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

ANNUAL REPORT
2024/2025

Building Smart and Resilient Municipalities of the Future

CONTENTS

PART D

PART E

PART F

PART A
GENERAL INFORMATION

PART A
GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

Physical Address:	30 Simmonds Street, Johannesburg, 2000
Postal Address:	30 Simmonds Street, Johannesburg, 2000
Telephone Number/s:	010 345 0849
Email Address:	Tafita.Mokoena@gauteng.go.za
Website Address:	www.gauteng.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

ABCD	Asset-Based Community Development
AIDS	Acquired Immunodeficiency Syndrome
AGSA	Auditor General of South Africa
AO	Accounting Officer
B2B	Back-2-Basics
B-BBEE	Broad-Based Black Economic Empowerment
CAPEX	Capital Expenditures
CDB	Central Business District
CDW	Community Development Workers
CEA	Civic Education Ambassador
CFO	Chief Financial Officer
CoE	City of Ekurhuleni
CoGTA	Cooperative Governance and Traditional Affairs
CoJ	City of Johannesburg
CoT	City of Tshwane
CWP	Community Work Programme
DDM	District Development Model
DID	Department of Infrastructure Development

DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EEDSM	Energy Efficiency Demand Side Management
EXCO	Executive Committee
FNB	First National Bank
GBVF	Gender Based Violence and Femicide
GHG	Greenhouse gases
GPG	Gauteng Provincial Government
GSDF	Gauteng Spatial Development Framework
HIV	Human Immunodeficiency Virus
HoDs	Heads of Departments
IDP	Integrated Development Plan
IGR	Inter-Governmental Regulations
INEP	Integrated National Electrification Programme
IT	Information Technology
IUDF	Integrated Urban Development Grant
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LM	Local Municipality
MEC	Member of Executive Council
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTSF	Medium Term Strategic Framework
NQFL	National Qualifications Framework
NSP	National Strategic Plan
OPCA – PCC	Operation Clean Audit – Provincial Coordinating Committee
PFMA	Public Finance Management Act, Act 1 of 1999
POEs	Portfolios of evidence
PSCBC	Public Service Co-ordinating Bargaining Council
PTNG	Public Transport Network Grant
RFQ	Request for quotation
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SITA	State Information Technology Agency
SLA	Service-level Agreement
SMS	Senior Management Service
ToRs	Terms of reference
TR	Treasury Regulations
UN	United Nations
UNFCC	United Nations Framework Convention on Climate Change
USDG	Urban Settlement Development Grant
WBWR	Ward Based War Room
WC	Western Cape
WRDM	West Rand District Municipality

Mr Jacob Mamabolo
Member of the Executive Council: Infrastructure Development and Cooperative Governance and Traditional Affairs

> This Annual Report reflects our concerted efforts to strengthen municipal governance, drive infrastructure investment, and position local government at the forefront of developmental change.

3. FOREWORD BY THE MEC

The 2024/25 financial year represents a significant juncture for the Department of Cooperative Governance and Traditional Affairs (CoGTA) in Gauteng, marking the commencement of the 7th Administration. This Annual Report reflects our concerted efforts to strengthen municipal governance, drive infrastructure investment, and position local government at the forefront of developmental change.

Our work began against a backdrop of mounting pressures on local government—financial instability, governance challenges, ageing infrastructure, slow economic transformation, and the growing crisis of crime and corruption. In October 2024, these pressing concerns were brought to the fore during the Gauteng Local Government Turnaround Summit. Themed *"Building Smart and Resilient Municipalities of the Future,"* the summit fostered candid, solution-driven dialogue with key stakeholders, including municipalities, traditional leaders, state-owned enterprises, and national and provincial government departments.

Through this platform, we collectively identified and addressed critical impediments to effective service delivery. Among these were growing municipal debt and poor revenue collection, unstable coalitions undermining leadership, the deteriorating state of water, sanitation, electricity and road infrastructure, and the marginalisation of the township economy. These factors, compounded by corruption and lawlessness, have eroded public trust and hindered progress.

In response, the 7th Administration has been entrusted with a clear and urgent mandate: to fix municipalities, restore governance integrity, and ensure that local government delivers meaningfully to our communities.

