, and the current workforce is almost strained as a result of performing in different roles. A list of critical and funded posts was shared with the Human Resource Unit to advertise at an earliest opportunity. Some of the employees are appointed in an acting capacity to bridge the gap.

- **Exemptions and deviations received from the National Treasury**

No exemptions or deviations received from National Treasury.

S.T.R Ramakarane
Accounting Officer
Department of Cooperative Governance and Traditional Affairs
Date: 27/08/2025

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

Accounting Officer
Name: STR Ramakarane
Date: 29/08/2025

6. STRATEGIC OVERVIEW

6.1 Vision

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

6.2 Mission

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

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

6.3 Values

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

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

7. LEGISLATIVE AND OTHER MANDATES

Legislative and other Mandates

Constitutional Mandate

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

Legislative Mandate

The following legislation applies to the department:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

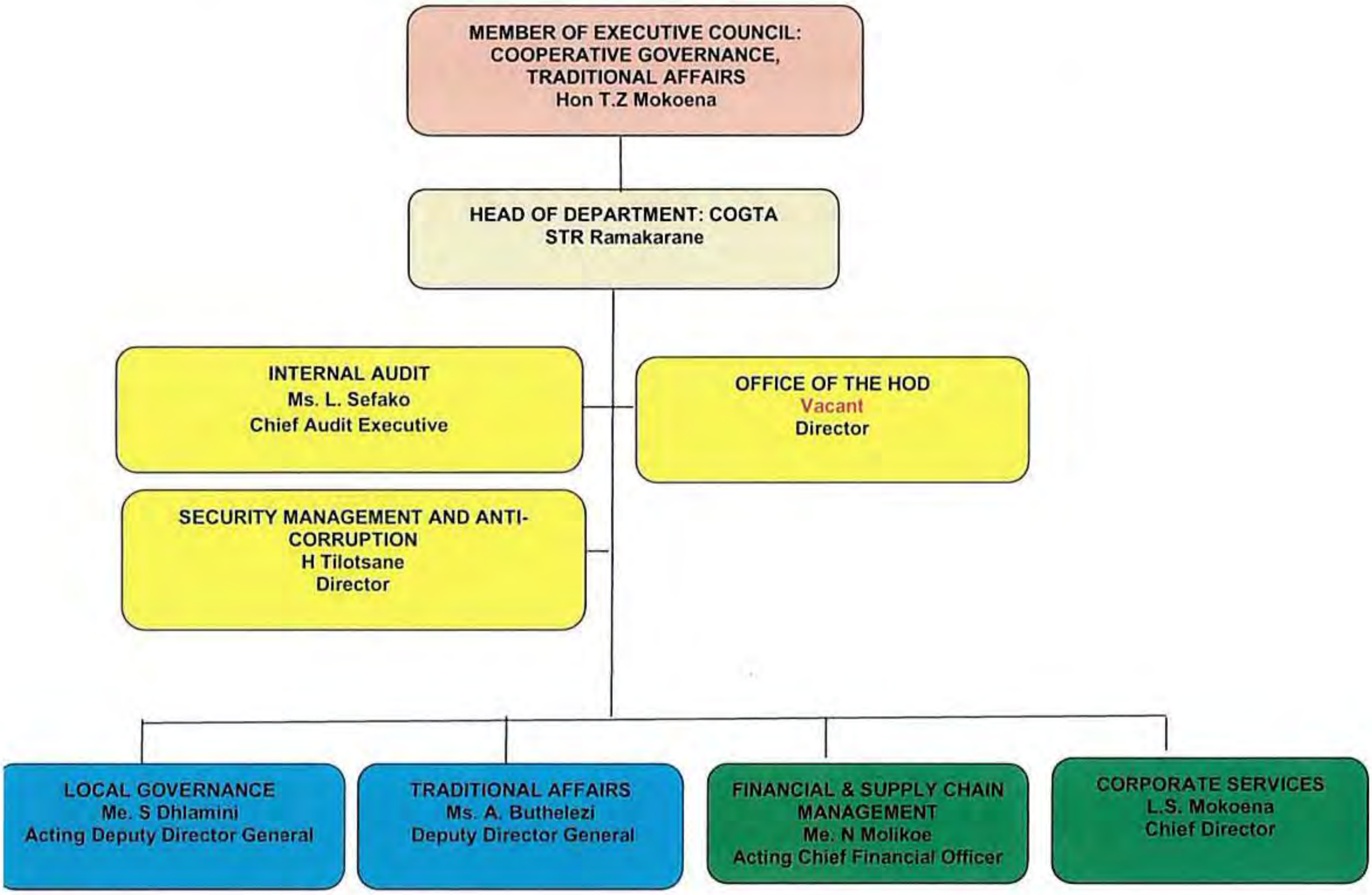
z) Free State Leadership and Governance Act 07 of 2005

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

Policy Mandates

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

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The information furnished in this section should correlate with information provided elsewhere in the annual report, for example, in the related party transactions disclosure note to the financial statements and the information on the entities.

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

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

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 139 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Free State Province is administratively structured into one metropolitan municipality—Mangaung—and four district municipalities: Xhariep, Fezile Dabi, Lejweleputswa, and Thabo Mofutsanyana. These district municipalities are, in turn, comprised of a total of eighteen (18) local municipalities, which serve as the primary interface between government and communities in the delivery of essential public services.

The Free State Department of Cooperative Governance and Traditional Affairs (COGTA) holds a constitutional mandate in terms of Section 154 of the Constitution of the Republic of South Africa, 1996, as amended. This mandate obliges the department to support, strengthen, and capacitate municipalities to enable them to effectively fulfil their developmental and service delivery obligations. Through this role, the department ensures that municipalities have the institutional, administrative, and financial capacity required to carry out their constitutional responsibilities.

In the 2024/2025 financial year, the department remains committed to strengthening cooperative governance across all spheres by playing a central coordinating role in promoting integrated planning, sound financial management, responsive governance, and ethical leadership within municipalities. This includes the provision of targeted interventions, policy guidance, and technical support where municipalities are found to be distressed or underperforming.

A critical function of the department is to continuously monitor and evaluate the performance of municipalities to ensure that they comply with relevant legislative and policy frameworks and that they are delivering basic services in an efficient, effective, and sustainable manner. Where deficiencies are identified, the department intervenes in collaboration with relevant stakeholders to address challenges and restore functionality.

Beyond its support to municipalities, the department also provides strategic and institutional support to the House of Traditional Leaders and traditional leadership institutions in the province. This includes promoting the role of traditional leaders in governance, community development, cultural preservation, and conflict resolution in rural areas. The department facilitates the integration of traditional leadership structures into democratic governance systems, in line with legislation such as the Traditional and Khoi-San Leadership Act.

It is important to note that the department, by its nature, does not deliver services directly to the communities. Instead, it functions as a facilitator, enabler, and regulator, ensuring that the structures mandated to deliver services are functional, capacitated, and held accountable for their performance

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan with effect from April 2023 to March 2025. The tables below highlight the service delivery plan and the achievements to date. May it please be noted that not much can be reported in respect of the achievements of the LGMIM as the National System broke down and therefore halted all performance of the programme.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Implementation of the initial assessment and improvement plans of the LGMIM in 09 municipalities of the Free State Province	Municipalities	Kopanong LM, Letsemeng LM, Mohokare LM and Xhariep DM have completed the development of improvement plans.	For all 09 municipalities to have improvement plans that are endorsed.	The National System for LGMIM has unfortunately experienced an unexpected breakdown, which has led to the suspension of the scheduled assessments for the 2024/2025 municipal nominations.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation		
Consultative meetings are held with municipalities regarding the implementation and challenges of the Complaints Management System.	Quarterly and biannual meetings with municipalities to discuss CMS implementation and challenges.	Consultative meetings were held by the department in collaboration with municipalities.

Access		
• Written communication (e.g letters, memoranda, etc) • Electronic communication(email/fax) • Meetings	• Written communication (e.g. letters, memoranda, etc.) • Electronic communication (email / fax) • Meetings • Workshops	• Written communication (e.g. letters, memoranda, etc.) • Electronic communication (email / fax) • Meetings
Courtesy		
Telephonic enquiries will be responded to immediately. Written enquiries will be responded to within 14 working days	Telephonic enquiries will be responded to immediately. Written enquiries will be responded to within 5 working days	Telephonic enquiries are responded to immediately. Written enquiries response has been reduced to 5 working days depending on the merit of the case.
Openness & Transparency		
Continuous coordination on municipal support and training on Complaints Management System	Well structured municipal support and training on Complaints Management System	Meetings were convened with all municipalities in the period under review.
Information		
Annual Departmental Report published, including SDIP implementation progress.	Annual Departmental Report published, including SDIP achievements.	Meetings were convened with all municipalities in the period under review. Quarterly reports are compiled and submitted to the head of department about progress and challenges.
Redress		
• Enquiries addressed within 14 working days. • Dedicated team for community complaints.	• Written complaints from municipalities were responded to within 10 working days. • Strengthened community engagement.	• Most complaints resolved within set timeframes. • Complaint response team operational. • Community concerns forum established.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Paper registers, phone calls	Dedicated complaint email inbox and printed complaint forms at municipal offices.	There has not been any improvement on this information tool. The status quo therefore remains.
Intranet and global departmental	Important departmental policies and	There has been some radio announcements and

emails, radio announcements	plans should be published on the departmental website.	interviews done with the Departmental MEC and HOD. Furthermore, the policies and that are approved are uploaded on the departmental website.
Physical document delivery	Documents should be delivered via emails and globalised departmental emails.	Documents are mostly globalised on the departmental email by the communications sub directorate.
Occasional in-person workshops	More trainings should be made to officials and community members.	Officials and community members have been offered more government funded trainings.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Drop-Box System or suggestion boxes with Paper Forms	Going paperless with complaints would assist government greatly. Making use of more technological ways would assist the complaint being addressed quicker.	There has not been much ground covered in going paperless. Most of our offices are still making use of the drop box or suggestion box and some municipalities make use of complaints registers.
Social media page for department and municipalities.	Toll-Free Hotline (Voice Calls & SMS)- this would be the best option to make available to our service beneficiaries because no internet is needed, and it would be accessible to all communities even in rural areas. It would be low cost to use as well.	There has not been much ground covered in respect of toll-free hotlines being established, however the use of social media has assisted the process of complaints reaching the department timely.

2.3 Organisational environment

During the year under review in May 2024, after the National Elections, the Government of National Unity was formed. The government adopted an outcome-based approach plan with three key priorities that provide a clear pathway for the 7th Administration. The Medium-Term Development Plan (MTDP) 2024-2029 outlines the actions we need to take to build state capacity and create a professional and ethical public service.

There is a need for an organizational configuration and human resources that matches the abovementioned plan. Some of the critical positions within the department were unfortunately not filled and other positions did not have dedicated human resources; this negatively affects the department's performance in contributing to its objectives. The department has priorities to review the organizational structure for the purpose of aligning the structure with the department's mandate and strategic plan. The Department has also concluded to start the recruitment process of filling up the critical vacancies. The first batch of vacancies will be advertised in the first quarter of the new financial year 2025/2026.

2.4 Key policy developments and legislative changes

There are no major changes of policies or legislation that would affect the operations during the year under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Over the 2019–2024 period, the Free State Department of Cooperative Governance and Traditional Affairs (CoGTA) has made consistent and measurable progress in strengthening local governance, service delivery, enabling inclusive economic development, and advancing accountable and responsive municipalities. These achievements are aligned with the objectives of the Medium-Term Strategic Framework (MTSF) and the Provincial Growth and Development Strategy (PGDS), and they reflect CoGTA's unwavering commitment to its approved 2019–2024 Strategic Plan.

The Department provided sustained technical and administrative support to municipalities, aimed at enhancing institutional capacity, ensuring legislative compliance, and improving governance and accountability. These efforts directly contributed to more stable council operations, improved audit outcomes, and strengthened public confidence in municipal leadership and oversight—impacting the overall functionality of municipalities across the province.

All 23 Free State municipalities, including the Metropolitan Municipality, consistently met the legislative requirements for tabling and adopting Integrated Development Plans (IDPs). Through annual provincial IDP assessments, IDP Manager Forums, targeted support sessions, and capacity-building platforms, the Department significantly improved the quality and credibility of municipal planning. These IDPs provided a framework for service delivery and development, enabling municipalities to align their priorities with national and provincial goals while responding to the specific needs of their communities.

Local economic development was advanced through the review and support of LED strategies across several municipalities. The Department worked to formalize township economies, support business forums, and enforce by-laws to protect compliant traders. These initiatives facilitated greater participation of small businesses and informal traders in the local economy, empowered previously marginalized entrepreneurs, and contributed to local income generation and employment opportunities, delivering real developmental outcomes.

CoGTA played a crucial role in overseeing infrastructure development through the Municipal Infrastructure Grant (MIG), which supported the delivery of water, sanitation, roadworks, and other essential services. While some municipalities faced procurement and project management challenges, the Department's ongoing intervention and district-level engagements helped improve overall performance. These infrastructure investments enhanced public service delivery and improved the quality of life for communities across the province.

The Department further led efforts in disaster risk management, coordinating the Provincial Disaster Management Centre and supporting municipalities with contingency planning and emergency response. The Department's role during the COVID-19 pandemic and in managing drought response interventions demonstrated its ability to act swiftly and strategically in protecting communities and ensuring continuity of services. This strengthened municipal resilience and emergency preparedness.

In support of integrated spatial planning, the Department guided municipalities in implementing the Spatial Planning and Land Use Management Act (SPLUMA), assisting with the establishment of Municipal Planning Tribunals (MPTs), the development of Spatial Development Frameworks, and the provision of updated Geographic Information Systems (GIS) data. These efforts resulted in more effective land use decisions, better development control, and more equitable spatial outcomes.

The department continued to support Traditional Councils across the province in administrative and governance matters. Traditional leaders were actively engaged in local development processes and governance structures, fostering social cohesion and strengthening partnerships between traditional institutions and municipalities.

Public participation was deepened through sustained support for ward committees, civic education, and structured community engagement platforms. Municipalities were assisted in resolving community complaints, responding to service delivery concerns, and creating spaces for women, youth, and persons with disabilities to engage in local decision-making processes. This has led to more responsive and inclusive governance.

Furthermore, the Department ensured alignment across spheres of government through its coordination role in the District Development Model (DDM). Intergovernmental forums and collaborative planning engagements enabled improved service integration and joint resource mobilization, enhancing developmental impact at district and local levels.

In conclusion, the Free State Department of Cooperative Governance and Traditional Affairs has effectively implemented its 2019–2024 Strategic Plan and made significant progress towards the realization of its five-year outcomes. It has contributed to building capable municipalities, enabling sustainable service delivery, promoting inclusive growth, and enhancing citizen participation. The Department remains committed to consolidating these gains and further advancing its developmental mandate in the years ahead.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose of the Programme

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

4.1.1 *Outcomes, Outputs, Output Indicators, Targets and Actual Achievements*

This section provides a narrative of the significant achievement of targets for the outputs and output indicators for Programme 1 during the 2024/2025 financial year under review. The programme recorded a strong performance in the delivery of its planned outputs, having achieved all set targets except for two indicators—namely, the Percentage of Valid Invoices Paid Within 30 Days and Percentage Compliance with Key Control Matrix (KCM) Standards. These areas are currently being addressed through strengthened internal control measures and enhanced financial management oversight.

The overall achievement under this programme contributed to the department's outcomes by ensuring efficient administrative support, sound governance, and improved internal systems. Thus, it created an enabling environment for the successful implementation of service delivery programmes. This supported the government's strategic priorities, particularly in promoting a capable, ethical, and developmental state.

In alignment with national priorities, the department continued to prioritise the inclusion of women, youth, and persons with disabilities within its internal processes and service delivery environment.

Table 2.4.4.2:

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

Programme / Sub-programme: Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 20242025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Outcome: Improved institutional Capacity	Performance of the Department compliant with APP requirements	Number of Performance reviews conducted against its Annual Performance Plan	4	4	4	4	0	None
	Completed audits as per the approved Internal Audit Plan	Percentage of completed internal audits	4	4	100%	100%	0	None
	Payment of valid invoices within 30 days	Percentage of valid invoices paid within 30 days	11	100%	100%	99.5%	-0.5%	There was a dispute on the invoices received which led to the invoices being rescheduled for a special run that was not grated by Provincial Treasury
	40% of women owned enterprises awarded with service of procurement	Percentage of procurement awarded to women owned enterprises	-	-	*40%	55.3%	+15.3%	Additional 15.3% was mainly driven by more economic participation in the women owned companies during the reporting period
	Effective Key control matrix applied in the Department	Percentage on compliance with Key Control Matrix (KCM) standards	4	4	100%	72.7%	-27.3%	The Department did not submit due to strained human resource capacity and work overload
	Create awareness to the officials on issues of: -Gender equity -Youth and -non-discrimination of persons with disability	Number of Departmental Awareness sessions and capacity building programmes to support gender, youth and disability mainstreaming	2	2	2	2	0	None

*The indicator was not target for Q1 and Q2, however the performance was monitored.

Linking performance with budgets

The programme's annual appropriation was R172,289 million and has spent R164,775 million, translating into 95.6% of the budget. The underspending was mainly due to procurement processes that were not finalised before the end of the financial year which mainly included procurement of uniform and protective clothing for security officials, IT audit verification as well as procurement processes not finalised to purchase machinery and equipment.

Sub-programme expenditure

Prgoramme1: Administration:

Sub- 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
Office of the MEC	13 470	12 041	1 429	11 686	11 010	676
Corporate Services	158 819	152 734	6 085	144 551	140 532	4 019
Total	**172 289**	**164 775**	**7 514**	**156 237**	**151 542**	**4 695**

Strategy to overcome areas of under performance

Not applicable, because the programme achieved all its targets.

4.2 *Programme 2: Local Governance:*

4.2.1 Purpose of the Programme

This programme provides for the implementation of an institutional, administrative, financial and public participation framework in terms of the Constitution of the RSA, 1996

4.2.2 Sub-Programmes

- Municipal Administration
- Municipal Finance
- Public Participation
- Capacity Development
- Municipal Performance Monitoring, Reporting and Evaluation

4.2.3 Purpose of the sub-programmes

Municipal Administration

- To provide management and support services to local government within a regulatory framework.

Municipal Finance

- To ensure municipalities are fully compliant to the policies governing financial management for the provision of service delivery.

Public Participation

- To strengthen interface between government and citizens through public participation for maximum service delivery.

Capacity Development

- To capacitate municipalities to deliver effective services.

Municipal Performance Monitoring, Reporting and Evaluation

- To monitor and evaluate municipal performance.

4.2.4 ***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

During the 2024/2025 financial year, Programme 2 faced challenges in fully achieving some key output targets. Specifically, the department did not meet the targets for supporting municipalities to comply with Municipal Systems Act (MSA) regulations on appointing senior managers, assisting municipalities with developing and reviewing human resource policies, and implementing the GovChat programme for community engagement and service delivery improvement. These shortfalls impacted the pace at which municipal governance capacity and community participation were strengthened.

Despite these setbacks, the programme progressed in other governance support areas, improving accountability and institutional strengthening in municipalities. The achievements made under this programme align with the department's outcomes of building capable and responsive local government, supporting service delivery, and advancing good governance, key priorities of the government's strategic agenda.

Regarding prioritising women, youth, and persons with disabilities, the department remains committed to promoting their inclusion in governance processes and capacity-building initiatives. However, challenges such as limited participation of persons with disabilities in leadership roles and engagement platforms persisted during the year. The department has intensified outreach and advocacy efforts and enhanced targeted training programmes to address these issues. It is strengthening partnerships with relevant stakeholders to improve accessibility and participation for these designated groups in future interventions.

Table 2.4.4.1:

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

Programme / Sub-programme: Programme 2: Local Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved municipal and traditional capacity	Municipalities supported with Performance Management Systems	No. of municipalities supported to institutionalize the Performance Management System (PMS)	1	14	23	18	-5	The achievement reported on is only for 1st and 2nd Quarters. Refer to table 2.4.4.2 for annual achievement	The crafted planned targets should be more specific as to produce required outcomes on the identified municipalities
Improved municipal and traditional capacity	Functional Municipal audit committee	Number of municipalities with functional audit committees	1	1	11	0	-11	Target is planned for Quarter 4. Refer to table 2.4.4.2 for annual achievement Indicator was amended from "Number of municipalities with functional audit committees" to "Number of municipalities assessed on the functionality of audit committees" during the re-tabling of the APP	Performance indicators should be impact orientated approach.
Improved coordination of service delivery	Community involvement in local governance	Number of municipalities supported to promote	19	19	10	5	-5	The achievement reported on is only for 1st and	The crafted planned targets should be more specific as to

	processes	participation in community based local governance processes						2nd Quarters. Refer to table 2.4.4.2 for actual achievement Annual Target was amended from "10" to "5" during the re-tabling of the APP	produce required outcomes on the identified municipalities
Improved coordination of service delivery	Effective implementation of Batho Pele customized service Standards Framework	Number of municipalities successfully implement the Batho Pele Service Standards Framework for Local Government	4	2	2	1	-1	The achievement reported on is only for 1st and 2nd quarters.	Indicator is moved from the APP to the Operational Plan in order for the Department to focus on its core functions

*Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has re-tabled an Annual Performance Plan in the financial year under review).