Central to this transformation agenda is our Smart City Strategy is aligned with the District Development Model, which seeks to build a resilient, inclusive Gauteng City Region. we are implementing a targeted initiative, including:

» Local Government Turnaround through digital transformation to modernise municipal operations and improve accountability.

» Water Security, targeting a 20% reduction in losses by 2030 via improved infrastructure and systems.

» Energy Security, with an ambitious goal of 30% renewable energy adoption by 2030.

» CBD Revitalisation, led by programmes such as #CBDFridays and the Johannesburg CBD Revitalisation Programme, which are transforming urban spaces and attracting investment.

» Social Equity, through the development of an indigent register and improved access to basic services.

» Infrastructure Development, with a focus on repurposing hijacked and abandoned buildings and upgrading bulk services.

» Asset Utilisation, optimising government immovable assets for greater impact and revenue generation.

» Urban Transformation Initiatives such as Alexandra 4.0 and interventions in Townships, Informal Settlements and Hostels (TISH), to stimulate inclusive growth and cohesion.

» Sustainable Waste Management, promoting circular economy principles; and

» Job Creation, with a target of generating 100,000 jobs through smart city projects.

These objectives are underpinned by strategic partnerships with the Department of Infrastructure Development (DID), the Gauteng Infrastructure Financing Agency (GIFA), together with other departments to form high-performance provincial structures and multi-functional teams.

This will ensure that we harness innovation, technical expertise, and explore alternative sources of funding to improve the delivery of infrastructure projects more effectively and efficiently. This integrated, intergovernmental model moves us away from silo approach towards coordinated action on shared priorities.

In parallel, the Department continued to provide critical support to municipalities by improving financial oversight through Operation Clean Audit, empowering MPACs, and enhancing revenue collection through simplified revenue plans. These initiatives lay a strong foundation towards sustainable municipalities.

We remain resolute in our mission to build smart, resilient and responsive municipalities that deliver on the aspirations of our people. The path forward requires coordinated, sustained effort across all three spheres of government. Effective intergovernmental relations is the backbone of service delivery and development, as it draws on the collective capacity of national, provincial, and local government. Through strategic alignment, shared accountability, and a collaborative spirit, we are confident that the next phase of our journey will yield transformative results that stand to benefit and improve the quality of life of all Gauteng residents.

Jacob Mamabolo

MEC of Infrastructure Development and Cooperative Governance and Traditional Affairs

Date: 31 July 2025

Dr Darion Barclay
Accounting Officer

4. REPORT OF THE ACCOUNTING OFFICER

This first Annual Report of the 7th Administration comes against the backdrop of a definite shift in local government dynamics. Municipalities remain at the forefront of service delivery. From energy to water security & economic resilience, this Annual Report underscores the vital role of collaboration necessary for building thriving, successful municipalities.

In October 2024, Gauteng COGTA held a Local Government Turnaround Summit to reinforce the importance of strong leadership, accountability, and collaborative efforts to turn Gauteng municipalities around and position them for long-term success.

Attended by representatives of all 11 municipalities, National and provincial government departments, state-owned enterprises, local government experts, and Traditional leaders, the summit, themed *"Building smart and Resilient Municipalities of the future"* – addressed critical challenges, sought solutions, and outlined priority areas.

Strategic support to municipalities

During the 2024/25 financial year, the Department, in collaboration with Provincial Treasury, supported a targeted municipality with the development of internal controls to prevent the occurrence of UIF&W expenditures. In addition, once the internal controls are implemented, there should be a curbing of financial leakages caused by irregular contracts.

The following are highlights of the achievements in the supported municipalities:

The hands-on support achieved the following:

- Strengthened the capacity and capability of MPAC members and their support staff.
- Assisted MPAC members in differentiating UIF&W Expenditure cases between those cases that need to be forensically investigated and those that can be investigated internally by the municipality. This reduced the UIF&W case registers significantly.
- Assisted MPAC members in crafting relevant and appropriate questions to ask management to clearly understand the UIF&W cases they are dealing with.
- Empowered MPAC members to make appropriate recommendations to the Council for the type of investigation that must be implemented upon concluding the MPAC hearings.
- Empowered MPAC members to make appropriate recommendations to Council

once investigations are concluded, such as consequence management to be implemented to deter wrongful or negligent behaviour without fear or favour.