Table 2.4.4.2:

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

Programme / Sub-programme: Programme 2: Local Governance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 20242025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Improved municipal and traditional capacity	Anti-corruption and consequence management measures are implemented	Number of municipalities monitored on the extent to which anti-corruption measures are implemented	22 (all mun's excluding mangaung	22 (all mun's excluding Mangaung)	22 (all mun's excluding Mangaung)	22	0	None
	Municipalities complying with MSA Regulations	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers	1	23	23	15	-8	No request was received from 8 Municipalities due to the fact that Municipal Systems Amendment Act 03 of 2022 bestow appointment powers squarely on municipal council. A municipality unfortunately has a prerogative to accept the support provided by COGTA albeit extended to all municipalities, no legislation on support forces

								municipalities to invite Cogta during recruitment and selection process of senior manager.
	Customised municipal by-laws adopted	No. of municipalities assisted and supported towards customizing, review and/or adopting municipal by-laws	8	11	11	11	0	None
	Municipal by-laws implemented	No. of municipalities supported on the implementation of municipal by-laws	8	11	11	11	0	None
	Reduction of vacant positions of ward councillors	Percentage of the municipality supported to fill vacant position of ward councillors through by-elections	1	1	100%	100%	0	None
	Developed and Reviewed Policies	Number of municipalities supported on the development and review of HR Policies	1	1	5	4	-1	The Department prioritized Nala LM for 4th quarter however, due to political instability and ongoing unrest in the Municipality the department was unable to

								provide the support
	Removal and reinternment of mortal remains processed	Percentage of applications on removal and reinternment of mortal remains processed	100% processed	100% processed	100% processed	100% processed	100%	None
	Litigation management processed	No. of municipalities supported towards litigation management	2	2	2	2	0	None
Improved Municipal and traditional institutional capacity	Municipalities supported with Performance Management Systems	No. of municipalities supported to institutionalize the Performance Management System (PMS)	1	14	23	23	0	None
	Municipal Performance report compiled	No. of Section 47 reports compiled as prescribed by the MSA	1	1	1	0	-1	Municipal non-compliance with Section 46 reporting timelines adversely impacted on the Department's ability to compile the Section 47 report within the prescribed timeframes.
Improved coordination of service delivery	Municipalities with senior managers post filled	Number of municipalities monitored on the extent to which the Senior	4	4	23	23	0	None

		Managers posts are filled						
	Municipalities with institutionalization of PMS	Number of municipalities with functional Performance Management System (PMS)	4	4	14	14	0	None
	Section 57 manager's employment contracts signed	Number of MSA Section 57 managers have signed employment contracts and performance agreements submitted within prescribed timeframe.	4	4	64	64	0	None
	Municipal Performance Report compiled	No. of workshop held towards supporting municipalities on the development of their annual performance reports in terms of Section 46 of the MSA	1	1	1	1	0	None
	Employment contracts and performance agreements of Section 57 Managers signed	No. of workshops held towards supporting municipalities on the development and signing of employment contracts and performance	1	1	1	1	0	None

		agreements of Section 57 Managers						
Improved municipal and traditional institutional capacity	Municipalities complied with Municipal Property Rates Act	Number of municipalities guided to comply with MPRA	3	8	5	5	0	None
	Reduction of unauthorized, wasteful and fruitless expenditure in municipalities	Number of municipalities supported to reduce unauthorized, irregular, wasteful and fruitless expenditure	22	22	11	19	+8	The Unit did not anticipate that the MPAC Chairpersons Forum Inaugural Meeting will materialise in the financial year.
	Functional Municipal audit committee	Number of municipalities assessed on functionality of audit committees	1	1	11	11	0	None
	Municipalities complied with Municipal Property Rates Act	Number of Municipalities that are Municipal Property and Rates Act (MPRA) compliant	1	1	19	19	0	None
	Improved revenue management and debt collection in the municipalities	Number of Municipalities monitored on revenue management and debt collection	4	4	18	18	0	None
Improved coordination of service delivery	Functional Ward Committees	Number of municipalities supported to maintain	19	19	10	10	0	None

		functional ward committees						
	Community involvement in local governance processes	Number of municipalities supported to promote participation in community based local governance processes	19	19	5	5	0	None
	Implementation of GBVF responsive programmes in Municipalities	Number of municipalities monitored on the implementation of GBVF responsive programmes	23	19	5	5	0	None
	Effective respond to community concerns	Number of municipalities supported to respond to community concerns	19	19	10	10	0	None
	GovChat programme implemented at municipalities for service delivery improvement	*Number of provinces implementing the GovChat programme for community engagement and service delivery improvement	-	-	1	0	-1	Govchat programme is placed under business rescue
	Ward Committees capacitated	Number of Municipalities supported with training of Ward Committees	19	19	4	4	0	None
	Existing IGR structures in	Number of District	4	4	4	4	0	None

	District Municipalities	**Municipalities monitored on the functionality of their IGR Structures**						
Improved municipal and Traditional institutional capacity	**Capacity Building interventions developed and conducted**	**Number of capacity building interventions conducted in municipalities**	**4**	**15**	**5**	**5**	**0**	**None**

**This is a MTSF 2019-2024 indicator without Standardized Technical Indicator Description (TID)*

Linking performance with budgets

The programme's annual appropriation was R96,480 million and has spent R78,794 million, translating into 81.7% of the budget. Underspending was mainly due to transfer payments not realising. (Included in the appropriation for transfers were an amount of R8 million which could not realise due to timing of approved second adjustment budget versus the closing date for publishing in terms of the Division of Revenue Act.)

Sub-programme expenditure

Programme 2: Local Governance:

Sub- 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
Municipal Administration	16 363	15 094	1 269	19 135	18 997	138
Municipal Finance	26 031	15 412	10 619	13 505	11 891	1 614
Public Participation	11 997	11 629	368	10 920	10 883	37
Municipal Performance Monitoring, Reporting and Evaluation	6 821	6 238	583	6 478	6 414	64
Capacity Development	35 268	30 421	4 847	30 849	30 327	522
Total	**96 480**	**78 794**	**17 686**	**80 887**	**78 512**	**2 375**

Strategy to overcome areas of underperformance (Prog 2)

To address the non-achievement of specific targets under Programme 2 during the 2024/2025 financial year, the department has undertaken a review of the underlying challenges and developed focused strategies to improve future performance. In relation to support for municipalities to comply with the Municipal Systems Act (MSA) regulations on the appointment of senior managers, the department's role is primarily responsive, based on formal requests received from municipalities. This demand-driven nature of the indicator makes it difficult to plan and project annual support figures. For the GovChat programme, the department recognises that this is a national system coordinated at a higher level, and therefore remains outside the direct control of the provincial department. Consequently, performance on this indicator is subject to national directives and rollout strategies. Regarding the support for the development and review of HR policies, the department will strengthen coordination with municipalities by introducing scheduled policy support engagements, complemented by the development of standardised HR policy templates. These efforts are expected to increase the consistency and uptake of support services, ensuring improved compliance and capacity within local municipalities.

4.3 Programme 3: Development and Planning:

4.3.1 Purpose of the Programme

This programme aims to support the municipalities with simplified Integrated Development Plan

4.3.2 Sub-Programmes

- Spatial Planning and Land Use Management

- Integrated Development Planning
- Local Economic Development
- Municipal Infrastructure
- Disaster Management

4.3.3 Purpose of the sub-programmes

Spatial Planning and Land Use Management

- To support the municipalities with drafting of Spatial Development Framework (SDF), Land Use Schemes (LUS) and also seek to assist with the establishment, functions and operations of municipal planning tribunals.

Integrated Development Planning

- To ensure synergy and strengthen inter-governmental planning and budgeting on the development of the Municipal Integrated Development Planning.

Local Economic Development

- To give support to all municipalities on the establishment of local economy and township development.

Municipal Infrastructure

- To facilitate and monitor infrastructure development and free basic services provision to ensure sustainable municipal infrastructure.

Disaster Management

- To manage disaster management at the provincial and district municipal level to ensure the establishment of effective and efficient disaster management mechanisms and promote an integrated and coordinated system of disaster prevention.

4.3.4 ***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

During the 2024/2025 financial year, Programme 3 demonstrated strong performance, achieving 28 out of the 29 planned output indicators. The only target not achieved related to the number of work opportunities reported through the Community Works Programme (CWP), primarily due to administrative delays in reporting and verification processes. Despite this, the programme recorded significant progress in key development areas such as spatial planning, integrated development planning, local economic development, and infrastructure coordination, which collectively contributed to strengthening the planning and service delivery capacity of municipalities.

These achievements have directly supported the department's outcomes by promoting well-coordinated, inclusive development and improved access to services, in alignment with the strategic priorities of government to advance spatial justice, sustainable infrastructure development, and local economic growth.

In prioritising women, youth, and persons with disabilities, the programme ensured inclusive participation in capacity-building initiatives, planning processes, and economic empowerment interventions. However, challenges were encountered in achieving equitable access for persons with disabilities, largely due to structural and accessibility limitations at municipal and project level. To address this, the department has begun implementing more inclusive design standards and has intensified collaboration with disability advocacy organisations to strengthen targeted support and improve participation outcomes for these designated groups.

Table 2.4.4.1:

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

Programme / Sub-programme: Programme 3: Development and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved coordination of service delivery	Job created on CWP	Number of work opportunities reported through Community Work Programme	24 550	24 800	20 000	23 570	+3570	The achievement reported on is only for 1st and 2nd Quarters. Refer to table 2.4.4.2 for annual achievement Annual Target was amended from "20 000" to "24 170" during the re-tabling of the APP	Performance indicators should be impact orientated approach
	Temporary job created through MIG	Number of jobs created within municipalities through MIG	4	4	2500	0	-2500	The achievement reported on is only for 1st and 2nd Quarters. Refer to table 2.4.4.2 for actual achievement Annual Target was amended from: 2500"to "1500" during the re-tabling of the APP	The crafted planned targets should be more specific as to produce required outcomes on the identified municipalities
Improved coordination of service delivery	Municipalities implementing infrastructure delivery	Number of municipalities monitored on the	18	18	18	6	-12	The achievement reported on is only for 1st and	The crafted planned targets should be more specific as to

	programmes	implementation of infrastructure delivery programmes: -Implementation of MIG Projects						2nd Quarters. Refer to table 2.4.4.2 for actual achievement	produce required outcomes on the identified municipalities
Improved coordination of service delivery	Effective spending of National Grants by Municipalities	Number of Districts monitored on the spending of National Grants	4	4	1	1	-3	The achievement reported on is only for 1st and 2nd Quarters. Refer to table 2.4.4.2 for actual achievement Annual Target was amended from: "4" to "1" during the re-tabling of the APP	Performance indicators should be impact orientated approach

Table 2.4.4.2:

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

Programme / Sub-programme: Programme 3: Development and Planning								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 20242025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Improved coordination of service delivery	Monitoring provided on the implementation of one plans of municipalities	Number of Districts/Metro monitored on the implementation of One Plans	1	1	1	1	0	None
	District Development Model (DDM) Plan with Women, youth and persons with disability priorities	*Percentage of District Development Model plans which integrate priorities of women, youth and persons with disabilities	-	-	100% integrated with priorities	100%	0	None
	Implementation of SPLUMA by all municipalities	Number of municipalities supported with the implementation of SPLUMA	12	12	12	12	0	None
	Municipalities with a developed and/or maintained GIS	Number of municipalities supported on the development and/or maintenance of a Geographical Information System (GIS)	3	3	3	3	0	None

	All municipalities to have an updated SDF	Number of municipalities supported with implementation of Spatial Development Frameworks	4	4	4	4	0	None
	Planning forum convened	Number of meetings held by the Provincial Planning and GIS Forum	2	2	2	2	0	None
	Informed/Capacitated municipal town planners	Number of Spatial Planning Newsletters distributed to municipal town planning units	-	-	2	2	0	None
Improved coordination of service delivery	Municipal IDP's compliant with legislative requirements	Number of municipalities with legally compliant IDP's	23	23	23	23	0	None
	Credible IDP's adopted by all Municipalities	Number of municipalities monitored on the adoption of their IDP's: -Metro -District -Local	 1 4 18	 1 4 18	 1 4 18	 1 4 18	 0 0 0	None
	Credible IDP's for all municipalities addressing service delivery and development challenges	No. of support initiatives implemented and sustained towards improving municipal IDPs: •biannual Provincial IDP Managers Forum with	4	4	2	2	0	

		quarterly meetings						
		• Annual Provincial IDP Assessment Sessions	1	1	1	1	0	None
		• Municipal Engagement IDP Support Session	1	1	1	1	0	
		• Bi-Annual Provincial IDP Support Team Meetings	2	2	2	2	0	
		• Annual Capacity Building Sessions	2	2	1	1	0	
Improved Coordination of service delivery	Job created on CWP	Number of work opportunities reported through Community Work Programme	24 550	24 800	24 170	22 608	-1562	No recruitment of new CWP Participants or the replacement of those who has left the programme. This was communicated through a circular from Dcog
	Municipalities with approved LED Strategies	Number of municipalities supported on the development of LED Strategies	22 (All mun's excluding the Mangaung Metro)	22 (All mun's excluding the Mangaung Metro)	22 (All mun's excluding the Mangaung Metro)	22	0	None
	Report of municipalities with functional LED Units	Number of municipalities supported on functional LED Units	22	22	22	22	0	None
	Report on municipalities on	No. of municipalities	22 (All mun's	22 (All mun's excluding	22 (All mun's	22	0	None

	establishment of business development forums	supported on the establishment of business development forums	excluding the Mangaung Metro)	the Mangaung Metro)	excluding the Mangaung Metro)			
	Temporary job created through MIG	Number of jobs created within municipalities through MIG	4	4	1500	1867	+367	The Department have no control over the employment of temporary jobs on MIG as the Municipality is the implementer
	LED Meeting convened with municipalities, stakeholders and related Departments	No. of Provincial Economic Development Forum meetings held	4	4	4	4	0	None
Improved coordination of service delivery	Municipalities implementing infrastructure delivery programmes	Number of municipalities monitored on the implementation of infrastructure delivery programmes: -Implementation of MIG Projects	18	18	18	18	0	None
	Municipalities effectively implementing indigent policies	Number of municipalities monitored on the implementation of indigent policies	4	19	19	19	0	None
	Effective spending of National Grants by Municipalities	Number of Districts monitored on the spending of National Grants	4	4	1	4	+3	The overachievement was informed by the MIG DORA Framework where COGTA's responsibility is

								captured.
	Fully functional Project Management Units in municipalities	Number of Project Management units (PMU) in Municipalities monitored in terms of their functionality	18	18	18	18	0	None
	Municipalities with indigent register for the provision of the Free Basic to qualifying households	Number of municipalities support on the implementation indigent register for the provision of the Free Basic to qualifying households	19	19	19	19	0	None
	Municipalities with sound financial and non-financial reports on the implementation of MIG in terms of the DORA	Number of municipalities monitored in terms of their: -Non-financial performance -Financial performance	18	18	18	18	0	None
	Technical Post filled municipalities with competent and qualified officials	Monitor the extent to which technical posts in municipalities are filled with competent persons towards improving infrastructure delivery	1	1	1	1	0	None
	Proper maintenance plan of all infrastructure in municipalities	Monitor the extent to which existing infrastructure is maintained	4	4	4	4	0	None

		(operation and maintenance)						
Improved coordination of service delivery	Functional Disaster Management Centres	Number of Municipalities supported to maintain functional Disaster Management Centres -District Mun's -Meto Municipality	4 1	4 1	4 1	4 1	0 0	None
	Municipalities with fire brigade services	Number of municipalities supported on fire brigade services	4	4	4	4	0	None
	Existing Provincial DM Advisory Forum	Number of the Provincial DM Advisory Forum convened	4	4	4	4	0	None
	Functional Provincial Fire Services Advisory Committee	Number of Provincial Fire Services Advisory Committee convened	4	4	4	4	0	None
	District Municipalities with: -Adverse and disaster incidents in the province -The state of Municipal and designated fire services in the province -The functionality of the District DM Advisory forum -Functionality of	Monitor and report on the following: • Adverse and disaster incidents in the Province • The state of Municipal and designated fire services in the Province •The functionality of	4 4 4	4 4 4	4 4 4	4 4 4	0 0 0	None

	Municipal Disaster Management Centre & Advisory Forums -Functional Municipal & Sector Disaster Risk Management Plans	the District DM Advisory Forum • Functionality of Municipal Disaster Management Centre & Advisory Forums	4	4	4	4	0	
		• Functional Municipal & Sector Disaster Risk Management Plans	4	4	4	4	0	

**This is a MTSF 2019-2024 indicator without Standardized Technical Indicator Description (TID)*

Linking performance with budgets

The programme's annual appropriation was R63,809 million and has spent R53,141 million, translating into 83.3% of the budget. The underspending is mainly due to the tender process for tools of trade for the cleanest and greenest city competition that was at the Bid Adjudication Committee (BAC) stage at the end of the financial year. Furthermore, the underspending relates to a payment made close to year-end depending on a future service and 3-year contract with a nonprofit institution which is regarded as a prepayment.

Sub-programme expenditure

Programme 3: Development and Planning:

Sub- 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
Special Planning/Land use Management	14 892	14 238	654	14 588	14 520	68
Local Development Management	5 240	5 020	220	4 902	4 749	153
Municipal Infrastructure	26 628	23 970	2 658	44 596	36 676	7 920
Disaster Management	17 049	9 913	7 136	10 261	10 081	180
Total	**63 809**	**53 141**	**10 668**	**74 347**	**66 026**	**8 321**

Strategy to overcome areas of underperformance (Prog 3)

To address the underachievement related to the number of work opportunities reported through the Community Works Programme (CWP), the department will enhance coordination with the national implementing agent to improve data flow and reporting timelines. A dedicated reporting framework will be introduced to track work opportunities in real-time, supported by regular verification sessions at district level to ensure accurate and timeous reporting. Furthermore, the department will strengthen its monitoring and support role by conducting joint planning and review meetings with stakeholders to anticipate and resolve operational bottlenecks early. These interventions aim to ensure that all work opportunities created are promptly and accurately captured, thereby improving overall programme performance and contributing meaningfully to job creation and poverty alleviation.

4.4 Programme 4: Traditional Institutional Management:

4.4.1 Purpose of the Programme

This programme aims to support and enhance the capacity of Traditional Authorities.

4.4.2 This programme consists of the following:

- Traditional Institutional Administration

4.4.3 *Outcomes, Outputs, Output Indicators, Targets and Actual Achievements*

During the 2024/2025 financial year, Programme 4 successfully achieved all its planned output indicators. The programme's performance reflected strong implementation of support initiatives to traditional leadership institutions, enhancing their capacity to contribute to developmental local governance. Key achievements included the effective facilitation of engagements between traditional leaders and municipalities, the strengthening of traditional council functionality, and the provision of institutional support aligned with legislative mandates.

These achievements have significantly contributed to the department's broader outcomes of promoting social cohesion, preserving cultural heritage, and supporting cooperative governance. The programme's results align with the strategic priorities of government by fostering inclusive governance systems that respect and integrate traditional structures into the broader democratic framework.

In prioritising women, youth, and persons with disabilities, the department ensured that these groups were considered in programme activities and institutional development initiatives. While efforts have been made to improve inclusivity, challenges remain in increasing women's representation in traditional leadership roles, which is often constrained by customary norms. To address this, the department has continued to engage in awareness and advocacy efforts, providing platforms for dialogue and supporting capacity development initiatives aimed at empowering underrepresented groups within the traditional leadership environment.

Table 2.4.4.2:

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

Programme / Sub-programme: Programme 4: Traditional Institutional Management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 20242025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Improved municipal and traditional institutional capacity	Fully functional Traditional Council	Number of Traditional Councils supported to perform their functions	13	13	13	13	0	None
	Succession claims and disputes processed	Percentage of Traditional Leadership succession claims/ disputes received and processed	100% of claims / disputes investigated	100% of claims / disputes investigated	100% of claims / disputes investigated	100%	0	None
	Capacitated Traditional Leadership on the issues of GBVF and related issues	Number of Anti-GBVF intervention/ campaigns for traditional leadership	2	4	4	4	0	None
	Reduction of audit findings in all TC	Number of Traditional Councils supported towards reducing audit findings	13	13	13	13	0	None
	Advance knowledge on all cultural and heritage awareness	No of culture and heritage awareness sessions/ celebrations held	1	1	1	2	+1	Bakwena Principal Traditional Leadership consisting of 7 Traditional Councils and Batlokoa ba Mota Principal Traditional

								Leadership consisting of 3 Traditional Councils celebrated cultural celebration with all the Traditional Councils which falls under their area of their jurisdiction.
	Advance knowledge on various aspects relating to Traditional Leaders related issues	Number of capacity building initiatives implemented for Traditional Leaders	1	2	2	2	0	None

Linking performance with budgets

The programme's annual appropriation was R69,316 million of which R65,268 was spent, translating to 94.2% spending. The underspending is mainly due to procurement processed to purchase office furniture for Traditional Affairs which was at the final stages of evaluation at the end of the reporting period.

Sub-programme expenditure

Programme 4: Traditional Institutional Management:

Sub- 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
Traditional Institutional Administration	69 316	65 268	4 048	58 914	53 713	5 201
Total	**69 316**	**65 268**	**4 048**	**58 914**	**53 713**	**5 201**

4.5 Programme 5: House of Traditional Leaders:

4.5.1 Purpose of the Programme

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

4.5.2 Sub-Programmes

- Administration of Houses of Traditional Leaders

4.5.3 *Outcomes, Outputs, Output Indicators, Targets and Actual Achievements*

During the 2024/2025 financial year, the department successfully implemented and achieved all planned output indicators under Programme 5, which is responsible for supporting the effective functioning of the Houses of Traditional Leaders. The programme ensured the coordination of statutory sittings, provision of administrative and logistical support, and facilitation of engagements between traditional leaders and various government institutions. These achievements have reinforced the legitimacy and operational efficiency of the institution of traditional leadership, enabling its meaningful participation in governance and development dialogue.