- Guided MPAC on the process to implement consequence management based on the results of completed investigations

Operation Clean Audit

The Department convened the Operation Clean Audit Provincial Coordinating Committee (OPCA PCC) workshops to monitor and provide advisory support to municipalities in implementing Audit Action Plans. The committee also supports the municipalities by strengthening the audit response plan. The committee consists of different stakeholders working in the finance discipline in the local government sphere (CoGTA, Gauteng Treasury, SALGA, Auditor General, and CIGFARO).

The Department encourages Municipalities to prepare Interim Annual Financial Statements to ensure that the quality of the Annual Financial Statements improves. The Department in conjunction with GPT and SALGA, review these IFS (Industrial and Financial Systems) and provides input to the municipalities to correct.

The department partnered with the Auditor General South Africa (AGSA), Gauteng Treasury and the South African Local Government Association (SALGA) to coordinate the AGSA Audit Preparation Workshop. The first took place on 8 August 2024, and the plan is to have them annually before the submission of the Annual Financial Statements. The initiative is another way in which the province assists the Municipalities to achieve clean audits.

The objective of the Audit Preparation Workshop was to ensure that all municipalities achieve 100% improvement in the quality of submitted Annual Financial Statements (AFS) and Annual Performance Reports (APR), thereby ensuring achievement of clean audits relating to financial and performance information.

Simplified Revenue plans

Revenue collection remains one of the biggest challenges faced by all municipalities. The Department supported Mogale City, Rand West City, and Merafong City Local Municipalities to review, enhance, develop, and implement the Simplified Revenue Plan project. Implementation of the simplified revenue plans focused on the following programs:

- Reviewed master data for billing, monthly billing runs for all service charges, debtors' ledger, indigent registers, property valuation roll, municipal GIS, cadastral details, and prepaid system data.
- Performed reconciliation of the billing system with GIS/cadastral information and the property valuation roll or service master data for electricity or water services.
- Reviewed debtor's ledgers for long outstanding debts and linked up with unallocated receipts.
- Analysis of meter data to help identify areas for improvement in service delivery, optimize resource allocation, and manage demand.
- Reviewed and developed standard operating procedures on the meter reading process, property rates processes. Reviewed the following revenue-related policies: Credit control, debt collection and customer care policies, tariff policies, and free basic services policies.

Municipal viability assessment and strategy development

The department supported all Local and District Municipalities to conduct Municipal viability assessments and strategy development.

For 2024/25 FY, Viability Assessments and Strategies have been developed for Sedibeng and Westrand District Municipalities, Midvaal, Emfuleni, Lesedi, Rand West, Mogale City and Merafong City Local Municipalities.

The following areas have been assessed for the Viability of the Municipalities. The areas are:

- Financial and Revenue Capacity.
- Institutional Leadership and Governance.
- Legislation and Policy Implementation and Related Challenges.
- Infrastructure.
- Service Delivery Needs and Options and Capacity to Deliver.
- Socio-Economic and Spatial Outlook on Municipalities.

Concerning the department's Institutional programmes, the following achievements should be mentioned:

Human Capital Management:

The Department had 35% female appointees at the SMS level, and 1.93% people with disabilities were appointed by the end of the 2024/25 financial year

Financial Management:

- 99% of undisputed invoices were paid within 15 days
- 60% of procurement on RFQ's from women owned companies through the RFQ process
- 46.55% of procurement from township-based companies were approved through the RFQ processes.

Transformation Programme:

- 10 learners with disabilities were awarded bursaries
- 6 municipalities were monitored on the implementation of GBVF responsive programmes
- 2 anti-GBVF interventions were conducted for Traditional Affairs
- 4 capacity building initiatives on Gender Mainstreaming and GBVF were implemented
- 25 persons with disabilities were empowered on entrepreneurship through the BBBEE incubation programme

Large Power and Water Users' Billing

The department supported Midvaal, Lesedi, Merafong City and the Emfuleni Local Municipalities to conduct an audit and correction of large power and water users' billing data. The objective of the initiative is to ensure complete and accurate billing of large users. Implementation of the support focused on the following programs:

- Improved revenue collection efficiency by improving billing systems accuracy and enhancing customer data integrity of the large power and water users, focusing on the following large users accounts: Merafong City (639 accounts), Lesedi (639 accounts), Midvaal (492 accounts) and Emfuleni (1699 accounts).
- Broadening the revenue base in the municipality by seeking to include previously unbilled properties of the large power and water users in the formal billing system.
- Alignment of the General Valuation Roll with Financial Management System.
- Conduct general site visits to customers with no updated contact details. Get updated contact details and update customer data on the system.
- Reviewed 8 Policies and Standard Operating Procedures for the large power and water users.
- Establishment of the large user desk.