The performance of this programme has contributed directly to the department's outcomes of fostering cooperative governance, social cohesion, and cultural preservation. By strengthening the interface between traditional leadership and democratic governance structures, the programme supported the strategic priorities of government, including inclusive governance and rural development.

In response to the inclusion of women, youth, and persons with disabilities, the programme maintained active engagement on the promotion of gender equity and inclusive participation within traditional leadership structures. Although customary practices remain a barrier to rapid transformation, the department has continued to advocate for broader representation and inclusivity. Awareness programmes, capacity-building initiatives, and stakeholder engagements have been intensified to promote the role of women and youth in leadership spaces. Where challenges persisted, the department undertook targeted consultations to identify corrective measures and ensure incremental progress toward inclusive representation within the Houses of Traditional Leaders.

Table 2.4.4.1:

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

Programme / Sub-programme: Programme 5: House of Traditional Leaders									
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved municipal and traditional capacity	**Memorandum of understanding (MoU) approved by both parties**	**No. of meetings/ sessions held for development of MoU to enable the House to perform their oversight functions**	**1**	**1**	**1**	**0**	**-1**	**The achievement reported on is only for 1st and 2nd quarters.**	**Indicator was moved from APP to Operational Plan in order for the Department to focus on its core functions**

Table 2.4.4.2:

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

Programme / Sub-programme: Programme 5: House of Traditional Leaders								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 20242025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved municipal and traditional institutional capacity	**Advance knowledge and skills applied by traditional communities**	**Number of outreach and empowerment programmes facilitated and participated in with regards to**	**2**	**4**	**2**	**2**	**0**	**None**

		community development and empowerment						
	Capacitated members of the House of Traditional Leadership	Number of capacity building programmes implemented towards capacitating members of the House	1	2	2	2	0	None
	Action Plan on the decisions taken by leadership sessions	Number of constituency and progress meetings held with traditional councils towards ensuring the implementation of decisions of the House of Traditional Leaders	5	10	10	10	0	None
	Provincial house activity plan	No. of Provincial house activity reports submitted to the mec	-	4	4	4	0	None
	Engagements convened with the Premier of the Province advancing the interest of traditional communities	Number of engagements convened with the Premier towards advancing the interest of traditional communities	-	1	1	1	0	None
	Sessions convened with Local Houses	Number of meetings held with Local	-	2	2	2	0	None

	of traditional leaders and Marena a Moholo/ Principal Traditional Leaders towards advancing the interest of traditional communities	Houses of traditional leaders towards advancing the interest of traditional communities						
		Number of meetings held with Marena a Moholo / Principal Traditional Leaders towards advancing the interest of traditional communities	-	1	2	2	0	None

Linking performance with budgets

The programme's annual appropriation was R18,128 million of which R16,412 million was spent which translated to 90.5% spending of the budget. The underspending was mainly on goods and services as well as machinery and equipment in terms of procurement which did not realise.

Sub-programme expenditure

Programme 5: House of Traditional Leaders:

Sub- 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 of House of Traditional Leaders	18 128	16 412	1 716	17 277	16 785	492
Total	**18 128**	**16 412**	**1 716**	**17 277**	**16 785**	**492**

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

In the 2024/2025 financial year, the department recognises the importance of incorporating standardised outputs and output indicators as required for sectors with concurrent functions. However, certain standardised indicators namely those related to the Municipal Systems Act (MSA) Regulations on the appointment of senior managers, Human Resource (HR) Policies, GovChat, and the Community Works Programme (CWP) were not fully implemented or reported on due to specific operational limitations. Performance against the MSA Regulations indicator is dependent on formal requests from municipalities, which vary in frequency and are often received on an ad hoc basis, making it difficult to plan proactively. With respect to GovChat, implementation and administration of the system are handled nationally, limiting the department's direct control over execution and reporting at provincial level. For the CWP, reporting challenges stemmed from reliance on external data provided by the national implementing agent. The HR policy indicator, while not achieved in the current year, will be subject to improved planning and coordination going forward to ensure its full integration into the department's performance framework. The department remains committed to aligning its Annual Performance Plan with standardised indicators and continues to engage stakeholders to enhance implementation and reporting in future cycles.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
SABC	***Television Licence***	***7***	***7***	***All 7 Tv licences were paid on time***

5.2. Transfer payments to all organisations other than public entities

This section provides information on transfer payments made to provinces, municipalities, departmental agencies (excl. public entities), higher education institutions, public corporations, private enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities as it is included in the previous section. In this section also provide information on where funds were budgeted to be transferred but transfers were not made and the reasons for not transferring funds.

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
Xhariep	District Municipality	Financial support	n/a	4 392	4 392	n/a
Mafube	Local Municipality	Financial support	n/a	3 100	3 100	n/a
Tswelopele	Local Municipality	Financial support	n/a	1 423	1 423	n/a
Mangaung	Metro Municipality	Financial support	n/a	2 018	-	Awaiting Confirmation from the Municipality.
Dihlabeng	Local Municipality	Financial support	n/a	1 800	-	The municipality has not yet spent the funds as they only received the transfer Month end of March 2025.
Traditional councils	Non-profit institutions	Financial support	n/a	2 320	2 320	n/a
Employee social benefit	Officials	retirement benefits	n/a	1 120	1 120	n/a
Employee social benefit	Officials	Refund & remuneration – Act of grace	n/a	53	53	n/a
Employee social benefit	Officials	Leave gratuity	n/a	1 085	1 085	n/a
Donations:	Football Club	Accommodation and Transport	n/a	31	31	n/a
Donations	Tribal Council	Burial	n/a	100	100	n/a

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	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Tokologo	Local Municipality	1 644	-	Due to non-adherence of Tokologo Local Municipality to respond to the Department and the non-submission of the necessary supporting documents, the Rollover amount could not be paid to the Municipality.
Unallocated	Local Municipality	8 864	-	R8 million (R4.175 million to Kopanong and R3.285 million to Mohokare) not transferred due to timing of approved second adjustment budget versus the closing date for publishing in terms of the Division of Revenue Act. There was also R864 thousand unallocated which was not spent.

6 CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

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

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	Xhariep District Municipality (for Kopanong Municipality)
Purpose of the grant	To assist medium and small Municipalities experiencing severe financial problems to restructure their financial position and organizations over the medium term
Expected outputs of the grant	The provision of Limited Financial Assistance to those Municipalities facing critical financial problems
Actual outputs achieved	The provision of limited Financial Assistance to those Municipalities facing critical financial problems
Amount per amended DORA	
Amount transferred (R'000)	R'4 300
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring department	Submission of Financial Assistance Receipt Return Certificate supported by bank statement and relevant supporting documentation Proof that the amount transferred was exclusively appropriated for the sole intended purpose as per the original application for Limited Financial Assistance supported by invoice, payment voucher and bank statement

6.2 Conditional grants and earmarked funds received

The Department did not receive any conditional grants for the year under review. The Department only received Provincial Funding

7 DONOR FUNDS

7.1. Donor Funds Received

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

8 CAPITAL INVESTMENT

8.1 Capital Investment, maintenance and Asset management Plan
Not applicable for the year under review.

PART C: GOVERNANCE

1. INTRODUCTION

The Department of Cooperative Governance and Traditional Affairs remains steadfast in its commitment to upholding the highest standards of governance, recognizing that sound governance is fundamental to the responsible stewardship of public finances and the efficient management of state resources. This commitment is particularly important when public confidence and stakeholder assurance are directly linked to the department's ability to demonstrate transparency, accountability, and integrity in using taxpayer-funded resources.

To this end, the department has institutionalized comprehensive governance structures, frameworks, and internal control systems that guide its operations. These include risk management protocols, financial oversight mechanisms, compliance monitoring, and performance evaluation systems aligned with applicable legislation, including the Public Finance Management Act (PFMA), Treasury Regulations, and other prescriptive governance frameworks.

Furthermore, the department continuously strengthens its governance environment through regular internal audits, external assurance reviews, and the effective functioning of oversight bodies such as the Audit and Risk Committee. These structures are critical in ensuring that decision-making processes are evidence-based, that procurement and financial practices are ethical and lawful, and that public funds are utilized to deliver tangible and sustainable value to citizens.

In pursuit of continuous improvement, the department also emphasizes capacitating its leadership and staff with the necessary governance competencies and ethical values to support effective service delivery. Implementing these measures not only contributes to enhanced organizational performance but also upholds the constitutional principles of good governance, thereby reinforcing public trust in government institutions.

2. RISK MANAGEMENT

Risk Management Policy and Strategy

The department has established and approved a comprehensive Risk Management Policy and Strategy for the 2024/25 financial year. This framework is designed to promote effective risk identification, assessment, mitigation, and continuous monitoring, ensuring alignment with governance best practices. This process is periodically audited by the Departmental Internal Audit Function to ensure compliance and effectiveness of risk management processes.

Risk Assessments
FSCOGTA conducts regular risk assessments to evaluate the effectiveness of its risk management strategy and to identify emerging risks. These assessments provide valuable insights that strengthen the department's ability to proactively address vulnerabilities and enhance operational resilience.
FSCOGTA maintained an Emerging and Priority Risk Register for the 2024/2025 Financial year. This register is utilised to track and monitor the implementation of risk mitigation strategies and the performance of key risk indicators over time, to ensure that risks are addressed inclusive of secondary risks posed by mitigation strategies. FSCOGTA's Risk Management Unit ensured continuity in risk oversight through participation in other internal governance structures.

Risk Management Committee
The Risk Management Committee plays a central role in FSCOGTA's risk governance framework for the 2024/25 financial year. This committee provides advisory support to management on the overall risk management system, with a particular focus on mitigating unacceptable levels of risk. The committee experienced a short gap of not sitting (in the third and fourth quarter) while the appointment of the committee experienced delays due to the concurrent appointment of the Audit Committee, the gap in reporting is since the 08 March 2025 corrected through the appointment of the Risk Governance Committee.

The committee is made up of an independent chairperson and a deputy chairperson who are seconded from the Audit Committee. This process ensures continuity of reporting to the Audit Committee, monitoring of risks and mitigation plans, and an enhanced engagement with Internal Audit Function about risk reporting.

Compliance Management
In addition to its risk advisory role, the Risk Management Committee integrates compliance risk management into its oversight function. This ensures that FSCOGTA adheres to relevant legislative and regulatory requirements, minimizing compliance-related risks that could impact operational integrity. The committee collaborates with the chief risk officer and the ethics committee to monitor regulatory changes, assess potential non-compliance risks, and implement corrective measures where necessary. Through this proactive approach, FSCOGTA strengthens its ethical governance framework and reinforces adherence to statutory obligations.

Combined Assurance Reporting
The Risk Management Committee also plays a vital role in the process of combined assurance model, ensuring a coordinated approach to risk oversight across various assurance providers. This model integrates internal and external assurance functions, including risk management, compliance monitoring, internal audit, and external audit evaluations. By leveraging insights from multiple governance structures, FSCOGTA enhances transparency, strengthens decision-making, and ensures that risk mitigation efforts align with strategic objectives.

The Audit Committee, in turn, leverages these insights to provide independent oversight and strategic recommendations to the Executive Management, ensuring that risk governance remains a priority in FSCOGTA's business strategy and operations.

Through these mechanisms, FSCOGTA continues to refine its risk management practices, integrating compliance oversight and combined assurance reporting to strengthen governance, enhance resilience, and drive operational improvements.

Audit Committee Oversight
The Audit Committee plays a critical role in FSCOGTA's risk management framework. For the 2024/25 period, the Chief Risk Officer (CRO) provided regular reports to the Audit Committee, supported by the Risk Governance Committee Chairperson, ensuring independent monitoring of the effectiveness of risk management practices. This mechanism reinforces accountability and enhances governance across risk-related processes.

Progress in Risk Management and Organizational Performance
The department has observed positive developments in its risk management effectiveness. These improvements are reflected in enhanced decision-making processes, operational stability, and compliance adherence. The Audit Committee provided strategic oversight and recommendations to the Executive, leveraging reports from the Risk Governance Committee, Risk Registers, and other governance structures to inform risk mitigation strategies.

FSCOGTA remains committed to continuously refining its risk management approach to ensure sustained improvements in both risk mitigation and overall departmental performance.

Signed by:

____

Ms. P. Mvana
Independent - Risk Governance Committee Chairperson

3. FRAUD AND CORRUPTION

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

According to our records proofs that the last awareness of the previous financial year 2024/2025 was made on the 11th of March 2025.

Our directorate distributed posters from public service and administration are raising ethics in the public administration every step of the way and it includes reporting of corruption and whistle blower hotline. They were distributed in all COGTA buildings, including OR Tambo building on every floor.

3.2 Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing:

The need for officials to make confidential disclosure about suspect fraud and corruption.

The COGTA department policy encourages protection of whistleblowers in section 8 of the policy. It clearly outlines that whistle blowers can use the anti-corruption hotline and internal reporting mechanisms, which is walk-ins, to either our office, MEC's office and HOD's office.

It must be noted that this directorate is in possession of the case management registers where we register cases reported direct into our office, because we promote anonymous reporting, and they are investigated together with the cases from National Anti-Corruption Hotline.

3.3 How these cases are reported and what action is taken:

The reports are prepared for the signature of the HOD once signed by him we send them to Public service Commission, Presidential hotline and the complainant are contacted to give back the feedback once concluded and closed from our case management systems.

4. MINIMISING CONFLICT OF INTEREST

4.1 All officials at the level of SMS members, OSD and Assistant directors are required to disclose in the system and is compulsory.

4.2 Conflict of interest is a risk on its own once identified or any other deficiency it is necessary to choose the most appropriate type of control: The lifestyle review is conducted to all employees to determine the risk and conflict of interest.

4.3 Prevention is always preferable there are numerous controls to utilize for example: Ethics will provide guidance, supervision and checking outputs including monitoring and evaluation etc.

5. CODE OF CONDUCT

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

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

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

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

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

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department has an obligation towards ensuing a healthy, safe and conducive work environment for employees across its various offices in the province in compliance with the Occupational Health and Safety, Act No 85 of 1993 as well as the Employee Health and Wellness Framework, 2019. There have however been impediments to this, the department has been experiencing numerous office space challenging on ongoing basis that compromised the effectiveness and efficiency of in achieving the aims and objectives set for department. Most of the buildings occupied by COGTA officials are not 100% in compliance with Government immovable Assets Management Act of 19 of 2007 and Occupational Health and Safety, Act No 85 of 1993 that regulates immovable asset management by means of contractual relationships between the Custodian and User departments.

Inspection findings

- As per the findings emanating from the departmental Health and Safety Committee reports as well as those of the department of Employment and Labour, some office buildings are non-compliant in that they are inhabitable with inadequate infrastructure that do not meet health and safety standards such as accessibility of office by physically challenged officials and community at large, old crevices, poor and unhealthy hygiene conditions and no provision of reliable network as well as electrical cable hazards.

- Congestion in the offices due to the building structure that doesn't permits open-plan system. No air-conditioning at all at some other buildings and at other buildings air-cons are not effectively working (poor ventilation). Constant cut-offs of electricity and water supply due to non-payment by the PWI/Landlord.

Nonattendance to the above listed findings have a negative impact on the wellbeing of all employees and those community members who visit the offices for services.

7. PORTFOLIO COMMITTEES

The Portfolio committees for the 2024/2025 financial year were held on the following dates:

- 1st Quarter Non-financial Performance:
- 1st Public Accounts and Finance Committee
- Annual Report 2024/2025: Re-tabling
- 3rd Public Accounts and Finance Committee

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
13/2020	Filling of Critical vacant post Fill the position of Head of DPPM (Departmental Planning and Performance Monitoring) as it has long been vacant	The Department must fill the post of planning and performance Monitoring and evaluation person to avoid unnecessary non compliance with SCM processes and implementation of detecting mechanism of disregard of loss and regulations containing in the PFMA guidelines	Due to budgetary constraints the submission had to be reived. This has been completed and the submission will be sent for signatures. The reviewed list has the post of Director: Departmental Planning and Performance Management and the post of Director: Supply Chanin Management	No

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
None		

10. INTERNAL CONTROL UNIT

The current organisational structure of the Department does not cater for an internal control unit. The functions of internal control are currently performed in the Financial Control Unit. During the period under review, the Financial Control Unit was responsible for the following:

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

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

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.

The purpose of the internal audit function is to strengthen the Free State Department of Cooperative and Traditional Affairs ability to create, protect and sustain value by providing the Executive Committee and Senior Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the Department's:

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

The Department of Cooperative Governance and Traditional Affairs (COGTA)'s internal audit function will adhere to the mandatory elements of the Institution of Internal Auditors' International Practices Framework which are the Global Internal Audit Standards and Topical Requirements. The chief audit executive will report periodically to the audit committee and senior management regarding internal audit functions conformance with the Standards, which will be assessed through a quality assurance and improvement program.

The IAF maintained its dual reporting lines, which is functionally to the Audit Committee (Committee) and administratively to the Accounting Officer.

The Internal Audit Charter (IAC) establishes the authority and responsibility conferred by the Committee. The IAF has operated in compliance with the approved IAC.

The IAF did not have an Internal Audit Strategy (strategy) and is in the progress of aligning its strategy with the Department strategic plan as approved on 31 March 2025.

The IAF operated with an Interim Internal Audit Plan (Plan), for the first quarter of 2024/25, which was duly consulted with Executive Management and subsequently approved by the Audit Committee. The rolling 3-year strategic internal audit plan and annual plan were approved and completed, though some audits were approved for either deferral or cancellation. The audits on the plan were executed in line with an approved methodology.

There were 26 planned audits for the financial year. The plan comprised of six (6) statutory audits, three (3) advisory reviews, nine (9) follow-up audits and five (5) assurance reviews. Approval was granted for two (2) audits to be deferred and one (1) audit was cancelled.

47% of internal audit recommendations were accepted and addressed by management. More can be done insofar as ensuring escalations to the accounting officer are dealt with timeously. There is also the need to ensure the responsible executives attend and account in the AC meeting.

Organizational independence was maintained and reported in the quarterly Internal Audit Activity reports. There was no interference in the functioning of the Internal Audit Activity. The CAE did not perform any role beyond Internal Auditing that could be deemed to impair independence and objective. Declaration and independence forms are completed for each audit engagement.

The IAF is fully in-sourced, with eleven approved and funded positions of which nine (9) are filled. The IAF lacks skills in IT, however IT related audits were planned to be co-sourced with a service provider, to address the skills shortage. The internal audit staff attended various training courses for their development in compliance with the approved Continuing Professional Development policy.

The IAF has an approved Quality Assurance and Improvement Program (QAIP). The QAIP is utilized as a self-assessment tool, conducted bi-annually. The IAF also relies on the key Performance Indicators assessment conducted by Provincial Treasury as a form of internal assessment. The last assessment was conducted in February 2025. The last external assessment was conducted in February 2022 and the assessment considered the feedback from other key stakeholders regarding the IAF 's performance and value add. The IAF achieved a general conforms outcome. An action plan was developed to address the identified issues, 80% of the issues have been addressed to date. The Audit Committee monitors progress on implementation of the corrective measures during their quarterly meetings.

1.1 AUDIT COMMITTEE (AC)

The Audit Committee (AC) has non-executive status and acts in an advisory capacity to the Accounting Officer. The Audit Committee was established and functioned in terms of Treasury Regulations,2005(TR) 3.1.1 to 3.1.6 which came into effect as a result of section 76 as well as section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).
The Audit Committee members were appointed by the Member of Executive Council: Department of Corporative Governance and Traditional affairs, as well as Human Settlements, with effect from 01 August 2021 to 31 July 2024, for a period of three years. The term of the AC was extended till 30 September 2024. A new AC was then appointed from 01 October 2024 for a period of three (3) years.

The Audit Committee has non-executive status and acts in an advisory capacity to the Accounting Officer and Executive Authority, to assist the latter in fulfilling its oversight responsibility relating to:

(i) The integrity of the Departments Financial Statements and Financial reporting process:
(ii) Governance, Risk Management Processes and Systems of internal control.
(iii) The audit processes (both internal and external); and
(iv) The Department's process for monitoring compliance with laws, regulations and the cod of conduct.

In discharging its responsibilities, the AC is not itself responsible for the planning or conducts of audits or for any determination that the departments Financial Statements are complete and accurate or in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. The committee's role is that of an independent monitoring of activities within the department.

The AC comprises of five (5) who are outside of the public service. The members are all professionals of appropriate competency. The committee has mix of skills which includes a financial expect (charted accountant), an advocate, risk and internal audit professional, IT specialist and local government specialist. The committee has adopted the Audit Committee Charter as their formal terms of reference.

The Committee operated freely in exercising its independence. Declarations were made in every meeting and submitted in writing to manage conflict of interest.

The AC is satisfied with the organisational positioning of the internal audit function. There were no impediments to the objectivity or independence of internal auditors reported during the financial year. The AC had no reason to intervene to protect internal auditors.

The AC exercised oversight on Combined Assurance quarterly with the report from Internal Audit Function. The AC convened all scheduled meetings.

The AC is not satisfied with the slow implementation rate of recommendations by management. The AC will conduct a self-assessment of its performance and effectiveness in August 2025. The last evaluation was conducted by the old committee. Management will also evaluate the performance and effectiveness of the AC.

12. *Attendance of audit committee meetings by audit committee members*

The table below discloses relevant information on the audit committee members: Old Committee (01 April – 30 September 2024)

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Adv. Derick Block (Chairperson)	Baccalaureus Legum Baccalaureus Lurisprudentiae	IDOSA	01 August 2021	30 September 2024	4	Yes	No	2	2
Mr. Siphiwe Ngwenya, CA (SA) (Chairperson)	Magister in Business Administration	SAICA IRBA	01 August 2021	30 September 2024	4	Yes	No	2	1
Ms. Portia Chilwane (Member)	Baccalaureus Procurationis	LPC	01 August 2021	30 September 2024	5	Yes	No	2	3
Mr. Suren Maharaj, CA (SA)	Honours Bachelor of	SAICA	01 August	30 September	5	Yes	No	4	3

(Member)	Accounting Science	IODSA.	2021	2024					
Mr. Lebina Tsotetsi (Member)	Master of Management		01 August 2021	30 September 2024	5	Yes	No	N/A	N/A

New Committee: 01 October 2024 – 31 March 2025

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Mr. Siphiwe Ngwenya, CA (SA) (Chairperson)	Magister in Business Administration	SAICA IRBA	01 October 2024	30 September 2027	5	Yes	No	3	0
Ms. Dibuseng Patience Semppe (Member)	MCom (Forensic Accounting)	IDOSA	01 October 2024	30 September 2027	5	Yes	No	4	1
Ms. Priscilla Mvana (Member)	MBA – current Post Graduate	IRMSA IIASA	01 October 2024	30 September 2027	5	Yes	No	1	3

	Diploma- Risk Management Post Graduate Diploma: Internal Audit BTech Degree Internal Audit National Diploma Internal Audit Lead Compliance Management 19600 Certificate PEBC (ISO accredited)								
Adv. Lufuno Tokyo Nevondwe (Member)	Degree of Magister Legum Degree of Baccalaureus Legum	(IODSA)	01 October 2024	30 September 2027	5	Yes	No	1	3
Mr. Norman Tinyiko Baloyi (Member)	Master of Philosophy in Development Finance Master of Business	SAIPA SABPP ASDSA IODSA	01 October 2024	30 September 2027	5	Yes	No	2	3

	Administration (MBA) Master of Science in Electrical Engineering Master of Science in Electronics Leadership in Municipal Governance BCom Hons in Human Resource Management Bachelor of Science with Honours in computational and applied Mathematics Postgraduate Diploma: Business Management Higher Diploma in Computer Auditing	ISACA ACCA IRMSA CISA IIASA							

	Postgraduate diploma in Internal Auditing Advanced Diploma in Accounting Sciences BCom in Financial Management BCom in Human Resources Management Bachelor of Science (Computer Science) Bachelor of Science (Maths & Applied Maths)								

- Remuneration of audit committee members
  - Rates

• Chairperson	Member
R2 265.00 per hour of attendance	R1 838.00 per hour of attendance

Ad-Hoc Activities and Special Events

Chairperson	Member
R4 446.00 per day	R2 698.00 per day
R556.00 per hour of attendance	R337.00 per hour of attendance

  - Whether audit committee members who worked or are working for an organ of state are being remunerated.

    None of the audit committee members are working for an organ of the state.
  - Total audit committee expenditure for the reporting period inclusive of remuneration is R 468 700.87.

12 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Part 1: Audit Committee Reflections – 2024/25

The Audit Committee (Committee) is constituted in terms of section 76(4)(d) and 77 of the Public Finance Management Act, No 1 of 1999 (PFMA) as amended, read in conjunction with paragraphs 3.1 to 3.1.16 of Treasury Regulations.

The Audit Committee has non-executive status and acts in an advisory capacity to the Accounting Officer and Executing Authority, to assist the latter in fulfilling its oversight responsibility relating to:

(i) *The integrity of the Departments financial statements and financial reporting process;*
(ii) *Governance, Risk Management Processes and Systems of internal control;*
(iii) *The audit processes (both internal and external); and*
(iv) *The Department's process for monitoring compliance with laws, regulations and the code of conduct.*

In discharging its responsibilities, the Committee is not itself responsible for the planning or execution of audits or for any determination that the Departments financial statements are complete and accurate or in accordance with generally accepted accounting principles (MCS). This is the responsibility of management and the independent auditors. The Committee's role is that of provision of objective and independent monitoring of activities within the Departments (oversight role).

The Committee adopted the Audit Committee Charter as their formal terms of reference and has discharged all its responsibilities as contained therein. The Committee has further complied with its responsibilities as enshrined in the Public Finance Management Act and Treasury Regulations. Declarations are made during meetings and also submitted in writing to monitor conflict of interest.

We confirm that the Audit Committee has functioned without hindrance or limitations throughout the reporting period. The Committee reported quarterly to both the Accounting Officer and Executive Authority, on main issues deliberated, challenges identified and proposed solutions.

Part 2: Audit Committee Composition and Meeting Attendance

The audit committee consists of five (5) members. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened ten (10) times during the year with four (4) being ordinary meetings and the remainder special meetings.

OLD COMMITTEE: 01 APRIL 2024 – 30 SEPTEMBER 2024

Name (Position)	Qualifications	Is the AC member an employee of an organ of state? (Yes / No)	Number of ordinary meetings attended	Number of special meetings attended
Adv. Derick Block (Chairperson)	Baccalaureus Legum Baccalaureus Lurisprudentiae	No	2	2
Mr. Siphiwe	Magister in	No	1	3

Ngwenya, CA (SA) (Member)	Business Administration			
Ms. Portia Chilwane (Member)	Baccalaureus Procurationis	No	2	3
Mr. Suren Maharaj, CA (SA) (Member)	Honours Bachelor of Accounting Science	No	2	3
Mr. Lebina Tsotetsi (Member)	Master of Management	No	2	3

NEW COMMITTEE: 01 OCTOBER 2024 – 31 MARCH 2025

Name (Position)	Qualifications	Is the AC member an employee of an organ of state? (Yes / No)	Number of ordinary meetings attended	Number of special meetings attended
Mr. Siphiwe Ngwenya, CA (SA) (Chairperson)	Magister in Business Administration	No	2	3
Ms Dibuseng Semppe (Member)	MCom (Forensic Accounting)	No	2	3
Adv. Lufuno Tokyo Nevondwe (Member)	Degree of Magister Legum Degree of Baccalaureus Legum	No	2	3
Ms. Priscilla Mvana (Member)	Post Graduate Diploma- Risk Management Post Graduate Diploma: Internal Audit Lead Compliance Management 19600 Certificate PEBC (ISO accredited)	No	2	3
Mr. Norman Tinyiko Baloyi (CD(SA), CRMP)) (Member)	Master of Philosophy in Development Finance	No	2	3

	Master of Business Administration (MBA) Master of Science in Electronics Leadership in Municipal Governance BCom Hons in Human Resource Management Postgraduate Diploma: Business Management Higher Diploma in Computer Auditing Postgraduate diploma in Internal Auditing Advanced Diploma in Accounting Sciences Advanced Diploma in Accounting and Business BCom in Financial Management BCom in Human Resources Management Bachelor of Science (Computer Science)			

Part 3: Audit Committee Focus Areas

The following was reviewed during the year under review:

<u>Effectiveness of the internal control systems:</u> Relevant policies are in place; however, implementation can be enhanced by the development and use of Standard Operating Procedures. The internal audit function has evaluated compliance with legislation as part of the respective audits conducted during the reporting period. Internal audit reviews have reflected that overall controls are adequate though ineffective.

Effectiveness of the Internal Audit Function (IAF): The IAF has operated in terms of its mandate and internal audit plan consistently throughout the year. The Committee is satisfied that the IAF has maintained its independence thorough the dual reporting lines and positioning in the Department. There were no impairments to objectivity reported during the financial year. The IAF has adopted the Global Internal Audit Standards (Standards) and revised their policy documents to align with the standards.

The IAF lacked skills in IT audits and the number of personnel was insufficient due to long outstanding vacancies. The IT audits were planned to be co-sourced with a suitable service provider. The IAF is delayed by procurement processes at the State Information Technology Agency (SITA) to deploy audit software system and data analytics. Progress on this is followed up during quarterly meetings.

The Chairperson has evaluated the performance of the CAE together with the functioning of the Internal Audit Department. The IAF was evaluated based on the implementation of the Annual Plan, implementation of internal audit policies and methodologies, quality of reporting and staff continuous development programmes. The Audit Committee is satisfied that the IAF was generally effective despite capacity constraints.

The Committee noticed a decline in co-operation by management which resulted in long audit turn-around times, which may lead to a regression in the level of assurance provided by Management. The IAF has an approved Combined Assurance Framework and has coordinated activities with Auditor-General South Africa (AGSA), Department of Planning, Monitoring and Evaluation as well as Provincial Treasury. The Committee had separate engagements with AGSA, the CAE and Accounting Officer to ensure that there are no unresolved issues of concern.

Activities of the IAF: The Committee approved the interim internal audit plan (1st quarter) as well as the three-year internal audit coverage plan, for the remainder of the financial year. Quarterly activity reports were presented for review to the Committee. Forty-seven (47%) of internal audit recommendations were accepted and addressed by management. There were no significant investigations conducted during the reporting period.

Effectiveness of risk management:

The Department has a Risk Management unit which is responsible for the department's system of risk management. During the period under review, risk management adopted risk management policies, methodologies and framework. The unit further conducted risk assessment and developed strategic and operational risk register. These were considered in the preparation of the Internal Audit Plan.

The maturity level needs some improvement, whilst overall performance is achieved the implementation of risk management in the day-to-day decisions of management is still lacking. Ensuring risk management is an integral part of the strategic planning process is essential if the strategic risk profile of the organization is to be clearly articulated and appropriately mitigated. Performance against risk mitigation actions for the management team should also examine the day-to-day functions of the divisions/functions if risk maturity is to be attained.

Risk Management Committee of the department was however not effective during the period under review. This was due to poor implementation and reporting on risk mitigating plans. The unit further could not conclude the Business Continuity Management Plan of the department.

Adequacy, reliability, and accuracy of financial and performance information: The Committee reviewed quarterly financial and performance information reports prepared by management, as well the assurance reports provided by the IAF. Of major concern to the Committee was the increasing irregular expenditure and no progress made in reducing or condoning irregular expenditure. There is no material improvement noted to modify AGSA's audit opinion and material misstatements, consequently Management as a first line of defence, has not provided the necessary assurance to ensure that performance information is credible.

<u>Accounting and auditing concerns identified as a result of internal and external audits:</u> Major issues reported by internal audit include, amongst others:

- Information security management controls are inadequate and ineffective to prevent unauthorized access to the operating and application system
- Segregation of duties is compromised due to high vacancy rate.
- The reliability and integrity of performance information is compromised.
- Control weaknesses are addressed at transaction level and not process level
- Promotion of ethical culture and institutionalization of ethics.
- Implementation of POPI Act. (Records Management System)
- Slow implementation rate of recommendations.

Major issues reported by external audit, include amongst others:

- Expenditure Management,
- Strategic Planning and performance management,
- Consequence management,
- Conflict of interest,
- Information Technology systems,
- Information security management

More can be done insofar as ensuring escalations to the accounting officer are dealt with timeously. There is also the need to ensure the responsible executives attend and account in the AC meeting.

Work has been done to address unauthorized, irregular, fruitless and wasteful expenditure, however, more needs to be done to close the cases where investigations were completed. Receivables are raised against employees for fruitless & wasteful expenditure and losses are recovered accordingly. More efforts are required to recover losses incurred on irregular expenditure.

Unauthorized, irregular, fruitless and wasteful expenditure are standing items on the AC agenda. Management is required to provide explanations where additional expenditure is incurred, including strategies to prevent future occurrence. There were no material irregularities and financial mismanagement reported during the period under review.

<u>Compliance with legal and regulatory provisions:</u>
The Department may incur financial losses for penalties because of non-compliance to the POPI Act.

<u>The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation:</u>

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

<u>Combined Assurance:</u> The Committee has exercised its oversight responsibility on Combined Assurance through the review of the quarterly activity reports provided by the IAF. A combined Assurance Framework, aligned with the Global Standards has been duly approved. The Committee is satisfied with the progress made with Combined Assurance, towards improving its maturity level.

<u>Evaluation of the annual financial statements:</u> The Audit Committee has:

- Reviewed and discussed with the Auditor – General and Accounting Officer the audited financial statements to be included in the annual report.

- Reviewed the Auditor – General's management report and management's response thereto, highlighting any concerns with any of the findings.
- Reviewed changes in accounting policies and practices.
- Reviewed the Department's compliance with legal and regulatory provisions.
- Reviewed information on predetermined objectives to be included in the annual report.
- Reviewed 2nd quarter interim financial statements submitted for oversight purposes, of which we were satisfied with the quality and timely submission.
- Reviewed the significant adjustments resulting from the audit.
- There are no unresolved issues between management and the auditors.
- Recommended AFS to be approved on 28 July 2025.

The Committee concurs with the audit opinion of Auditor – General and will monitor the Action Plan to determine management's commitment in addressing the audit outcomes.

External Audit:

As part of the Committees responsibilities, we have assessed and evaluated the independence and objectivity of the external auditors during audit planning phase and discussed same during the tabling of the audit strategy and the audit planning documents.

We met separately with the external auditors during the reporting and concluding phase of the audit to assess and ascertain that there we no unresolved matters emanating from the audit. AGSA confirmed that there we not unresolved matters related to the current audit.

Auditor-General's Report:

The Audit Committee confirms that it has monitored the development of the previous year audit action plan and monitored and implementation of corrective action on a quarterly basis. We were satisfied that management expenses sufficient effort to address matters as reported in the AGSA management report.

The audit committee has discussed the 2024/2025 management report and audit report and have received all the necessary explanation and clarifications from both management and the external auditors.

Conclusion:

The Audit Committee confirms that it concurs and accepts the conclusions of the Auditor-General on the annual financial statements and concurs with the final Audited Annual Financial Statements and the Audit Report from the Auditor General.

Mr. Siphiwe Ngwenya
Chairperson of the Audit Committee
Department of Cooperative Governance and Traditional Affairs

31 July 2025

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The Human Resources Management's primary role is to provide strategic and transformed Human resources services that supports the Department to achieve its strategic objectives. The fundamental function of the HR unit includes Labour Relations, Recruiting and Training of Human Resources and Employee wellness.

2. OVERVIEW OF HUMAN RESOURCES

The human resources management and Development is responsible for the management of the human resources matters in the Department. As part of its functions, the directorate developed an HR Plan with key strategies to attract and recruit skilled and capable officials.

- **The status of human resources in the department.**

  The Department is currently in the process of re-structuring which will have an influence on the number of vacancies, critical vacancies was identified and a total of 40 posts were advertised and will be filled as a matter of urgency as funds are available.

- **Human resource priorities for the year under review and the impact of these.**

  The Departmental re-structuring exercise must be finalised as a matter of urgency, critical vacancies that was advertised must be filled as matter of urgency and adequate accommodation is a matter of priority.

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

  Posts was advertised as wide as possible to attract most suitable candidates

  Skills must be acquired in line with Skills Audit and identified gaps in the personal development plans

- **Employee performance management.**

  During the 2024/2025 financial year, the agreements of SMS Members and Level 1-12 officials were developed and captured on the persal system. Furthermore, during the said financial year, the midterm assessment of the SMS Members and Level 1-12 offiicals was completed. The process to finalize the annual assessments of both SMS Members and Level 1-12 officials is underway with anticipation to be finalized by end July for Level 1-12 and SMS members by end of October 2025.

- **Employee wellness programmes.**

  The Department continued to implement health and wellness programmes to encourage health lifestyles, which include HIV, and AIDS testing, cancer awareness and wellness screening. Wellness days for employees were held.

- **Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.**
  Finalise Departmental re-structuring as a matter of urgency;
  Determine critical vacancies for filling and advertise as a matter of urgency;
  Prioritise funding for the critical vacancies;
  Finalise the process of filling the advertised 40 critical posts that was advertised;
  Adequate accommodation for all employees

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements.

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.

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, Permanent	164 776	114 687		0	69.60	466
DEVELOPMENT AND PLANNING, Permanent	53 141	39 235		0	67.50	785
HOUSE OF TRADITIONAL LEADERS, Permanent	16 412	9592		0	58.40	564
LOCAL GOVERNANCE, Permanent	78 794	55 985		0	71.10	823
TRADITIONAL INSTITUTIONL MNG, Permanent	65 267	55 533		0	85.10	251
TOTAL	**378 390**	**275 032**		**0**	**71.70**	**457**

As per Vulindlela

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)	7920	2.8	32	247 500
Skilled (level 3-5)	45297	16.2	153	296 059
Highly skilled production (levels 6-8)	78794	28.2	239	329 682
Highly skilled supervision (levels 9-12)	67993	24.3	77	883 026
Senior and Top management (levels 13-16)	31525	11.3	20	1 576 250
Total	**231 529**	**82.2**	**521**	**3 332 517**

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	87 386	77.50	404	0.40	3 859	3.40	10 001	8.90
DEVELOPMENT AND PLANNING	33 789	83.10	0	0	574	1.40	1 483	3.60
HOUSE OF TRADITIONAL LEADERS	8 677	87.40	0	0	148	1.50	302	3.00
LOCAL GOVERNANCE	53 111	86.60	0	0	635	1.00	1 261	2.10
TRADITIONAL INSTITUTIONL MNG	47 379	86.10	0	0	1 515	2.80	3 131	5.70
TOTAL	**230 343**	**82.30**	**404**	**0.10**	**6 732**	**2.40**	**16 178**	**5.80**

Table 3.1.4 Salaries, Overtime, Home Owners 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)	4 878	61.60	0	0	655	8.3	1408	17.8
Skilled (level 3-5)	30 781	67.90	78	0.2	2873	6.3	7 665	16.9
Highly skilled production (levels 6-8)	64 837	82.10	168	0.2	2368	3	5 307	6.7
Highly skilled supervision (levels 9-12	59 056	85.30	137	0.2	749	1.1	1 662	2.4
Senior management (level 13-16)	28 760	87.50	0	0	75	0.20	92	0.3
Total	**188 312**	**76.88**	**383**	**0.12**	**6 720**	**3.78**	**16 134**	**8.82**

3.2 Employment and Vacancies

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

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

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
ADMINISTRATION, Permanent	347	237	31.70	10
DEVELOPMENT AND PLANNING, Permanent	73	50	31.50	4
HOUSE OF TRADITIONAL LEADERS, Permanent	33	17	48.50	6
LOCAL GOVERNANCE, Permanent	89	59	33.70	17
TRADITIONAL INSTITUTIONL MNG, Permanent	266	217	18.40	140
Total	**808**	**580**	**28.20**	**177**

Table 3.2.2 Employment and vacancies by salary band as on 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)	41	32	22	0
Skilled (3-5)	199	153	23.10	0
Highly skilled production (6-8)	327	239	26.9	117
Highly skilled supervision (9-12)	141	77	45.4	4
Senior management (13-16)	41	20	51.2	4
Total	**749**	**521**	**33.72**	**125**

- ** contracts level 13-16 = 14

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, Permanent	110	58	47.30	0
ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent	11	7	36.40	0
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	1	1	0	0
BUS AND HEAVY VEHICLE DRIVERS, Permanent	12	9	25	0
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS, Permanent	3	2	33.3	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	39	31	20.50	0
DIPLOMATS, Permanent	2	1	50	0
ENGINEERS AND RELATED PROFESSIONALS, Permanent	1	1	0	0
FINANCIAL AND RELATED PROFESSIONALS, Permanent	8	5	37.5	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	11	7	36.4	0
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	1	1	0	0
HUMAN RESOURCES CLERKS, Permanent	7	5	28.60	0
LEGAL RELATED, Permanent	1	1	0	0
LIBRARY MAIL AND RELATED CLERKS, Permanent	5	3	40	0
LIGHT VEHICLE DRIVERS, Permanent	2	2	0	2
LOGISTICAL SUPPORT PERSONNEL, Permanent	7	4	42.9	0
MATERIAL-RECORDING AND TRANSPORT CLERKS, Permanent	1	1	0	0
MESSENGERS PORTERS AND DELIVERERS, Permanent	11	11	0	1
Not Available, Permanent	0	0	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	42	15	64.30	0

OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	110	72	34.5	1
OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent	14	10	28.6	0
OTHER OCCUPATIONS, Permanent	261	235	10	135
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	30	19	36.7	0
SECURITY GUARDS, Permanent	27	20	25.9	0
SECURITY OFFICERS, Permanent	2	2	0	0
SENIOR MANAGERS, Permanent	41	21	48.8	4
TOTAL	**760**	**544**	**23.66**	**143**

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 (salary level 16)	1	1	100	0	0
Salary Level 15	1	2	0	1	100
Salary Level 14	6	3	83.3	1	16.6
Salary Level 13	21	13	66.6	7	33.3
Total	**29**	**20**	**69**	**9**	**31**

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department (salary level 16)	1	1	100	0	0
Salary Level 15	1	2	0	1	100

Salary Level 14	6	3	83.3	1	16.6
Salary Level 13	21	13	66.6	7	33.3
Total	29	20	69	9	31

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 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	0	0	0
Salary Level 13	0	0	0
Total	**0**	**0**	**0**

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

Reasons for vacancies not advertised within six months
The Department is in process of re-structuring and identifying critical vacancies

Reasons for vacancies not filled within twelve months
The Department is in process of re-structuring and identifying critical vacancies

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
The Department is in process of re-structuring and identifying critical vacancies

Reasons for vacancies not filled within six months
The Department is in process of re-structuring and identifying critical vacancies

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	0Number	% of posts evaluated
Lower Skilled (Levels1-2)	41	0	0	0	0	0	0
Skilled (Levels 3-5)	199	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	327	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	141	0	0	2	100	0	0
Senior Management Service Band A	30	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	**749**	**0**	**0**	**2**	**100**	**0**	**0**