Strengthening of IGR and the various governance structures

In the 2024/25 financial year, the Gauteng Department of Cooperative Governance and Traditional Affairs made significant strides in strengthening its Intergovernmental Relations (IGR) and governance structures. Key interventions included:

Energy Security

COGTA continued with the partnership with City Power as an implementing agent to increase energy generation within the province. This collaboration aims to reduce reliance on Eskom and mitigate the impact of load shedding. Significant strides have been taken to refurbish substations and explore alternative energy sources.

Recognising the escalating municipal electricity debt in municipalities such as the City of Tshwane, Emfuleni, Rand West City and Merafong Local Municipalities, the department engaged with various stakeholders, including Eskom, National Treasury, and the South African Local Government Association (SALGA). The cumulative debt by the latter underscores the broader fiscal challenges and the importance of addressing their arrears to ensure financial stability and service delivery to our communities.

Water Security

From multi-stakeholder engagements, collaborations with all three spheres of government, to supporting distressed municipalities and engagements with Rand Water, Gauteng COGTA has made significant strides in arresting the water challenges that the province faces.

As part of a long-term strategy on Water Security for the Gauteng City Region, the Province is embarking on an extensive programme to address challenges related to water supply disruptions, high water losses in municipal distribution systems, low payment of services by consumers and continuous supply to communities.

The programme is led by the Department through an IGR Structure that includes Rand Water, Department of Water & Sanitation, SALGA, with all municipalities being key stakeholders and reporting on their performance on the agreed performance indicators.

Indicators that are being monitored include: - Reduction of water losses, community awareness campaigns to address wastage by consumers, vandalism of infrastructure, revenue collection drive and enabling municipalities to honour their financial obligations on bulk water

Performance monitoring is conducted weekly, and improvements in water supply disruptions have been observed over the past two months. Mechanisms are being introduced to improve performance on revenue collection that will lead to financial stability of the water services in municipalities. Institutional capacity remains a challenge, and incremental steps are taken to recruit qualified, experienced personnel and encourage the retention of key technical personnel to run the service.

Integration of law enforcement initiatives across municipalities.

During the 2025 State of the Province Address, Premier Panyaza Lesufi underscored the need for coordinated safety initiatives, affirming: "Gauteng will go a step further by signing a memorandum of cooperation with SAPS and municipalities to ensure that we effectively fight crime. Each municipal law enforcement agency will be able to operate across boundaries."

Plans are afoot for the Gauteng Provincial Government (GPG), in partnership with the South African Police Service (SAPS), Municipalities, and other key stakeholders, to sign a Memorandum of Understanding (MOU) on the Integrated Cross-Border Law Enforcement Operations on 15 April 2025.

This landmark agreement will be active for five years and will be reviewed annually by all parties to ensure measurable progress, transparency, and responsiveness to emerging safety challenges. It is envisaged to empower each participating authority to lead interventions in their areas of jurisdiction, while ensuring collaboration across municipal boundaries.

The agreement will further align with the priorities of the Gauteng Growing Together 2030 Plan, reinforcing safety and security as a foundation for inclusive development, mobility, and investment attraction.

Strengthening relations with municipalities

The department hosted the first Councillors imbizo to collaborate on various matters of common interest.

Compliance with legislation and conditions of appointment of municipal managers and section 56 appointees

City of Tshwane, Merafong and the Emfuleni Local Municipalities were supported to comply with Municipal Staff Regulations (MSR) on the appointment of Senior Managers and other critical technical positions.