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

Table 3.4.2 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**

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

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

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 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**	**0**	**0**	**0**	**0**

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 beginning of period-1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	32	0	0	0
02 Skilled (Levels 3-5) Permanent	153	0	0	0
03 Highly Skilled Production (Levels 6-8) Permanent	232	15	7	3
04 Highly Skilled Supervision (Levels 9-12) Permanent	81	0	5	6.2
05 Senior Management Service Band A Permanent	15	0	0	0
06 Senior Management Service Band B Permanent	3	0	0	0
07 Senior Management Service Band C Permanent	2	0	0	0
08 Senior Management Service Band D Permanent	1	1	1	100
09 Other Permanent	0	0	0	0
10 Contract (Levels 1-2) Permanent	4	5	4	100
11 Contract (Levels 3-5) Permanent	11	11	12	109.10
12 Contract (Levels 6-8) Permanent	21	17	17	81
13 Contract (Levels 9-12) Permanent	9	10	9	100
14 Contract Band A Permanent	3	3	3	100
15 Contract Band B Permanent	15	11	15	100
17 Contract Band D Permanent	1	0	0	0
TOTAL	**583**	**73**	**73**	**12.5**

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-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	63	0	7	11.1
ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent	9	0	0	0
BUILDING AND OTHER PROPERTY CARETAKERS Permanent	1	0	0	0
BUS AND HEAVY VEHICLE DRIVERS Permanent	9	0	0	0
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS Permanent	2	0	0	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	35	0.	2	5.7
DIPLOMATS Permanent	1	0	0	0
ENGINEERS AND RELATED PROFESSIONALS Permanent	1	0	0	0
FINANCIAL AND RELATED PROFESSIONALS Permanent	5	0	0	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	8	0	1	12.5
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	1	0	0	0
HUMAN RESOURCES CLERKS Permanent	11	0	5	36.4
LEGAL RELATED Permanent	1	0	0	0
LIBRARY MAIL AND RELATED CLERKS Permanent	4	0	1	25
LOGISTICAL SUPPORT PERSONNEL Permanent	4	0	0	0
MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent	1	0	0	0
MESSENGERS PORTERS AND DELIVERERS Permanent	11	0	2	0
Not Available Permanent	0	0	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	27	0	3	11.1
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	78	0	5	6.4
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	11	0	1	9.1
OTHER OCCUPATIONS Permanent	213	31	6	2.8
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	25	0	1	4
SECURITY GUARDS Permanent	20	0	0	0
SECURITY OFFICERS Permanent	2	0	0	0
SENIOR MANAGERS Permanent	38	0	3	7.9
TOTAL	**581**	**31**	**37**	**4.92**

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	3	4.1
Resignation	6	8.2
Expiry of contract	61	83.6
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	3	4.1
Transfer to other Public Service Departments	0	0
Other	0	0
Total	73	100
Total number of employees who left as a % of total employment	**73**	**12.6**

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 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	63	0	0	28	44.4
ARCHITECTS TOWN AND TRAFFIC PLANNERS	9	0	0	0	0
BUILDING AND OTHER PROPERTY CARETAKERS	1	0	0	0	0
BUS AND HEAVY VEHICLE DRIVERS	9	0	0	1	11.1
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	2	0	0	1	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	35	0	0	19	54.3
DIPLOMATS	1	0	0	0	0
ENGINEERS AND RELATED PROFESSIONALS	1	0	0	0	0
FINANCE AND ECONOMICS RELATED	0	0	0	1	0
FINANCIAL AND RELATED PROFESSIONALS	5	0	0	1	20
FINANCIAL CLERKS AND CREDIT CONTROLLERS	8	0	0	4	50
GENERAL LEGAL	1	0	0	1	100

ADMINISTRATION & REL. PROFESSIONALS					
HUMAN RESOURCES CLERKS	0	0	0	5	0
HUMAN RESOURCES RELATED	11	0	0	0	0
LEGAL RELATED	1	0	0	1	100
LIBRARY MAIL AND RELATED CLERKS	4	0	0	1	25
LIGHT VEHICLE DRIVERS	2	0	0	0	0
LOGISTICAL SUPPORT PERSONNEL	4	0	0	3	75
MATERIAL-RECORDING AND TRANSPORT CLERKS	1	0	0	2	200
MESSENGERS PORTERS AND DELIVERERS	11	0	0	8	9.1
Not Available	0	0	0	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	27	0	0	10	37
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	78	0	0	56	71.8
OTHER INFORMATION TECHNOLOGY PERSONNEL.	11	0	0	9	81.8
OTHER OCCUPATIONS	213	0	0	100	46.9
RISK MANAGEMENT AND SECURITY SERVICES	0	0	0	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	25	0	0	6	24
SECURITY GUARDS	20	0	0	16	80
SECURITY OFFICERS	2	0	0	3	0
SENIOR MANAGERS	38	0	0	0	0
TOTAL	**583**	**0**	**0**	**276**	**39.5**

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
01 Lower Skilled (Levels 1-2), Permanent	32	0	0	22	68.8
02 Skilled (Levels 3-5), Permanent	153	0	0	147	96.1
03 Highly Skilled Production (Levels 6-8), Permanent	232	0	0	102	44
04 Highly Skilled Supervision (Levels 9-12), Permanent	81	0	0	53	65.4
05 Senior Management (Levels >= 13), Permanent	21	0	0	11	52.4
09 Other, Permanent	0	0	0	0	0
10 Contract (Levels 1-2), Permanent	4	0	0	0	0
11 Contract (Levels 3-5), Permanent	11	0	0	0	0
12 Contract (Levels 6-8), Permanent	21	0	0	1	4.8
13 Contract (Levels 9-12), Permanent	9	0	0	0	0
14 Contract (Levels >= 13), Permanent	19	0	0	0	0
TOTAL	**583**	**0**	**0**	**336**	**57.6**

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	36	1	0	1	24	0	0	2	62
Professionals	14	1	0	2	13	0	0	2	32
Technicians and associate professionals	25	0	0	3	32	0	0	8	68
Clerks	28	1	0	1	44	0	0	3	77
Service and sales workers	2	0	0	0	0	0	0	0	2
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	21	0	0	0	7	0	0	0	28
Plant and machine operators and assemblers	3	0	0	0	1	0	0	0	4
Elementary occupations	163	0	0	1	142	0	0	2	308
Total	**289**	**3**	**0**	**8**	**263**	**0**	**0**	**17**	**583**
Employees with disabilities	**2**	**1**	**0**	**1**	**2**	**0**	**0**	**0**	**6**

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	2	0	0	0	4
Senior Management	22	1	0	0	8	0	0	0	31
Professionally qualified and experienced specialists and mid-management	45	1	0	3	32	0	0	7	88
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	138	0	0	4	104	0	0	10	256
Semi-skilled and discretionary decision making	80	1	0	0	85	0	0	0	166
Unskilled and defined decision making	6	0	0	0	31	0	0	0	37
Total	**293**	**3**	**0**	**7**	**263**	**0**	**0**	**17**	**583**

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	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary	0	0	0	0	0	0	0	0	0

decision making									
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

*** Normal advertisement/recruitment process*

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	8	1	0	0	2	0	0	0	11
Professionally qualified and experienced specialists and mid-management	27	0	0	2	21	0	0	3	53
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	31	0	0	4	61	0	0	6	102
Semi-skilled and discretionary decision making	64	1	0	0	82	0	0	0	147
Unskilled and defined decision making	4	0	0	0	18	0	0	0	22
Total	**134**	**2**	**0**	**6**	**184**	**0**	**0**	**9**	**335**
Employees with disabilities	**1**	**1**	**0**	**1**	**2**	**0**	**0**	**0**	**5**

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	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	3	0	0	0	1	0	0	1	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	2	0	0	1	7

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	**8**	**0**	**0**	**0**	**3**	**0**	**0**	**2**	**13**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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	11	0	0	0	13	0	0	0	24
Professionals	13	0	0	0	12	0	0	0	25
Technicians and associate professionals	2	0	0	0	2	0	0	0	4
Clerks	1	0	0	0	0	0	0	0	1
Service and sales workers	10	0	0	0	30	0	0	1	41
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	4	0	0	0	20	0	0	0	24
Total	41	0	0	0	78	0	0	0	119
Employees with disabilities	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**1**

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 August 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	0	0	0	0
Salary Level 15	2	2	2	100%
Salary Level 14	5	14	12	85%
Salary Level 13	24	17	15	88%
Total	**32**	**34**	**30**	**88%**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
Delay in the approval of contracts for Administrators and secondment of 1 SMS member

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

Reasons
SMS members forfeits any claim to performance incentive

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					
Male	0.00	288.00	0.00	0.00	0.00
Female	0.00	261.00	0.00	0.00	0.00
Asian					
Male	0.00	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00	0.00
Coloured					
Male	0.00	2.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00	0.00
White					
Male	0.00	6.00	0.00	0.00	0.00
Female	0.00	17.00	0.00	0.00	0.00
Employees with a disability	0.00	6.00	0.00	0.00	0.00
Total	0.00	580.00	0.00	0.00	0.00

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)	0.00	32.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	0.00	153.00	0.00	0.00	0.00	0.00
Highly skilled production (level 6-8)	0.00	239.00	0.00	0.00	0.00	0.00
Highly skilled supervision (level 9-12)	0.00	77.00	0.00	0.00	0.00	0.00
09 Other	0.00	2.00	0.00	0.00	0.00	0.00
10 Contract	0.00	5.00	0.00	0.00	0.00	0.00

(Levels 1-2)						
11 Contract (Levels 3-5)	0.00	10.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	0.00	17.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	0.00	10.00	0.00	0.00	0.00	0.00
Total	0.00	545.00	0.00	0.00	0.00	0.00

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
ADMINISTRATION CLERKS	0.00	15.00	0.00	0.00	0.00
ADMINISTRATIVE AND GOVERNANCE POLICY MANAGER	0.00	1.00	0.00	0.00	0.00
ADMINISTRATIVE RELATED	0.00	58.00	0.00	0.00	0.00
ARCHITECTS TOWN AND TRAFFIC PLANNERS	0.00	7.00	0.00	0.00	0.00
BUILDING AND OTHER PROPERTY CARETAKERS	0.00	1.00	0.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS	0.00	9.00	0.00	0.00	0.00
CARETAKER/ CLEANER	0.00	1.00	0.00	0.00	0.00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	0.00	2.00	0.00	0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	0.00	31.00	0.00	0.00	0.00
COMMUNITY DEVELOPMENT MANAGER	0.00	10.00	0.00	0.00	0.00
DIPLOMATS	0.00	1.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS	0.00	1.00	0.00	0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS	0.00	5.00	0.00	0.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	0.00	7.00	0.00	0.00	0.00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	0.00	1.00	0.00	0.00	0.00
HUMAN RESOURCES CLERKS	0.00	5.00	0.00	0.00	0.00
LEGAL RELATED	0.00	1.00	0.00	0.00	0.00
LIBRARY MAIL AND RELATED CLERKS	0.00	3.00	0.00	0.00	0.00
LIGHT VEHICLE DRIVER	0.00	2.00	0.00	0.00	0.00

LOGISTICAL SUPPORT PERSONNEL	0.00	4.00	0.00	0.00	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS	0.00	1.00	0.00	0.00	0.00
MESSENGERS	0.00	1.00	0.00	0.00	0.00
MESSENGERS PORTERS AND DELIVERERS	0.00	11.00	0.00	0.00	0.00
OFFICE CLEANER	0.00	5.00	0.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	0.00	15.00	0.00	0.00	0.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	0.00	72.00	0.00	0.00	0.00
OTHER INFORMATION TECHNOLOGY PERSONNEL.	0.00	10.00	0.00	0.00	0.00
OTHER MIDDLE MANAGER	0.00	1.00	0.00	0.00	0.00
OTHER OCCUPATIONS	0.00	235.00	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	0.00	19.00	0.00	0.00	0.00
SECURITY GUARDS	0.00	20.00	0.00	0.00	0.00
SECURITY OFFICERS	0.00	2.00	0.00	0.00	0.00
SENIOR MANAGERS	0.00	21.00	0.00	0.00	0.00
TECHNICAL(ICT) SUPPORT SERVICES MANAGER	0.00	1.00	0.00	0.00	0.00
URBAN AND REGIONAL PLANNER	0.00	1.00	0.00	0.00	0.00
Total	0.00	580.00	0.00	0.00	0.00

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	Personnel Cost SMS (R'000)
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee		
Band A	0.00	19.00	0.00	0.00	0.00	0.00	27 033.64
Band B	0.00	12.00	0.00	0.00	0.00	0.00	24 633.08
Band C	0.00	2.00	0.00	0.00	0.00	0.00	4 020.40
Band D	0.00	2.00	0.00	0.00	0.00	0.00	4 868.03
Total	0.00	35.00	0.00	0.00	0.00	0.00	60 555.16

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 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	158	88.6	18	7.1	9	108
Skilled (levels 3-5)	687	92.3	88	34.6	8	618
Highly skilled production (levels 6-8)	578	80.1	75	29.5	8	1 031

Highly skilled supervision (levels 9 -12)	448	83.9	50	19.7	9	1 450
Top and Senior management (levels 13-16)	107	89.7	8	3.1	13	577
Total	**1978**	**86.4**	**239**	**18.4**	**47**	**3784**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2025

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)	31	100	1	7.1	31	21
Skilled (Levels 3-5)	80	100	3	21.4	27	69
Highly skilled production (Levels 6-8)	236	100	8	57.1	30	420
Highly skilled supervision (Levels 9-12)	32	100	1	7.1	32	83
Senior management (Levels 13-16)	51	100	1	7.1	51	297
Total	**430**	100	**14**	**100**	**31**	**891**

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 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	576	27	21
Skilled Levels 3-5)	3 059	147	21
Highly skilled production (Levels 6-8)	3 113	119	26
Highly skilled supervision(Levels 9-12)	2 050	73	28
Senior management (Levels 13-16)	445	17	26
Total	**9243**	**383**	**122**

Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2025

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2025
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	79
Highly skilled production (Levels 6-8)	1	1	1	44
Highly skilled supervision(Levels 9-12)	0	0	0	27
Senior management (Levels 13-16)	0	0	0	4
Total	**1**	**1**	**1**	**154**

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

Table 3.10.5 Leave payouts for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2025/YY due to non-utilisation of leave for the previous cycle	106	3	35 333
Capped leave payouts on termination of service for 2025/ZZ	152	2	76 000
Current leave payout on termination of service for 2025/ZZ	387	8	96 750
Total	**645**	**13**	**208 083**

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	
Case withdraw	0	0	0	0	0	0	0	0	0
Pending	5	0	0	0	2	0	0	0	7
Total	**5**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**7**

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		x	The department has not formally appointed a designated SMS member to be responsible for Health Promotion and HIV/AIDS programmes. This function has been carried out by the Director: Human Resources and Development
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		Currently 3 permanent employees in the Unit of which 1 employee (Assistant Director) being relocated away from the office, 2 employees have however been temporarily allocated as support staff. The Unit operates with an estimated budget of R400 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		The Employee Health and Wellness Sub-directorate has 4 functional pillars, they are structured as follows: 1. HIV& AIDS AND TB MANAGEMENT PILLAR To mitigate the impact of HIV& AIDS and TB epidemic and improvement of the department's service delivery to reduce the number of infections and impact on individual employees. Key Performance areas. To implement programmes on: •Prevention; •Treatment, care and support; •Human rights and access to justice; •Research, monitoring and evaluation. 2. HEALTH AND PRODUCTIVITY MANAGEMENT PILLAR To manage communicable and non-communicable diseases, mental health/ psychosomatic illnesses, injury on duty and incapacity due to ill-health and occupational health education in order to enhance productivity Key performance areas. To implement programmes on: • Disease management and chronic illnesses; • Mental health/psychological illness • Injury on duty and incapacity due to ill-health • Occupational health and education promotion 3. SAFETY, HEALTH, ENVIRONMENT,RISK AND QUALITY (SHERQ) MANAGEMENT PILLAR To anticipate, evaluate, educate and control health hazards in the departments to protect employee's health and wellbeing as well as to safeguard the community at large.(clients)

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<u>Key performance areas.</u>
Implement programmes on:

Occupational health and safety;
Environmental management;
Risk and quality management.

4. WELLNESS MANAGEMENT PILLAR
To provide individual wellness and organisational wellness to improve work-life balance
<u>Key performance areas.</u>
Implement programmes on:

Individual wellness (physical)
Individual wellness (Psychosocial wellness) counselling and referrals
Organisational wellness

Work-life balance
</td>
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<tr>
<td>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.</td>
<td></td>
<td>x</td>
<td>
COMMITTEE REPRESENTATIVE DATABASE PER COGTA BUILDING
O.R Tambo House Building
<table>
<tr><th>NAME</th><th>UNIT</th><th>FLOOR</th></tr>
<tr><td>Mr M. Sethuntsa</td><td>Transport</td><td>6th floor</td></tr>
<tr><td>Mr S. Nyaredi</td><td>Finance</td><td>7th floor</td></tr>
<tr><td>Mr. M. Mokgeseng</td><td>Supply Chain Management</td><td>7th floor</td></tr>
<tr><td>Ms M. Khabo</td><td>HRM</td><td>9th floor</td></tr>
<tr><td>Mr S. Sello</td><td>Auxiliary</td><td>10th floor</td></tr>
<tr><td>Mr V. Maxatshwa</td><td>IT Unit</td><td>11th floor</td></tr>
<tr><td>Mr M. Mokhele</td><td>Skills Development</td><td>12th floor</td></tr>
</table>
Cogta in the L.M Trust building (Charlotte Maxeke Street)
<table>
<tr><th>Name</th><th>Unit</th><th>Floor</th></tr>
<tr><td>Ms Z. Magagula</td><td>Municipal Intergovernmental Relations</td><td>1st floor</td></tr>
<tr><td>Ms N. Mbolekwa</td><td>Spatial Planning</td><td>2nd floor</td></tr>
<tr><td>Ms V. Kori</td><td>Spatial Planning</td><td>3rd floor</td></tr>
<tr><td>Mr R. Sekwe</td><td>Spatial Planning</td><td>4th floor
5th floor</td></tr>
</table>
Cogta in the L.T Trust building (Elizabeth Street)
<table>
<tr><th>Name</th><th>Unit</th><th>Floor</th></tr>
<tr><td>Mr T. Mofokeng</td><td>Traditional Affairs</td><td>1st floor</td></tr>
<tr><td>Ms M. Lempetje</td><td>Free Basic</td><td>2nd floor</td></tr>
<tr><td>Ms M. Lekhoehla</td><td>Municipal Performance Monitoring</td><td>4th floor</td></tr>
<tr><td>Ms R. Makaudi</td><td>Municipal Planning & Development</td><td>3th floor</td></tr>
</table>
</td>
</tr>
</table>

		5rd floor

Representative for Cogta in the Old SANLAM building

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

Representative for Cogta in the Thaba Nchu office

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

Representatives for Cogta in the Disaster Management Directorate

Name	Department	Floor
Mr C. Mokete	Disaster Management	Ground floor

REPRESENTATIVES FOR COGTA IN TRIBAL COUNCILS

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

5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		HIV/AIDS, STI AND TB Policy is in place as approved by the Head of Department.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key	x		Issues of discrimination against people living with HIV are covered by the HIV/AIDS, STI and TB Policy. An annual operation plan signed by the Head of Department is also in place, this is to guide the implementation of the policy.

elements of these measures.			
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		The Unit embarks on quarterly Wellness days to facilitate for HIV Counselling and Testing (HCT) campaigns in order to ensure that employees are tested. Apart from that, the Unit embarks on ongoing mitigation strategies that seeks to promote healthy living.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		The indicators include, supervisor feedback and sick leave records. No particular system has been introduced.

3.12 Labour Relations

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

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

Total number of Collective agreements	**None**

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 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	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Pending	**7**	**100**
Total	**7**	**100**

Total number of Disciplinary hearings finalised	**0**

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
Improper conduct	1	8.33%
Contravention of Treasury Regulations	7	58.33%
Absent without approval	**2**	**16.66%**
Failure to perform official duties	**2**	**16.66%**
Total	**12**	**100%**

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

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

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

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

Table 3.12.6 Strike actions for the period 1 April 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**

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

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

3.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	**63**		Advanced Computer Skills, Advanced Record Management, Advanced Computer Skills, Advanced Data analytics, Advanced Excel for Internal Auditors, Advanced Project Management, Advanced training on investigation, Anti-Racism/Gender/Diversity management, Archicard Programme, Audit Application System Projects-10 stages of the SDLC (AASP), Audit Cyber Security and information Security using NIST and ISO 27002, Auditing Business Continuity Management Plans, Auditing Governance, Strategic, Ethics and Risk Management, Building a Sustainable QA Program & Performing an effective QA, Budget Management, Certified Internal Auditors Part 3, Certified Information System Auditor, Certified Internal Auditors Part 1,2,3, Change Management, Combine Assurance, Computer Skills, Diversity Management, Emotional Intelligence,	17 Annual ACFE Africa Conference and Exhibition Climate Change workshop/Conference Disaster Management and Fire Conferences and Seminars Fire Fighter Conferences and Seminars IIA Conferences, seminars and Regional Summit, PIER Workshop	**63**

				Environment management, Ethics, Ethics for Internal Auditors, Excel Training, Facilities and Properties Management, Financial Management, Fire Fighter, Fraud Risk Identification Assessment and Anti-Fraud Control-Approach and Techniques, Geographic Information System, Higher Certificate in Local Government and Development, How to Edit Performance Information for Public Sector Internal Auditor, How to review Financial Statements-For Internal Auditors, Human Resource, IDP training, IDP Leadership, Knowledge Management, Labour Relations, Leadership Skills for Internal Auditors, Leadership and Management, Management Services, Mentoring and Coaching, Monitoring and Evaluation, Municipal Financial Management, Negotiation Skills, Occupational Health and Safety, Performance Management, Persal System Control, Policy Development, PowerPoint, Project Management, Public Management, Public Participation, Report Writing, Research Methodology, Risk		

				Management, Tax, SCOA, Social Media Management, Stakeholder Management, Time Management in the Audit Management, Unpacking the COBIT 2019 Framework for IT Auditors, Using PowerPivot for Internal Audit analysis (DAPP), Various Governance Pillars,		
	Male	**81**				**81**
Professionals	Female	**77**		How to review Financial Statements- For Internal Auditors, Human Resource, ICT Internal Auditors, IT and Cyber Risk Assessment, IT Auditing Fundamentals, Knowledge Management, Leadership Skills for Internal Auditors, Leadership and Management, MMS/SMS: Package Persal, Occupational Certificate: Internal Auditors, Persal 111, Problem Solving and Negotiation Skills, Professional Internal Auditors, Project Management, Root cause Identification, Salary Admin 111, Tax, SCOA, Sundry Payments Journals, Supply Chain, Time Management in the Audit Environment, Using Power Pivot for Internal Audit Data Analysis (DAPP), Mail Server Administration,	17 Annual ACFE Africa Conference and Exhibition, IIA Conferences, seminars and regional summit, Logis Conference, Regional Summit healed by the Institution of Internal Audit South Africa. ACFE conference HRDC/NSA/PSTF Forum GovTech conference HIV/TB conference	**77**

				Windows Server Administration, Microsoft SharePoint Administration, Microsoft Teams Administration Training, Microsoft Windows Server 2022 Administration, Microsoft SQL Server 2022 Administration, MCSE: SharePoint 2019, MCSE: Microsoft Team Administrator, Microsoft Certified: Cybersecurity Architect Expect, IT Security, Cyber Security, The Operating System of Government, IT Data Centre Management, Cisco Networking, CCNA, IT Infrastructure, MCSA, A+ and N+ International Certificate, System Support, ICP Module 1-5, IT Governance(ITIL, COBIT), Business and System Analyst, PRINCE, Microsoft Exchange Server 2019, Advanced Windows PowerShell, Govtech, Advanced Computer Skills, Advanced Data Analytics and Optimization, Advanced Excel Training, Advanced Excel for Internal Auditors, Assessing your Protection of Personal Identifiable Information, BAS Disbursement, BAS Financial Report, BAS Introduction, BAS Sundry Payments, BAS General Journal, Building a sustainable QA Program and Performing an Effective QA, Certified		

				Risk Management Assurance (CRMA), Excel Training, Financial Auditing for Internal Auditors in the Public Sector, Financial Management, Fraud Risk Identification Assessment and Anti-Fraud Control-Approach and Techniques, Fundamentals of Auditing the Supply Chain Management, How to audit Performance Information for Public Sector Internal Auditors, How to deal with difficult Internal Auditor Client Conflict, Certified Information System Auditor, Certified Internal Auditors Part 1 & 2, CIA Part 1, CIA Part 1-3, Combine Assurance, Communication Skills, Control Adequacy Evaluation, Data Analytics for Internal Auditors, Effective Report Writing, Ethics for Internal Auditors, Evidence Based Policy making and Implementation		
	Male	**59**				**59**
Technicians and associate professionals	Female	**84**		Advanced Computer Skills, Advanced Excel Training, Conflict Management, Computer Skills, Ethics and code of Conduct, Excel Training, Fire Fighter, Induction, Knowledge Management, Labour Relations, Local Government and	Disaster Management and Fire Conferences and Seminars Logis 1 Logis Order SCM Workshops, Seminars and	**84**

				Development, Leadership and Management, Minutes taking, Monitoring and Evaluation, Occupational Health and Safety, Office Management, PFMA, Policy Development, Project Management, Public Management, Public Participation, Record Management, Report Writing, Risk Management, Security Management, Supervision Training, Supply Chain Management, Time Management, Work Study, Writing Skills, System Engineer, Graphic Design and Web Programming Skills, Information technology, Computer Skills, SCOA, Asset Management, Compliance Management, Facilitation Course, Advanced Excel Training, Fleet Management, Investigations on accidents and Incidents of State Vehicles, Demand Acquisition and Disposal, Bid Evaluation, Supervision Training, Advanced Acquisition Management, Detection and Combating of Bid rigging in the Public Sector, Advanced Pastel Training, Advanced Knowledge Management, Advanced Municipal Finance Management, Planning Management, ,market and Industrial analysis,	Conferences Logis 2	

				Certification programs on Forensic Investigation.		
	Male	**24**				**24**
Clerks	Female	**11**		Advanced Computer Skills, Advanced Excel for Internal Auditors, Conflict Management, Computer Skills, Excel Training, First Aid, Human Resource, Leadership and Management, Minutes taking, Office Management, Project Management, Public Management, Public Participation, record Management, Report Writing, Risk response and Reporting,	17 Annual ACFE Africa Conference and Exhibition	**11**
	Male	**10**				**10**
Service and sales workers	Female	**345**		Conflict Management, Customer Care, Fire Fighter, First Aid, Labour Relations, Minutes taking, Physical Training, Report Writing, Supervision training, Time Management, Security Equipment, Financial Management.		**345**
	Male	**209**				**209**
Skilled agriculture and fishery workers	Female	**0**	-	-	-	**0**
	Male	**0**	-	-	-	**0**
Craft and related trades workers	Female	**0**	-	-	-	**0**
	Male	**0**	-	-	-	**0**
Plant and machine operators and assemblers	Female	**0**	-	-	-	**0**
	Male	**0**	-	-	-	**0**
Elementary	Female	**69**		Batho Pele, Citizen-		**69**

occupations				Centred Service Delivery, Communication Skills, Computer Skills, Customer Care, First Aid, Human Resource, Occupational Hygiene, Report Writing, Secretariat Courses, Supply Chain Management, Occupational Health and Safety.		
	Male	13				13
Sub Total	Female	649				649
	Male	396				396
Total		**1045**				**1045**

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

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	12		Ethics, Auditing Projects, Project Management and Project Risk, Financial Management, Diversity Management, Governance and Risk Management, Certificate Internal Auditor.	Charted Institute of Government Finance, Audit and Risk Officer Conference, The Institute of Internal Auditors Central Region Summit, 5th Annual Organizational Design and Development and SOE Conference	12
	Male	11				11
Professionals	Female	12		Ethics,	The Institute	12

				Effective Report Writing, Understanding Information Technology Risk Training, Audit Projects, Project Management and Project Risk, Service Delivery.	of Internal Auditors Central Region Summit, The Institute of Internal Auditors Conference, Institute for Risk Management of South Africa Annual Conference.	
	Male	13				13
Technicians and associate professionals	Female	2		Ethics		2
	Male	2				2
Clerks	Female	0		TB Conference		
	Male	1				
Service and sales workers	Female	31		First Aid level 3, Ethics		
	Male	10				
Skilled agriculture and fishery workers	Female	0	-	-	-	0
	Male	0	-	-	-	0
Craft and related trades workers	Female	0	-	-	-	0
	Male	0	-	-	-	0
Plant and machine operators and assemblers	Female	0	-	-	-	0
	Male	0	-	-	-	0
Elementary occupations	Female	20		Ethics, Service Delivery.		20
	Male	4				4
Sub Total	Female	79				79
	Male	43				43

Total		122				122

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	3	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**3**	**100**

3.15 Utilisation of Consultants

The following tables relates 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:

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
Thandile Health Risk manager	1	365	Per rates negotiated in the Public Service
Gajima A Holdings	1	365	Per rates negotiated in the Public Service

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 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
0	0	0	0
0	0	0	0

Table 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
0	0	0	0

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

Table 3.15.4 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
0	0	0	0
0	0	0	0

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-	0	0	0	0

8)				
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

PART E: PFMA COMPLIANCE REPORT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	78 097	79 100
Adjustment to opening balance	2 554	-
Opening balance as restated	80 651	79 100
Add: Irregular expenditure confirmed	8 736	3 124
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(6 023)	(4 127)
Less: Irregular expenditure recoverable[1]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**83 364**	**78 097**

Included in the adjustment to opening balance are the following:

- *The Inter-departmental irregular expenditure from Office of the Premier reduced from R'953 to R'575 resulting in a -R'377*
- *Restatement of R'131 due to irregular expenditure identified by AGSA during the 2023/2024 audit; and*
- *Restatement of R'2 800 relating to additional and adjustments to contract appointments amount paid.*

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	2 931	-
Irregular expenditure for the current year	8 736	3 124
Total	**11 667**	**3 124**

[1] Transfer to receivables

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

Description[2]	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	-	2 623
Irregular expenditure under determination	13 765	3 432
Irregular expenditure under investigation	-	-
Total	**13 765**	**6 055**

Comparative figures for Irregular expenditure under determination were increased from R'501 to R'3 432 due to:

- *Irregular expenditure amounting to R'131 identified by AGSA during the 2023/2024 audit; and*
- *Additional and adjustments to contract appointments amounting R'2 800*

c) Details of irregular expenditure condoned

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

No comments

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	(6 023)	(4 127)
Total	**(6 023)**	**(4 127)**

No comments

[2] Group similar items

e) Details of irregular expenditure recoverable

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

No comments

f) Details of irregular expenditure written off (irrecoverable)

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

No comments

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	
Office of the Premier – Irregular expenditure emanating from media advertisements (Investigated by **APT FICRA Forensic Advisory Services**)	
Total	**R575 309.69**

No comments

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)[3]

Description	2024/2025[4]	2023/2024
	R'000	R'000
None	-	-

[3] Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

[4] Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

Total	-	-

No comments

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

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

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

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	22	5
Adjustment to opening balance	8	-
Opening balance as restated	30	5
Add: Fruitless and wasteful expenditure confirmed	57	94
Less: Fruitless and wasteful expenditure recoverable[5]	(24)	(63)
Less: Fruitless and wasteful expenditure not recoverable and written off	(1)	(14)
Closing balance	**62**	**22**

Included in the adjustment to opening balance is amount of R'8 identified during the 2024/2025 financial year but was incurred in the 2023/20204 financial year

[5] Transfer to receivables

Reconciling notes

Description	2024/2025	2023/2024[6]
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	8	-
Fruitless and wasteful expenditure for the current year	57	94
Total	**65**	**94**

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

Description[7]	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	1
Fruitless and wasteful expenditure under determination	53	101
Fruitless and wasteful expenditure under investigation	-	-
Total	**53**	**102**

Comparative figures for Fruitless and Wasteful expenditure under determination were increased from R'93 to R'101 due to amount of R'8 identified during the 2024/2025 financial year but was incurred in the 2023/20204 financial year

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	(24)	(63)
Total	**(24)**	**(63)**

No comments

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	(1)	(14)
Total	**(1)**	**(14)**

No comments

[6] Record amounts in the year in which it was incurred
[7] Group similar items

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

Disciplinary steps taken
None
Total

No comments

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable[8]	-	-
Less: unauthorised not recoverable and written off[9]	-	-
Closing balance	**-**	

No cases of unauthorised expenditure were identified

Reconciling notes

Description	2024/2025	2023/2024[10]
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	**-**	**-**

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

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

Description[11]	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	**-**	**-**

No comments

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))[12]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	241	16
Other material losses	-	55
Less: Recoverable	-	-
Less: Not recoverable and written off	86	-
Total	**155**	**71**

Include discussion here where deemed relevant.

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	
Loss of Laptop	-	55
Total	**-**	**55**

[11] Group similar items
[12] Information related to material losses must be disclosed in the annual financial statements.

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-
Total		

Include discussion here where deemed relevant.

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)		
Loss of Laptop	-	374
Total		**374**

Include discussion here where deemed relevant.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1311	57440
Invoices paid **within** 30 days or agreed period	1302	56942
Invoices paid **after** 30 days or agreed period	9	498
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	-	-

Invoices older than 30 days or agreed period (***unpaid and in dispute***)	42	223

A total of 42 invoices for Nexus Travel are currently in dispute. The Department requested intervention of the Provincial Treasury in resolving the dispute. At the period of reporting, the matter had not been resolved.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Attendance of a conference event	The institute of Internal Audit	Procurement by other means of soul supplier	CG-240323	19
Attendance of a conference event	South African Planning Institute	Procurement by other means of soul supplier	CG-240414	41
Attendance of a conference event	Robert Edwin Conferences	Procurement by other means of soul supplier	CG-240610	13
Attendance of a conference event	The institute of Internal Audit	Procurement by other means of soul supplier	CG-240636	27
Psychologist Consultations	Sipho Douglas Mvundle	Procurement by other means of emergency	CG-240416	117
Attendance of a conference event	The institute of Internal Audit	Procurement by other means of soul supplier	CG-240529	5
Attendance of a conference event	Charted Institute of Government Finance, Audit & Risk Officers	Procurement by other means of soul supplier	CG-230816	9
Attendance of a conference event	Robert Edwin Conferences	Procurement by other means of soul supplier	CG-240714	45
Total				**276**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Labour Saving Devices	Gerox Trading	Expansion	RFA1818-2018	5 764	866	765
Total				**5 764**	**866**	**765**

PART F: FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs set out on pages 152 to 210, 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 Department of Cooperative Governance and Traditional Affairs as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

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

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

Emphasis of matters

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

Underspending of the budget

7. As disclosed in the appropriation statement, the department materially underspent the budget by R41 632 000 mainly on programme 1 - Administration, programme 2 – Local governance and programme 3 – Development and planning.

Material uncertainty relating to claims against the department

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

Restatement of corresponding figures

9. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of errors in the financial statements of the department at, and for the year ended 31 March 2025.

Irregular expenditure

10. As disclosed in note 22 to the financial statements, irregular expenditure of R8 736 000 (2024: R5 678 000) was incurred due to non-compliance with public service regulations (PSR) requirements.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 198 to 210 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

14. In preparing the financial statements, the department 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

15. 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.

16. 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 148, forms part of my auditor's report.

Report on the audit of the annual performance report

17. 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.

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

Programme	Page numbers	Purpose
Local governance	39	This programme provides for the implementation of an institutional administrative, financial and public participation framework in terms of the Constitution of the RSA, 1996.
Development and planning	39-40	This programme aims to support the municipalities with simplifies Integrated Development Plan.

Programme	Page numbers	Purpose
Traditional institutional management	50	This programme aims to support and enhance the capacity of Traditional Authorities.

19. I evaluated the reported performance information for the selected programmes development 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.

20. 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.

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

22. I did not identify any material findings on the reported performance information for the selected programmes local governance, development and planning and traditional institutional management

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

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

25. The tables that follows provides information on the achievement of planned targets and list 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 26 to 58.

Local governance

Targets achieved: 86%

Budget spent: 81,7%

Key indicator not achieved	Planned target	Reported achievement
Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers	23	15
Number of municipalities supported on the development and review of HR policies	5	4
No. of section 47 reports compiled as prescribed by the MSA	1	0
Number of provinces implementing the GovChat programme for community engagement and service delivery improvement	1	0

Development and planning

Targets achieved: 97%

Budget spent: 83.3%

Key indicator not achieved	Planned target	Reported achievement
Number of work opportunities reported through Community Work Programme	24 170	22 608

Material misstatements

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

development and planning. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Expenditure management

31. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with public service regulations (PSR) requirements.

Consequence management

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

Strategic planning and performance management

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

Other information in the annual report

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

35. 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.

36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

37. The other information I obtained prior to the date of this auditor's report is the disclosures in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and other information outstanding in the annual report is expected to be made available to us after 31 July 2025.

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

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

Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation, however, my objective was not to express any form of assurance on it.

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

42. Management did not in all instance exercise effective oversight responsibility regarding financial and performance reporting, compliance and related internal controls, to prevent internal control deficiencies.

43. There were misstatements identified in relation to the annual performance report, due to management not preparing regular, accurate and complete performance reports that were supported and evidenced by reliable information.

44. Management did not review and monitor daily and monthly processing and reconciling of transactions, as material misstatements were identified on the annual performance report.

Auditor - General

Bloemfontein

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

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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	Section, regulation or paragraph
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
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 Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	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 year ended 31 March 2025

Table of Contents

APPROPRIATION STATEMENT
for the year ended 31 March 2025

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1.Administration	168 509	-	3 780	172 289	164 775	7 514	95.6%	156 237	151 542
2.Local Governance	97 880	-	(1 400)	96 480	78 794	17 686	81.7%	80 887	78 512
3.Development and Planning	66 189	-	(2 380)	63 809	53 141	10 668	83.3%	74 347	66 026
4.Traditional Institutional Management	69 316	-	-	69 316	65 268	4 048	94.2%	58 914	53 713
5.House of Traditional Leaders	18 128	-	-	18 128	16 412	1 716	90.5%	17 277	16 785
TOTAL	**420 022**	**-**	**-**	**420 022**	**378 390**	**41 632**	**90.1%**	**387 662**	**366 578**
Reconciliation with statement of financial performance									
Actual amounts per statement of financial performance (total revenue)				**420 022**				**387 662**	
Actual amounts per statement of financial performance (total expenditure)					**378 390**				**366 578**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**376 867**	**(508)**	**(171)**	**376 188**	**352 324**	**23 864**	**93.7%**	**337 831**	**327 699**
Compensation of employees	283 139	(19)	(171)	282 949	275 033	7 916	97.2%	266 498	265 943
Goods and services	93 727	(490)	-	93 237	77 290	15 947	82.9%	71 322	61 746
Interest and rent on land	1	1	-	2	1	1	50.0%	11	10
Transfers and subsidies	**36 985**	**119**	**171**	**37 275**	**21 749**	**15 526**	**58.3%**	**40 151**	**34 228**
Provinces and municipalities	27 541	-	-	27 541	17 033	10 508	61.8%	34 180	29 163
Departmental agencies and accounts	10	-	-	10	7	3	70.0%	8	7
Non-profit institutions	7 320	-	-	7 320	2 320	5 000	31.7%	1 615	1 495
Households	2 114	119	171	2 404	2 389	15	99.4%	4 348	3 563
Payments for capital assets	**6 170**	**389**	**-**	**6 559**	**4 178**	**2 381**	**63.7%**	**9 680**	**4 503**
Machinery and equipment	6 170	389	-	6 559	4 178	2 381	63.7%	9 680	4 503
Payments for financial assets	-	-	-	-	139	(139)	-	-	148
TOTAL	**420 022**	**-**	**-**	**420 022**	**378 390**	**41 632**	**90.1%**	**387 662**	**366 578**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 1: ADMINISTRATION

	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	11 208	862	1 400	13 470	12 041	1 429	89.4%	11 686	11 010
2. CORPORATE SERVICES	157 301	(862)	2 380	158 819	152 734	6 085	96.2%	144 551	140 532
Total for sub programmes	**168 509**	**-**	**3 780**	**172 289**	**164 775**	**7 514**	**95.6%**	**156 237**	**151 542**
Economic classification									
Current payments	**162 431**	**(364)**	**3 780**	**165 847**	**159 221**	**6 626**	**96%**	**147 510**	**146 539**
Compensation of employees	113 168	(19)	2 200	115 349	114 687	662	99.4%	108 656	108 546
Goods and services	49 262	(346)	1 580	50 496	44 533	5 963	88.2%	38 843	37 983
Interest and rent on land	1	1	-	2	1	1	50.0%	11	10
Transfers and subsidies	**1 613**	**19**	**-**	**1 632**	**1 626**	**6**	**99.6%**	**2 586**	**2 275**
Departmental agencies and accounts	10	-	-	10	7	3	70.0%	8	7
Households	1 603	19	-	1 622	1 619	3	99.8%	2 578	2 268
Payments for capital assets	**4 465**	**345**	**-**	**4 810**	**3 804**	**1 006**	**79.1%**	**6 141**	**2 692**
Machinery and equipment	4 465	345	-	4 810	3 804	1 006	79.1%	6 141	2 692
Payments for financial assets	**-**	**-**	**-**		**124**	**(124)**	**-**	**-**	**36**
Total	**168 509**	**-**	**3 708**	**172 289**	**164 775**	**7 514**	**95.6%**	**156 237**	**151 542**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 2: LOCAL GOVERNANCE

	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MUNICIPAL ADMINISTRATION	17 021	(658)	-	16 363	15 094	1 269	92.2%	19 135	18 997
2. MUNICIPAL FINANCE	25 637	394	-	26 031	15 412	10 619	59.2%	13 505	11 891
3. PUBLIC PARTICIPATION	12 161	(164)	-	11 997	11 629	368	96.9%	10 920	10 883
4. CAPACITY DEVELOPMENT	36 240	428	(1 400)	35 268	30 421	4 847	86.3%	30 849	30 327
5. MUNICIPAL PERFORM, MON, REP, EVALUATION	6 821	-	-	6 821	6 238	583	91.5%	6 478	6 414
Total for sub programmes	**97 880**	**-**	**(1 400)**	**96 480**	**78 794**	**17 686**	**81.7%**	**80 887**	**78 512**
Economic classification									
Current payments	**75 000**	**-**	**(1 570)**	**73 430**	**66 439**	**6 991**	**90.5%**	**69 842**	**69 102**
Compensation of employees	61 829	-	(1 570)	60 259	55 985	4 274	92.9%	60 485	60 378
Goods and services	13 171	-	-	13 171	10 454	2 717	79.4%	9 357	8 724
Transfers and subsidies	**22 501**	**-**	**170**	**22 671**	**12 154**	**10 517**	**53.6%**	**9 925**	**8 247**
Provinces and municipalities	22 300	-	-	22 300	11 792	10 508	52.9%	9 399	7 748
Households	201	-	170	371	362	9	97.6%	526	499
Payments for capital assets	**379**	**-**	**-**	**379**	**201**	**178**	**53.0%**	**1 120**	**1 092**
Machinery and equipment	379	-	-	379	201	178	53.0%	1 120	1 092
Payments for financial assets								**-**	**71**
Total	**97 880**	**-**	**(1 400)**	**96 480**	**78 794**	**17 686**	**81.7%**	**80 887**	**78 512**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 3: DEVELOPMENT AND PLANNING