Skills and Capacity Shortages

- Municipalities are monitored and supported to fill senior management positions in line with the following and applicable pieces of legislation:
  - Municipal Systems Amendment Act (2022),
  - Regulations on the Appointment and Conditions of Employment of Senior Managers (2014),
  - Annually published Notice on Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers directly accountable to Municipal Managers and
  - Circular 24 of 2022 on Implementation of the Local Government: Municipal Systems Amendment Act (2022).
- The vacancy rate for municipal senior managers as at November 2024 is 22%.
- Continuous engagements are held with municipalities to highlight the importance of filling

Senior Managers positions and critical positions. The support also focuses on ensuring that municipalities comply with the requirements of the Municipal Staff Regulations (MSR), 2021 wherein municipalities are expected to fill vacant funded positions within six months.

AGSA audit findings

The department conducts Section 131 Assessments to access the adequacy of the Municipal Audit Action Plans and to report any omissions noted on those actions.

The assessments are undertaken in collaboration with Gauteng Provincial Treasury.

Once the assessments are concluded, the department reports omissions and any shortcomings or weaknesses in the audit action plans to all municipalities concerned for municipalities to make the necessary amendments.

In addition, the Department convenes the OPCA Provincial Coordinating Committee (OPCA PCC) workshops to monitor and provide advisory support to municipalities in implementing Audit Action Plans. The committee also supports the municipalities by strengthening the audit response plan. The committee consists of different stakeholders working in the finance discipline in the local government sphere (CoGTA, Gauteng Treasury, SALGA, Auditor General, and CIGFARO).

Furthermore, in an endeavour to support municipalities to improve the quality of financial statements as one of the requirements of a clean audit, the Gauteng Province (CoGTA, Treasury and SALGA) conducted in-depth technical reviews of Annual Financial Statements (AFS) to ensure that these statements are prepared in line with all required GRAP standards.

Additionally, these statements need to comply with the requirements of the Municipal Finance Management Act (MFMA) and other legislative transcripts from the National Treasury, including checks on the quality of the audit file as per MFMA Circular 50.

The department issued a circular for the Municipalities to submit their draft Annual Financial Statements (AFS) for the financial year 22/23 by the 15th of August 2023 to allow the province (CoGTA, Treasury, and SALGA) sufficient time to perform in-depth technical reviews and to provide a report to each municipality to amend their draft AFS before submission to the AGSA.

West Rand DM (WRDM), Rand West LM, Lesedi LM, Sedibeng DM, Mogale LM and Midvaal LM submitted their draft AFS for the review to be performed by the department. The rest of the municipalities did not submit, which meant that the province could not perform the technical reviews on their draft AFS.

AOPO support

» The outcomes of the AG for period 2022/23 pointed out challenges in respect of the development of Indicators that are Simple, Measurable, Achievable, Realistic and Time bound (SMART) or Clear, Relevant, Economic, Adequate and Monitorable (CREAM) principles.

» As a project was approved to support 2 municipalities. The purpose of the project was to provide support to Gauteng municipalities to comply with the Audit of Predetermined Objectives in respect of developing organisational performance indicators to:

– Improve audit outcomes through the development of performance indicators; and,

– Effectively utilise the developed AOPO toolkit.

– 2 municipalities were supported, Mogale City Local Municipality and Lesedi Local Municipality. All other municipalities were equipped with the developed AOPO toolkit.

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
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets	239	209	30	229	198	31
Transfers received						
Fines, penalties and forfeits	0	100	(100)	0	0	0
Interest, dividends and rent on land	47	0	47	45	17	28
Sale of capital assets						
Financial transactions in assets and liabilities	130	699	(568)	124	550	(426)
Total	**416**	**1008**	**(592)**	**398**	**765**	**(367)**

Due to the nature of its services, the Department does not generate significant revenue. However, during the period under review, there was an over-collection of revenue compared to the prior year and the projected budget of the reporting period. The over-collection primarily stemmed from revenue related to previous financial years' expenditure as well as the forfeits from the Government Employees Housing Scheme (GHES).

The Department relies mostly on Persal transactions as a source of revenue generation, and due to the unavailability of the building to house staff, no parking fees are currently collected from officials. Apart from the Persal transactions, the Department does not have any other revenue enhancement projects.

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	165 243	165 015	228	177 075	174 801	2 274
Local Governance	276 353	275 648	705	286 243	279 372	6 871
Development and Planning	554 777	491 964	62 813	592 473	591 647	826
Traditional Institutional Management	20 439	20 406	33	24 704	22 967	1 737
Total	**1 016 812**	**953 033**	**63 779**	**1 080 495**	**1 068 787**	**11 708**

During the period under review, the Department was allocated an equitable share of R 1 016 812 000. Of this amount, R 953 033 000 was spent, representing 94% expenditure of the allocated budget. An amount of R63 779 000 under spending is mainly related to the Energy project and will be surrendered to the Provincial Revenue Fund (PRF).

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

» The Administration Programme was allocated a total budget of R165 243 000, of which R165 016 000 was spent, amounting to 100% of the total budget allocated.

» The Local Governance Programme was allocated a total budget of R276 353 000, of which R275 648 000 was spent, representing 100% spending on the allocated budget.

» The Development and Planning Programme was allocated a total budget of R554 777 000, of which R491 964 000 was spent, resulting in 89% spending on the total allocated budget.

» The Traditional Institutional Management Programme received the lowest budget allocation during the period under review, amounting to R20 439 000. A total of R20 405 000 was spent, representing 100% spending.

Virements/roll-overs

» The Department requested a virement of R2,4 million during the reporting period to support Programme 1 (One), which was experiencing pressures.

» The virement was intended to cover operational expenditure pressures experienced by the programme and household payments for leave gratuity in respect of employees who left the Department.

Rollovers

» The Department requested a rollover amounting to R61,6 million to finalise the energy implementation response plan project and eliminate the foreseen budget pressure in the 2025/26 financial year.

Public-Private Partnerships

» The Department did not enter into any public-private partnership, nor does it have plans to do so soon.

Discontinued key activities/activities to be discontinued.

» There were no activities discontinued, and the Department has no plans to discontinue any of its activities.

New or proposed key activities.

» There are no new activities

Supply chain management.

» There were no unsolicited bids or proposals concluded.

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

» The Department did not receive any donations from non-related parties.

Exemptions and deviations received from the National Treasury

» There were no exemptions or deviations from National Treasury

Events after the reporting date

» There were no favourable or unfavourable events after the reporting date.

Other

Looking to the future, Gauteng CoGTA will build on the milestones achieved, learn from all the valuable lessons in the past financial year and strive to build smart, resilient and thriving municipalities we all deserve.

Acknowledgement/s or Appreciation

I would also like to extend my gratitude to all stakeholders who continue to work diligently with the department, and I look forward to the continued commitment, diligence, effort, and professionalism of all staff. Let's keep up the good work!

Approval and sign off

Dr Darion Barclay

Accounting Officer
Department of Co-operative Governance and Traditional Affairs
Date: 31 July 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

Dr Darion Barclay
Accounting Officer
Date: 31 July 2025

6. STRATEGIC OVERVIEW

6.1. Vision

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

6.2. Mission

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

6.3. Values

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

7. LEGISLATIVE AND OTHER MANDATES

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

Section 139 (1)

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

Section 152 (1)

» Provide democratic and accountable government for local communities.

» Ensure the provision of services to communities in a sustainable manner.

» Promote social and economic development.

» Promote a safe and healthy environment; and

» Encourage the involvement of communities and community organisations in the matters of local government.

Section 152 (2)

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

Section 154 (1)

» Support and strengthen the capacity of municipalities to:

» Manage their own affairs.

» Exercise their powers; and

» Perform their functions.

Section 154 (2)

» Draft provincial legislation that affects the status, institutions, powers or functions of local government for approval by the Provincial Legislature.

» Publish it for public comment before it is introduced in Parliament or at Provincial Legislature in a manner that allows organised local government, municipalities and other interested persons an opportunity to make representation about the draft legislation.

Section 155 (6)

The Provincial Legislature must:

» Determine the different types of municipalities to be established in the province.

» Monitor, support, and promote the development of local government and ensure the effective performance by municipalities of their functions as per Schedules 4 and 5.

» Regulate the exercising of their executive authority (Section 156 (1)).

Section 164

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

Chapter 12

» Recognition of the institution of traditional leadership.

8. LEGISLATIVE AND POLICY MANDATES

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

Municipal Structures Act (No. 117 of 1998)

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

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

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

Municipal Finance Management Act (No. 56 of 2003)

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

Municipal Property Rates Act (No. 6 of 2004)

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

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

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

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

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

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

Defines the privileges and immunities of councillors in Gauteng municipalities.