	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. SPATIAL PLANNING	15 692	-	(800)	14 892	14 238	654	95.6%	14 588	14 520
2. LOCAL ECONOMIC DEVELOPMENT	5 213	27 -	-	5 240	5 020	220	95.8%	4 902	4 749
3. MUNICIPAL INFRASTRUCTURE	22 855	5 353	(1 580)	26 628	23 970	2 658	90.0%	44 596	36 676
4. DISASTER MANAGEMENT	22 429	(5 380)	-	17 049	9 913	7 136	58.1%	10 261	10 081
Total for sub programmes	**66 189**	**-**	**(2 380)**	**63 809**	**53 141**	**10 668**	**83.3%**	**74 347**	**66 026**
Economic classification									
Current payments	**55 473**	**(44)**	**(2 380)**	**53 049**	**47 525**	**5 524**	**89.6%**	**48 758**	**44 005**
Compensation of employees	40 768	-	(800)	39 968	39 235	733	98.2%	39 068	39 046
Goods and services	14 705	(44)	(1 580)	13 081	8 290	4 791	63.4%	9 690	4 959
Transfers and subsidies	**10 510**	**-**	**-**	**10 510**	**5 509**	**5 001**	**52.4%**	**25 080**	**21 501**
Provinces and municipalities	5 241	-	-	5 241	5 241	-	100%	24 781	21 415
Non- profit Institutions	5 000	-	-	5 000	-	5 000	-%	-	-
Households	269	-	-	269	268	1	99.6%	299	86
Payments for capital assets	**206**	**44**	**-**	**250**	**107**	**143**	**42.8%**	**509**	**505**
Machinery and equipment	206	44	-	250	107	143	42.8%	509	505
Payments for financial assets	-	-	-	-	-	-	-	-	15
Total	**66 189**	**-**	**(2 380)**	**63 809**	**53 141**	**10 668**	**83.3%**	**74 347**	**66 026**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 4: TRADITIONAL INSTITUTIONAL MANAGEMENT									
	2024/25							2023/24	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. TRADITIONAL INSTITUT.ADMIN.	63 316	-	-	69 316	65 268	4 048	94.2%	58 914	53 713
Total for sub programmes	**63 316**	**-**	**-**	**69 316**	**65 268**	**4 048**	**94.2%**	**58 914**	**53 713**
Economic classification									
Current payments	**66 189**	**-**	**(1)**	**66 188**	**62 893**	**3 295**	**95.0%**	**54 609**	**51 379**
Compensation of employees	57 198	-	(1)	57 197	55 533	1 664	97.1%	48 225	48 167
Goods and services	8 991	-	-	8 991	7 360	1 631	81.9%	6 384	3 212
Transfers and subsidies	**2 361**	**-**	**1**	**2 362**	**2 360**	**2**	**99.9%**	**2 495**	**2 141**
Non-profit institutions	2 230	-	-	2 320	2 320	-	100%	1 615	1 495
Households	41	-	1	42	40	2	95.2%	880	646
Payments for capital assets	**766**	**-**	**-**	**766**	**-**	**766**	**-**	**1 810**	**167**
Machinery and equipment	766	-	-	766	-	766	-	1 810	167
Payments for financial assets	**-**	**-**	**-**	**-**	**15**	**(15)**	**-**	**-**	**26**
Total	**69 316**	**-**	**-**	**69 316**	**65 268**	**4 048**	**94.2%**	**58 914**	**53 713**

APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 5: HOUSE OF TRADITIONAL LEADERS

	2024/25							2023/24	
	Adjusted Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final Budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. ADMIN OF HOUSE OF TRAD LEAD.	18 128	-	-	18 128	16 412	1 716	90.5%	17 277	16 785
Total for sub programmes	**18 128**	**-**	**-**	**18 128**	**16 412**	**1 716**	**90.5%**	**17 277**	**16 785**
Economic classification									
Current payments	**17 774**	**(100)**	**-**	**17 674**	**16 246**	**1 428**	**91.9%**	**17 112**	**16 674**
Compensation of employees	10 176	-	-	10 176	9 593	583	94.3%	10 064	9 806
Goods and services	7 598	(100)	-	7 498	6 653	845	88.7%	7 048	6 868
Transfers and subsidies	**-**	**100**	**-**	**100**	**100**	**-**	**100%**	**65**	**64**
Households	-	100	-	100	100	-	100%	65	64
Payments for capital assets	**354**	**-**	**-**	**354**	**66**	**288**	**18.6%**	**100**	**47**
Machinery and equipment	354	-	-	354	66	288	18.6%	100	47
Total	**18 128**	**-**	**-**	**18 128**	**16 412**	**1 716**	**90.5%**	**17 277**	**16 785**

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Administration	172 289	164 775	7 514	4%

The underspending was mainly due to procurement processes that were not finalised before the end of the financial year which mainly included procurement of uniform and protective clothing for security officials, IT audit verification as well as procurement processes not finalised to purchase machinery and equipment.

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Local Governance	96 480	78 794	17 686	18%

Underspending was mainly due to transfer payments not realising. (Included in the appropriation for transfers were an amount of R8 million which could not realise due to timing of approved second adjustment budget versus the closing date for publishing in terms of the Division of Revenue Act.)

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Development and planning	63 809	53 141	10 668	17%

Underspending is mainly due to the tender process for tools of trade for the cleanest and greenest city competition that was at the Bid Adjudication Committee (BAC) stage at the end of the financial year. Furthermore, the underspending relates to a payment made close to year-end depending on a future service and 3-year contract with a nonprofit institution which is regarded as a prepayment.

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Traditional Institutional Management	69 316	65 268	4 048	6%

The underspending is mainly due to procurement processed to purchase office furniture for Traditional Affairs which was at the final stages of evaluation at the end of the reporting period

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
House of Traditional Leaders	18 128	16 412	1 716	9%

The underspending was mainly on goods and services as well as machinery and equipment in terms of procurement which did not realise.

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	282 949	275 033	7 916	3%
Goods and services	93 237	77 290	15 947	17%
Interest and rent on land	2	1	1	50%
Transfers and subsidies				
Provinces and municipalities	27 541	17 033	10 508	38%
Departmental agencies and accounts	10	7	3	30%
Non-profit institutions	7 320	2 320	5 000	68%
Households	2 404	2 389	15	1%
Payments for capital assets				
Machinery and equipment	6 559	4 178	2 381	36%
Payments for financial assets	-	139	(139)	-

Compensation of employees	The Department did not fill critical vacancies during the 2024/2025 financial year.
Goods and services	The necessary procurement processes could not be finalized to procure all goods and services before the end of the financial year, example: - Tools of trade for the cleanest and greenest city competition which was still at evaluation stage. - The appointment of a service provider for IT audits was at price negotiation stage. - Uniform for security management was at order creation stage.
Transfer payments	During the second adjustment budget, the Department obtained approval to make transfer payments towards two Municipalities to the total value of R8 million. However, the second adjustment budget was approved on 12 March 2025 and after tabling, the Department realized that irregular expenditure will be incurred if the Department continued as the Division of Revenue Act had a closed date for gazetting by 3 February 2025. The transfer was not done. The Department will request roll over of funds towards the 2025/2026 financial year. Furthermore, the underspending relates to a payment made close to year-end depending on a future service and 3-year contract with a nonprofit institution which is regarded as a prepayment.
Payments for Capital assets	The necessary procurement processes could not be finalized to procure all IT equipment as well as office furniture before the end of the financial year.
Payments for Financial assets	The expenditure of R139 thousand relates to debt written off.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	420 022	387 662
TOTAL REVENUE		**420 022**	**387 662**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	275 033	265 943
Goods and services	4	77 290	61 746
Interest and rent on land	5	1	10
Total current expenditure		**352 324**	**327 699**
Transfers and subsidies			
Transfers and subsidies	7	21 749	34 228
Total transfers and subsidies		**21 749**	**34 228**
Expenditure for capital assets			
Tangible assets	8	4 178	4 503
Total expenditure for capital assets		**4 178**	**4 503**
Payments for financial assets	6	**139**	**148**
TOTAL EXPENDITURE		**378 390**	**366 578**
SURPLUS FOR THE YEAR		**41 632**	**21 084**
Reconciliation of Net Surplus for the year			
Voted funds		**41 632**	**21 084**
Annual appropriation		41 632	21 084
SURPLUS FOR THE YEAR		**41 632**	**21 084**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets		**41 694**	**21 123**
Cash and cash equivalents	9	36 033	20 567
Prepayments and advances	10	5 000	-
Receivables	11	661	556
Non-current assets		**496**	**560**
Receivables	11	496	560
TOTAL ASSETS		**42 190**	**21 683**
LIABILITIES			
Current liabilities		**41 733**	**21 235**
Voted funds to be surrendered to the Revenue Fund	12	41 632	21 084
Departmental revenue to be surrendered to the Revenue Fund	13	101	28
Payables	14	-	123
TOTAL LIABILITIES		**41 733**	**21 235**
NET ASSETS		**457**	**448**
Represented by:			
Recoverable revenue		457	448
TOTAL		**457**	**448**

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Recoverable revenue			
Opening balance		448	416
Transfers:		**9**	**32**
Recoverable revenue written off	*6.1*	(85)	(89)
Debts revised		-	13
Debts recovered (included in departmental revenue)		(172)	(186)
Debts raised		266	294
Closing balance		**457**	**448**
TOTAL		**457**	**448**

CASH FLOW STATEMENT
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**420 489**	**388 847**
Annual appropriation funds received	*1.1*	420 022	387 662
Departmental revenue received	*2*	436	1 163
Interest received	*2.2*	31	22
Net (increase)/decrease in net working capital		(5 164)	(244)
Surrendered to Revenue Fund		(21 478)	(59 467)
Current payments		(352 323)	(327 689)
Interest paid	*5*	(1)	(10)
Payments for financial assets	*6*	(139)	(148)
Transfers and subsidies paid	*7*	(21 749)	(34 228)
Net cash flow available from operating activities	*15*	**19 635**	**(32 939)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*8*	(4 178)	(4 503)
Proceeds from sale of capital assets	*2.3*	-	8
Net cash flow available from investing activities		**(4 178)**	**(4 495)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		9	32
Net cash flows from financing activities		**9**	**32**
Net increase/(decrease) in cash and cash equivalents		15 466	(37 402)
Cash and cash equivalents at beginning of period		20 567	57 969
Cash and cash equivalents at end of period	*9*	**36 033**	**20 567**

Net (increase)/decrease in net working capital was increased from (R211') to (R244') with (R33') to correct recognition in terms of Chapter 6, paragraph 15 of the Modified Cash Standard.

(Increase)/decrease in non-current receivables was accordingly decreased from (R33') with R33' to R0.

Summary of significant accounting policies

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

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

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

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

7.	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund. Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
8.	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. At the commencement of the finance lease term, finance lease assets acquired are recorded and measured at 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.	**Receivables** Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
12.	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements
13.	**Payables** Payables recognised in the statement of financial position are recognised at cost.
14.	**Capital assets**

14.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2005 may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
14.3	**Intangible capital assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2005 may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
15.	**Contingents**
15.1	**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.

15.2	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
17.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
18.	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
19.	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

20.	**Departures from the MCS requirements** The Department did not depart from the MCS requirements.
21.	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.
22.	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
23.	**Inventories** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
24.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

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:

	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	R'000
Administration	172 289	172 289	-	156 237	156 237	-
Local Governance	96 480	96 480	-	80 887	80 887	-
Development and planning	63 809	63 809	-	74 347	74 347	-
Traditional Institutional Management	69 316	69 316	-	58 914	58 914	-
House of Traditional Leaders	18 128	18 128	-	17 277	17 277	-
Total	**420 022**	**420 022**	-	**387 662**	**387 662**	-

2. Departmental revenue

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services other than capital assets	2.1	197	205
Interest, dividends and rent on land	2.2	31	22
Sales of capital assets	2.3	-	8
Transactions in financial assets and liabilities	2.4	239	958
Total revenue collected		**467**	**1 193**
Less: Own revenue included in appropriation	15	(467)	(1 193)
Total		-	-

2.1. Sales of goods and services other than capital assets

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services produced by the department			
Other sales		197	205
Sales of scrap, waste and other used current goods			
Total	2	**197**	**205**

The R197' relates to commission on insurance and garnishee orders deducted from the salaries of employees

2.2. Interest, dividends and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest		31	22
Total	2	**31**	**22**

2.3. Sales of capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		-	8
Total	2	**-**	**8**

2.4. Transactions in financial assets and liabilities

	Note	2024/25 R'000	2023/24 R'000
Receivables		184	222
Other receipts including Recoverable Revenue		55	736
Total	2	**239**	**958**

3. Compensation of employees

3.1. Analysis of balance

	Note	2024/25 R'000	2023/24 R'000
Basic salary		190 332	186 378
Performance award		-	14
Service based		248	572
Compensative/circumstantial		8 663	5 990
Periodic payments		574	711
Other non-pensionable allowances		40 059	39 524
Total		**239 876**	**233 189**

3.2. Social contributions

Employer contributions	Note	**2024/25 R'000**	**2023/24 R'000**
Pension		18 743	18 138
Medical		16 357	14 527
Bargaining council		57	55
Insurance		-	34
Total		**35 157**	**32 754**
Total compensation of employees		**275 033**	**265 943**
Average number of employees		563	584

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

4. Goods and services

	Note	**2024/25 R'000**	**2023/24 R'000**
Administrative fees		736	1 004
Advertising		1 747	555
Minor assets	4.1	310	418
Bursaries (employees)		1 455	1 658
Catering		5 261	2 698
Communication		1 671	1 791
Computer services	4.2	9 373	8 216
Consultants: Business and advisory services		3 461	882
Legal services		3 560	2 122
Contractors		4 186	5 701
Entertainment			-
Audit cost - external	4.3	4 465	3 133
Fleet services		5 720	4 937
Inventories	4.4	4 926	100
Consumables	4.5	2 728	3 491
Operating leases		11 039	5 584
Property payments	4.6	50	49
Transport provided as part of the departmental activities		956	519
Travel and subsistence	4.7	13 897	16 416
Venues and facilities		623	527
Training and development		424	1 020
Other operating expenditure	4.8	702	925
Total		**77 290**	**61 746**

A restatement was done within goods and services from consumables to minor assets with a value of R2' after it was established that a minor asset item was purchased from consumables instead of minor assets. Therefore consumables (subnote 4.5) decreased from R3 493' towards R3 491' and minor assets (sub note 4.1) increased from R416' towards R418'.

4.1. Minor assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		310	418
Total	*4*	**310**	**418**

Please refer to discussion under note 4 regarding the restatement of Minor Assets.

4.2. Computer services

	Note	2024/25 R'000	2023/24 R'000
SITA computer services		2 963	2 954
External computer service providers		6 410	5 262
Total	*4*	**9 373**	**8 216**

4.3. Audit cost - external

	Note	2024/25 R'000	2023/24 R'000
Regularity audits		4 465	3 133
Total	*4*	**4 465**	**3 133**

4.4. Inventories

	Note	2024/25 R'000	2023/24 R'000
Other supplies	*4.4.1*	4 926	100
Total	*4*	**4 926**	**100**

4.4.1. Other supplies

	Note	2024/25 R'000	2023/24 R'000
Assets for distribution			
Other assets for distribution		4 926	100
Total	*4.4*	**4 926**	**100**

4.5. Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies		689	927
Uniform and clothing		41	17
Household supplies		534	596
Building material and supplies		31	57
Communication accessories		1	-
IT consumables		26	48
Other consumables		56	209
Stationery, printing and office supplies		2 039	2 564
Total	*4*	**2 728**	**3 491**

Please refer to discussion under note 4 regarding the restatement of Consumables.

4.6. Property payments

	Note	2024/25 R'000	2023/24 R'000
Municipal services		50	49
Total	*4*	**50**	**49**

4.7. Travel and subsistence

	Note	2024/25 R'000	2023/24 R'000
Local		13 619	15 024
Foreign		278	1 392
Total	*4*	**13 897**	**16 416**

4.8. Other operating expenditure

	Note	2024/25 R'000	2023/24 R'000
Professional bodies, membership and subscription fees		84	193
Resettlement costs		-	187
Other		618	545
Total	*4*	**702**	**925**

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

Name of Commission / Committee of Inquiry	Note	2024/25 R'000	2023/24 R'000
	4		
Audit Committee		409	212
Risk Committee		22	14
Commission of Inquiry		40	76
Valuation Appeal Board		209	58
Total		**680**	**360**

5. Interest and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest paid		1	10
Total		**1**	**10**

6. Payments for financial assets

	Note	2024/25 R'000	2023/24 R'000
Debts written off	6.1	139	148
Total		**139**	**148**

6.1. Debts written off

Nature of debts written off	Note	2024/25 R'000	2023/24 R'000
Recoverable revenue written off			
Loss Control cases			89
Ex employee (bursary)		85	
Total		**85**	**89**
Other debt written off			
Ex-Employees debt (Salaries, Tax, Telephone)		54	58
Loss Control (Excess fees)		-	1
Total		54	59
Total debt written off	6	**139**	**148**

7. Transfers and subsidies

	Note	2024/25 R'000	2023/24 R'000
Provinces and municipalities	29 and Annex 1A	17 033	29 163
Departmental agencies and accounts	Annex 1B	7	7
Non-profit institutions	Annex 1C	2 320	1 495
Households	Annex 1D	2 389	3 563
Total		**21 749**	**34 228**

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

	Note	2024/25 R'000	2023/24 R'000
	Annex 1E		
Gifts			121
Donations		5 873	100
Total		**5 873**	**221**

Included in the donations made in kind are:

- *Value of prizes in terms of the Cleanest and Greenest City Competition to a total value of R4 801' which were donated to Tswelopele, Mantsopa and Dihlabeng Municipalities*
- *50 Fire beaters donated to Mangaung Municipality to mitigate veld fires to the value of R12'.*
- *IT equipment to the value of R1 060' donated to 8 schools*

8. Expenditure for capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		4 178	4 503
Total		**4 178**	**4 503**

8.1. Analysis of funds utilised to acquire capital assets – 2024/2025

	2024/25	
	Voted funds R'000	Total R'000
Tangible capital assets		
Machinery and equipment	4 178	4 178
Total	**4 178**	**4 178**

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

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

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2024/25	2023/24
		R'000	R'000
Tangible capital assets			
Machinery and equipment		818	596
Total		**818**	**596**

9. Cash and cash equivalents

	Note	2024/25	2023/24
		R'000	R'000
Consolidated Paymaster General Account		36 003	20 417
Disbursements		-	120
Cash on hand		30	30
Total		**36 033**	**20 567**

10. Prepayments and advances

	Note	2024/25	2023/24
		R'000	R'000
Prepayments (Not expensed)	10.1	5 000	-
Total		**5 000**	**-**
Analysis of Total Prepayments and advances			
Current Prepayments and advances		5 000	-
Total		**5 000**	**-**

A payment of R5 million was made close to year-end depending on a future service and 3-year contract with a nonprofit institution.

10.1. Prepayments (Not expensed)

		2024/25				
		Amount as at 1 April 2024	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2025
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	5 000	5 000
Total	*10*	**-**	**-**	**-**	**5 000**	**5 000**

11. 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	*11.1*	267	-	**267**	133	-	**133**
Recoverable expenditure	*11.2*	3	-	**3**	13	-	**13**
Staff debt	*11.3*	357	448	**805**	349	548	**897**
Other receivables	*11.4*	34	48	**82**	61	12	**73**
Total		**661**	**496**	**1 157**	**556**	**560**	**1 116**

11.1. Claims recoverable

	Note	2024/25 R'000	2023/24 R'000
Provincial departments		267	133
Total	*11*	**267**	**133**

11.2. Recoverable expenditure

	Note	2024/25 R'000	2023/24 R'000
Disallowance accounts:			
Sal Medical Aid account		-	9
Sal Pension Fund account		-	3
Sal Tax Debt account		3	1
Total	*11*	**3**	**13**

11.3. Staff debt

	Note	2024/25 R'000	2023/24 R'000
Breach of contract (study)		251	196
Losses and damages		18	17
Ex-employees		415	515
Salary overpayments		121	169
Total	*11*	**805**	**897**

11.4. Other receivables

	Note	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure		82	73
Total	*11*	82	73

11.5. Impairment of receivables

	Note	2024/25 R'000	2023/24 R'000
Estimate of impairment of receivables		263	488
Total		**263**	**488**

Majority of cases relates to ex-employee debt referred to the State Attorney for recovery in terms of departmental debt policy. However, due to backlog experience at the State Attorney, all cases are currently identified as doubtful.

12. Voted funds to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		21 084	58 281
Transferred from statement of financial performance (as restated)		41 632	21 084
Paid during the year		(21 084)	(58 281)
Closing balance		41 632	21 084

13. Departmental revenue to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		28	21
Own revenue included in appropriation		467	1 193
Paid during the year		(394)	(1 186)
Closing balance		**101**	**28**

14. Payables - current

	Note	2024/25 R'000	2023/24 R'000
Clearing accounts	14.1	-	123
Total		**-**	**123**

14.1. Clearing accounts

Description	Note	2024/25 R'000	2023/24 R'000
Sal GEHS refund control account		-	123
Total	14	**-**	**123**

15. Net cash flow available from operating activities

	Note	2024/25 R'000	2023/24 R'000
Net surplus as per Statement of Financial Performance		41 632	21 084
Add back non-cash/cash movements not deemed operating activities		(21 997)	(54 023)
Decrease in receivables		(41)	(231)
(Increase)/Decrease in prepayments and advances		(5 000)	6
Increase in payables - current		(123)	(19)
Proceeds from sale of capital assets		-	(8)
Expenditure on capital assets		4 178	4 503
Surrenders to Revenue Fund		(21 478)	(59 467)
Own revenue included in appropriation		467	1 193
Net cash flow generating		**19 635**	**(32 939)**

(Increase)/decrease in receivables were restated from (R198') to (R231') with (R33') to ensure correct recognition in terms of Chapter 6 Par 15 of the Modified Cash Standard

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

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account		36 003	20 417
Disbursements		-	120
Cash on hand		30	30
Total		**36 033**	**20 567**

17. Contingent liabilities and contingent assets

17.1. Contingent liabilities

Liable to	Nature	Note	2024/25 R'000	2023/24 R'000
Claims against the department		Annex 2A	3 710	3 510
Total			**3 710**	**3 510**

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

18. Capital commitments

	Note	2024/25 R'000	2023/24 R'000
Machinery and equipment		114	106
Total		**114**	**106**

19. Accruals and payables not recognised

19.1. Accruals

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		4 253	825	**5 078**	**3 226**
Transfers and subsidies		1	-	**1**	**-**
Capital assets		22	-	**22**	**56**
Total		**4 276**	**825**	**5 101**	**3 282**

Listed by programme level	Note	2024/25 R'000	2023/24 R'000
Administration		3 747	2 178
Local Governance		818	307
Development and Planning		156	101
Traditional Institutional Management		218	570
House of Traditional Leaders		182	126
Total		**5 101**	**3 282**

19.2. Payables not recognised

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		51	16	**67**	**76**
Transfers and subsidies		-	-	**-**	**120**
Capital assets		-	26	**26**	**19**
Total		**51**	**42**	**93**	**215**

Listed by programme level	*Note*	**2024/25 R'000**	**2023/24 R'000**
Administration		87	95
Traditional Institutional Management		-	120
House of Traditional Leaders		6	-
Total		**93**	**215**

Included in the above totals are the following:	*Note*	**2024/25 R'000**	**2023/24 R'000**
Confirmed balances with departments	*Annex 4*	484	-
Confirmed balances with other government entities	*Annex 4*	2 080	1 293
Total		**2 564**	**1 293**

20. Employee benefits

	Note	**2024/25 R'000**	**2023/24 R'000**
Leave entitlement		14 033	12 098
Service bonus		5 640	5 558
Capped leave		2 182	2 101
Other		1 949	1 527
Total		**23 804**	**21 284**

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

Included in the above totals are the following:	*Note*	**2024/25 R'000**	**2023/24 R'000**
Confirmed balances with departments	*Annex 4*	734	75
Total		**734**	**75**

21. Lease commitments

21.1. Operating leases

	2024/25	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	12 509	**12 509**
Later than 1 year and not later than 5 years	21 673	**21 673**
Total lease commitments	**34 182**	**34 182**

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

The Department has entered into a service level agreement with fleet management (FS Government Transport) for the provision of vehicles to the Department. A total number of 60 vehicles were leased by the Department as at 31 March 2025.

No assets are sub-leased by the Department.

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

21.2. Finance leases **

	2024/25	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	187	**187**
Later than 1 year and not later than 5 years	29	**29**
Total lease commitments	**216**	**216**

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

The Transversal contract for office outcome solutions expired on 31 May 2022 of which the Department is still leasing 28 devices (copiers) in terms of the transversal contract. The Department also has 16 cellphones leased contracts in terms of the leased contracts

No assets are sub-leased by the Department.

No escalation is applicable on the agreements.

No restrictions are applicable on the agreements.

22. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2024/25 R'000	2023/24 R'000
Irregular expenditure - current year		8 736	5 678
Fruitless and wasteful expenditure - current year		57	102
Total		**8 793**	**5 780**

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.

Restatement (increase of R2 554' from R3 124' towards R5 678') of Irregular Expenditure:

a) Decrease of R377' relating to Interdepartmental irregular expenditure from the office of the Premier reduced from R953' to R575'

b) Increase of R131' relating to a misstatement identified by AGSA during the 2023/2024 audit

c) Increase of R2 800' relating to adjustment of contract appointments

Restatement (increase of R8' from R94' towards R102') of Fruitless and Wasteful expenditure:

During 2024/2025 an amount of Fruitless and Wasteful expenditure was discovered relating to a case which originated in 2023/2024.

23. Related party transactions

The MEC is shared with the Department of Human Settlements from 14 February 2022. The CFO of the Department of Human Settlements also acted as CFO in Cogta from 19 December 2024.The transactions between the two Departments occur within a normal relationship on terms and conditions not more or less favourable than those applicable to other Departments. There are no transactions between the Department and its key management personnel except for the remuneration paid for their employment contracts.

24. Key management personnel

	2024/25 R'000	2023/24 R'000
Political office bearers	2 278	2 198
Officials:		
Level 15 and 16	6 411	7 798
Level 14	5 826	5 912
Other	2 804	2 594
Family members of key management personnel	1 031	970
Total	**18 350**	**19 472**

Political Office Bearer: 1 Member of Executive Council.

The acting Chief Financial Officer as from 19 December 2024 was at no cost to the Department.

25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25			
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	**41 482**	**3 388**	**(1 420)**	**43 450**
Computer equipment	27 538	1 798	(1 327)	**28 009**
Furniture and office equipment	12 116	1 166	-	**13 282**
Other machinery and equipment	1 828	424	(93)	**2 159**
FINANCE LEASE ASSETS	**6 032**	**939**	**(6 032)**	**939**
Finance lease assets	6 032	939	(6 032)	939
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**47 514**	**4 327**	**(7 452)**	**44 389**

Included under additions are 2 assets (Office and Furniture equipment) of R26' received in 2024/2025 but not yet paid.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:		
Machinery and equipment	145	2 361
Total	145	2 361

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

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

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**39 433**	**-**	**3 253**	**(1 204)**	**41 482**
Computer equipment	26 547		2 098	(1 107)	**27 538**
Furniture and office equipment	11 116	20	996	(16)	**12 116**
Other machinery and equipment	1 770	(20)	159	(81)	**1 828**
FINANCE LEASE ASSETS	**6 032**	**-**		**-**	**6 032**
Finance lease assets	6 032	-	-	-	**6 032**
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**45 465**	**-**	**3 253**	**(1 204)**	**47 514**

The opening balance was corrected in line with a change in accounting policy whereby leased copiers were included in the asset register. The opening balance under "finance lease assets" was increased from R0 to R6 032' as per note 27.

25.1.1 Prior period error

		2023/24
Nature of prior period error	*Note*	**R'000**
Incorrect classification of assets identified	*25.1*	**-**
Furniture and Office equipment		20
Other machinery and equipment		(20)
Total prior period errors		**-**

Incorrect classification corrected.

25.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25		
	Intangible assets	**Machinery and equipment**	**Total**
	R'000	**R'000**	**R'000**
Opening balance	18	7 952	**7 970**
Additions	-	767	**767**
Disposals	-	(220)	**(220)**
Total Minor assets	**18**	**8 499**	**8 517**

	2024/25		
	Intangible assets	**Machinery and equipment**	**Total**
Number of R1 minor assets	-	211	211
Number of minor assets at cost	5	4 820	4 825
Total number of minor assets	**5**	**5 031**	**5 036**

Minor Assets under investigation

	Number	Value
Included in the above total of the minor capital assets per the asset register that are under investigation:		R'000
Intangible assets	2	7
Machinery and equipment	294	524
Total	296	531

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

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

	2023/24		
	Intangible assets	Machinery and equipment	Total
		R'000	R'000
Opening balance	18	7 632	**7 650**
Additions		418	**418**
Disposals		(98)	**(98)**
Total Minor assets	**18**	**7 952**	**7 970**

	2023/24		
	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	215	215
Number of minor assets at cost	5	4 665	4 670
Total number of minor assets	**5**	**4 880**	**4 885**

Number of minor assets (machinery and equipment) was restated with 1 minor asset from 4 664 to 4 665 to the correction of R2' below.

25.2.1 Prior period error

		2023/24
Nature of prior period error	*Note*	**R'000**
Relating to 2023/24	25.2	**2**
Machinery and equipment		2
Total prior period errors		**2**

Correction of misclassification: minor assets bought as consumables instead of minor assets.

26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	496	-	-	496
TOTAL INTANGIBLE CAPITAL ASSETS	**496**	**-**	**-**	**496**

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

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

Intangible Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the intangible capital assets per the asset register that are under investigation:		
Software	1	8

After physical verification, one asset could not be verified and therefore are still under investigation.

27. Changes in accounting estimates and Changes in accounting policies

27.1. Changes in accounting policies

		2023/24				
		Opening balance before the change (1 Apr 2023)	Adjust-ment of opening balance	Restated opening balance after the change (1 Apr 2023)	Adjust-ment 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*	-	6 032	6 032	-	6 032

In terms of the MCS requirements whereby assets under finance leases are recorded by the Department at commencement of the lease term rather than at the end of the lease term, it can be reported that the Department did not enter into new finance lease agreements during the 2023/2024 financial year, therefore:

- *Assets acquired before 1 April 2024: The amount of R6 032' referred to 28 copiers that were leased which effect the opening balance.*
- *Assets acquired after 1 April 2024: no restatements are necessary in this regard as all finance leases are included in the note.*

28. Prior period errors

28.1. Correction of prior period errors

		2023/24		
	Note	Amount before error correction R'000	Prior period error R'000	Restated R'000
Expenditure:				
Goods and Services:	4			
Minor assets	4.1	416	2	418
Consumables	4.5	3 493	(2)	3 491
		3 909	-	3 909

A restatement was done within Goods and Services from "consumables" to "minor assets" with a value of R2' after it was established that a minor asset was purchased from "consumables" instead of "minor assets". Therefore, "consumables" (sub note 4.5) decreased from R3 493' towards R3 491' and "minor assets" increased from R416' towards R418'

		2023/24		
	Note	Amount before error correction R'000	Prior period error R'000	Restated R'000
Assets:				
Moveable Tangible Capital Assets	25.1			
Furniture and Office Equipment		11 116	20	11 136
Other Machinery and Equipment		1 770	(20)	1 750
		12 886	-	12 886

A restatement was done within Moveable tangible capital assets with a value of R20' after it was established that there was a misclassification of assets identified. Therefore, opening balance of "Furniture and Office Equipment" was increased from R11 116' to R11 136' and the opening balance on "Other Machinery and Equipment" was decreased from R1 770' to R1 750'

		2023/24		
		Amount before error correction	**Prior period error**	**Restated**
	Note	**R'000**	**R'000**	**R'000**
Other:				
UNWANTED EXPENDITURE:	22			
Irregular expenditure		3 124	2 554	5 678
Fruitless and wasteful expenditure		94	8	102
Total		**3 218**	**2 562**	**5 780**
NET CASH FLOW AVAILABLE FROM OPERTING ACTIVITIES	15			
(Increase)/decrease in receivables		(198)	(33)	(231)
Total		**(198)**	**(33)**	**(231**
CASHFLOW STATEMENT				
Cash flows from operating activities				
Net (increase)/decrease in working capital		(211)	(33)	(244)
Cash flows from investing activities				
(increase)/decrease in non-current receivables		(33)	33	-
Total		**(244)**	**-**	**(244)**
NET EFFECT		**2 776**	**2 529**	**5 305**

UNWANTED EXPENDITURE:

Restatement (increase of R2 554' from R3 124' towards R5 678') of Irregular Expenditure:

a) Decrease of R377' relating to Interdepartmental irregular expenditure from the office of the Premier reduced from R953' to R575'

b) Increase of R131' relating to a misstatement identified by AGSA during the 2023/2024 audit

c) Increase of R2 800' relating to adjustment of contract appointments

Restatement (increase of R8' from R94' towards R102') of Fruitless and Wasteful expenditure:

During 2024/2025 an amount of Fruitless and Wasteful expenditure was discovered relating to a case which originated in 2023/2024.

NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES:

(Increase)/decrease in receivables from (R198') to (R231') with (R33') to ensure correct recognition in terms of chapter 6 paragraph 15 of the Modified Cash Standard.

CASHFLOW STATEMENT:

Net (increase)/decrease in net working capital was increased from (R211') to (R244') with (R33') to correct recognition in terms of Chapter 6, paragraph 15 of the Modified Cash Standard.

(Increase)/decrease in non-current receivables was accordingly decreased from (R33') with R33' towards R0.

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

	2024/25							2023/24	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Municipal Fin Performance Monitoring									
Xhariep	4 392	-	-	4 392	4 392	-	-	4 392	4 392
Tokologo	-	1 644	-	1 644	-	-	-	5 000	3 356
Xhariep (Kopanong)	-	-	4 300	4 300	4 300	-	-	-	-
Mafube	-	-	3 100	3 100	3 100	-	-	-	-
Unallocated	8 264	-	600	8 864	-	-	-	7	-
Provincial Municipal Infrastructure									
Tswelopele	-	1 423	-	1 423	1 423	-	-	6 000	4 577
Phumelela			-	-	-	-	-	2 220	2 219
Metsimaholo			-	-	-	-	-	1 370	1 150
Mafube			-	-	-	-	-	5 000	3 278
Kopanong			-	-	-	-	-	6 017	6 017
Xhariep			-	-	-	-	-	4 174	4 174
Mangaung Metro Municipality			2 018	2 018	2 018	-	-	-	-
Dihlabeng			1 800	1 800	1 800	-	-	-	-
TOTAL	**12 656**	**3 067**	**11 818**	**27 541**	**17 033**	**-**	**-**	**34 180**	**29 163**

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

30. Broad Based Black Economic Empowerment performance

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

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2024/25											2023/24	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Municipality	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by Municipality	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipal Fin Performance Monitoring													
Xhariep	4 392	-	-	4 392	4 392	-	-	4 392	4 392	-	100%	4 392	4 392
Tokologo	-	1 644	-	1 644	-	-	-	-	-	-	-	5 000	3 356
Xhariep (Kopanong)	-	-	4 300	4 300	4 300	-	-	4 300	4 300	-	100%	-	-
Mafube	-	-	3 100	3 100	3 100	-	-	3 100	3 100	-	100%	-	-
Unallocated	8 264	-	600	8 864	-	-	-	-	-	-	-	7	-
Provincial Municipal Infrastructure													
Tswelopele	-	1 423	-	1 423	1 423	-	-	1 423	1 423	-	100%	6 000	4 577
Phumelela	-	-	-	-	-	-	-	-	-	-	-	2 220	2 219
Metsimaholo	-	-	-	-	-	-	-	-	-	-	-	1 370	1 150
Mafube	-	-	-	-	-	-	-	-	-	-	-	5 000	3 278
Kopanong	-	-	-	-	-	-	-	-	-	-	-	6 017	6 017
Xhariep	-	-	-	-	-	-	-	-	-	-	-	4 174	4 174
Mangaung Metro	-	-	2 018	2 018	2 018	-	-	2 018	-	2 018	0%	-	-
Dihlabeng	-	-	1 800	1 800	1 800	-	-	1 800	-	1 800	0%	-	-
TOTAL	12 656	3 067	11 818	27 541	17 033			17 033	13 215	3 818		34 180	29 163

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

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2024/25						2023/24	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SABC TV License	10	-	-	10	7	70.0%	8	7
TOTAL	**10**	**-**	**-**	**10**	**7**		**8**	**7**

ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	% of available funds transferred %	Final Budget R'000	Actual transfer R'000
Transfers								
Traditional Councils	2 320	-	-	2 320	2 320	100%	1 615	1 495
Disaster Management	5 000	-	-	5 000	-	-%	-	-
TOTAL	**7 320**	**-**	**-**	**7 320**	**2 320**		**1 615**	**1 495**

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	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								
Injury on duty	-	-	1	1	-	-	73	2
Early Retirement Pens Penalty	5	-	(5)	-	-	-	2 957	2 813
Post Retirement Benefits	1 120	-	-	1 120	1 120	100%	-	-
Pmt/refund&rem-Act of Grace	53	-	-	53	53	100%	-	-
Leave Gratuity	903	-	194	1 097	1 085	98.9%	1 190	748
Donations and gifts (cash)	33	-	100	133	131	98.5%	128	-
TOTAL	**2 114**	**-**	**290**	**2 404**	**2 389**		**4 348**	**3 563**

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2024/25	2023/24
	R'000	R'000
Made in kind		
Gifts		
Gifts made in kind by Traditional Leaders to the Chieftaincy in Ghana:		
African floor mats	-	73
Sotho hats	-	10
Sotho blankets	-	17
Beverages	-	21
Total gifts	**-**	**121**
Donations		
Donations to Hermana Primary School, Manstopa Municipality:		
School shoes and bags	-	100
Cleanest and Greenest City Competition prizes:		
4 rolls of nylon trimmer line 3.5 mm to Tswelopele Muncipality	2	-
16 Grass/bush cutters to Tswelopele Municipality	75	-
14 Grass/bush cutters to Mantsopa Municipaltiy	296	-
200 waste management (wheely bins) to Mantsopa Municipality	264	-
20 Notice boards (no dumping signs) to Mantsopa Municipality	53	-
1 Wheel loader to Tswelopele Municipality	2 648	-
Bakkie Loader (TLB) to Dihlabeng Municipaity	1 463	-
Fire beaters to mitigate effect of veldfires:		
50 brooms / fire beaters to Mangaung Metro	12	-

Continue on next page

ANNEXURE 1E (continue)
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2024/25	2023/24
	R'000	R'000
IT equipment donated to schools:		
Eersteling Primary	76	-
Ikaelelo Senior Secondary	142	-
Toka Primary	111	-
Matlafalang Primary	241	-
Sand du Plessis Secondary	112	-
Mangaung Primary	103	-
Phuthunang Primary	129	-
Botiehadi Primary	146	-
Total Donations	**5 873**	**100**
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**5 873**	**221**

ANNEXURE 2A
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Matlole (constructive dismissal)	1 500	-	-	-	1 500
C.Mepha (breach of contract)	210	-	-	-	210
Mangaung Metro Municipality (invalid appointment)	400	-	-	-	400
Manele (unfair labour practice)	1 200	-	-	-	1 200
M.J. Mazingo (Constitutional Court Appeal)	200	-	(200)	-	-
F. Coetzee (Government vehicle accident)	-	400	-	-	400
				-	
TOTAL	**3 510**	**400**	**(200)**	**-**	**3 710**

In the case of M.J Mazingo, the court ruled in favour of the MEC and therefore cancelled.

ANNEXURE 3
CLAIMS RECOVERABLE

Government 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
Department						
Free State Department of Public Works	112	124	-	-	112	124
Free State Department of Health	-	1	-	-	-	1
Subtotal	**112**	**125**	**-**	**-**	**112**	**125**
Other Government Entities						
Fleet Management	155	8	-	-	155	8
Subtotal	**155**	**8**	**-**	**-**	**155**	**8**
TOTAL	**267**	**133**	**-**	**-**	**267**	**133**

ANNEXURE 4
INTERGOVERNMENT 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 after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
North West Department of Social Development	-	75	-	-	-	75		
Free State Department of the Premier	171	-	-	-	171	-		-
National Department of Justice	174	-	-	-	174	-		-
National Department of Labour	1	-	-	-	1	-		-
National Department of Agriculture and Land Reform	76	-	-		76	-		-
Free State Department of Agriculture and rural development	796	-	-	-	796	-		-
Subtotal	**1 218**	**75**	**-**	**-**	**1 218**	**75**		**-**
OTHER GOVERNMENT ENTITY								
Current								
Fleet Management	2 080	1 293	-	-	2 080	1 293		-
Subtotal	**2 080**	**1 293**	**-**	**-**	**2 080**	**1 293**		
TOTAL INTERGOVERNMENT PAYABLES	**3 298**	**1 368**	**-**	**-**	**3 298**	**1 368**		**-**

ANNEXURE 5

INVENTORIES

Inventories for the year ended 31 March 2025	Other supplies R'000	Other supplies R'000	Total R'000
Opening balance			
Add: Additions/Purchases – Cash	4 801	125	4 926
(Less): Issues	(4 801)	(12)	(4 813)
Closing balance	**-**	**113**	**113**

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

2024/2025:

Inventory items distributed included:

- *Value of prizes in terms of the Cleanest and Greenest City Competition with a total value of R4 801' to Tswelopele, Mantsopa and Dihlabeng Municipalities*
- *50 Fire beaters to mitigate veld fires with a total value of R12' to Mangaung Municipality. Closing balance of R113' relates to 450 fire beaters not yet distributed.*

2023/2024:

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

ANNEXURE 6
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10.1)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2024	Total amount prepaid /advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
SA Red cross Society	Nonprofit institution	Mitigation of disasters	Goods and services	5 000	-	5 000	-	-	**5 000**
TOTAL PREPAYMENTS				**5 000**	**-**	**5 000**	**-**	**-**	**5 000**