Disaster Management Act (No. 57 of 2002)

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

Gauteng Land Administration Act (No. 11 of 1996)

Provides for the acquisition and disposal of land owned by the Gauteng Provincial Government.

Development Facilitation Act (No. 67 of 1995)

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

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

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

Division of Revenue Act as amended

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

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

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

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

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

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

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

Intergovernmental Relations Framework Act (No. 13 of 2005)

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

Municipal Demarcation Act (No. 27 of 1998)

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

Municipal Electoral Act (No. 27 of 2002)

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

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

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

Fire Brigade Services Act (No. 99 of 1987)

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

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

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

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

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

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

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

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

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

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

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

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

Provides procedures for exhumations and re-interment.

Skills Development Act (No. 97 of 1998)

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

Employment Equity Act

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

Organised Local Government Act (No. 52 of 1997)

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

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

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

Updates to Institutional Policies and Strategies

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

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

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

Sustainable Development Goals (SDGs)

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

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

National Development Plan, Vision 2030

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

Chapter 3

'Economy and Employment', sets out the achievement for full employment, decent work and sustainable livelihoods.

Chapter 13

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

Chapter 14

'Promoting Accountability and Fighting Corruption', sets out a vision which has zero tolerance for corruption.

NDP Implementation Plan

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

- Alignment to the vision and priorities of the NDP.
- Alignment to international and regional development priorities.
- Alignment to the National Spatial Development Framework.
- Alignment to the Ruling Party's election manifesto.
- Inclusive participation of government and non-government stakeholders.

» Evidence based and utilisation of key planning tools which assist in planning for development results.

» Integration of cross cutting sector policies and plans.

» Standardisation of planning concepts.

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

Inter-Governmental Relations (IGR) Strategy

The Constitution enjoins spheres of government to undertake the following in fostering co-operative governance:

» Fostering friendly relations.

» Assisting and supporting one another.

» Informing and consulting one another on matters of common interest.

» Coordinating their actions and legislation with one another.

» Adhering to agreed procedures; and

» Avoiding legal proceedings against one another.

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

Back-to-Basics Approach (B2B) Phase 2

The B2B programme has been updated and tightened to reflect eight pillars, namely: putting people first, delivering basic services and infrastructure, good governance and accountability, sound financial management, building institutional and administrative capabilities, spatial planning and Integrated Development Plans (IDPs), local economic development and building resilience for climate change.

B2B includes high-level action areas for implementation by provincial departments and municipalities.

Its approach and methodology are underpinned by the following:

» Mobilising multi-departmental teams across all spheres of government (including sectors of society) to tackle municipalities at risk of dysfunction.

» Improving performance and building effective systems and resilient institutions of Local Government.

» Strengthening community engagement and feedback through the Ntihrisano Service Delivery Outreach Programme; and

» A more integrated, comprehensive, and differentiated hands-on approach to support municipalities.

The B2B programme resonates with the NDP which states that "meeting our transformation agenda requires functional municipalities and capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work and socialise". Furthermore, the Integrated Urban Development Framework provides building blocks for Priority 3 of the B2B on the transformation of the local space economy and "densifying and integrating communities to improve sustainability". Put differently, the B2B programme is founded on the understanding that local government is the locus of citizen interaction with government. Against this background, B2B programmes should be implemented effectively and adequately resourced. Notably, some indicators are used in assessing their performance.

Integrated Urban Development Framework (IUDF)

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

Gauteng Spatial Development Framework (GSDF) - 2030

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

» Spatial justice
» Spatial sustainability
» Spatial resilience
» Spatial quality
» Spatial efficiency

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

Integrated Development Planning

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

Local Economic Development (LED)

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

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

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

Asset-Based Community Development (ABCD) Model

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

National Energy Efficiency Strategy

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

Addis Ababa Agreement

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

Paris Agreement

The Paris Agreement guides international efforts towards reducing and limiting greenhouse gas emissions and the associated approach towards low-carbon development. Article 4.19 of the Agreement encourages its signatories to formulate and communicate long-term, low-GHG-emission development to the UNFCC by 2020.

African Union 2063 Agenda

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

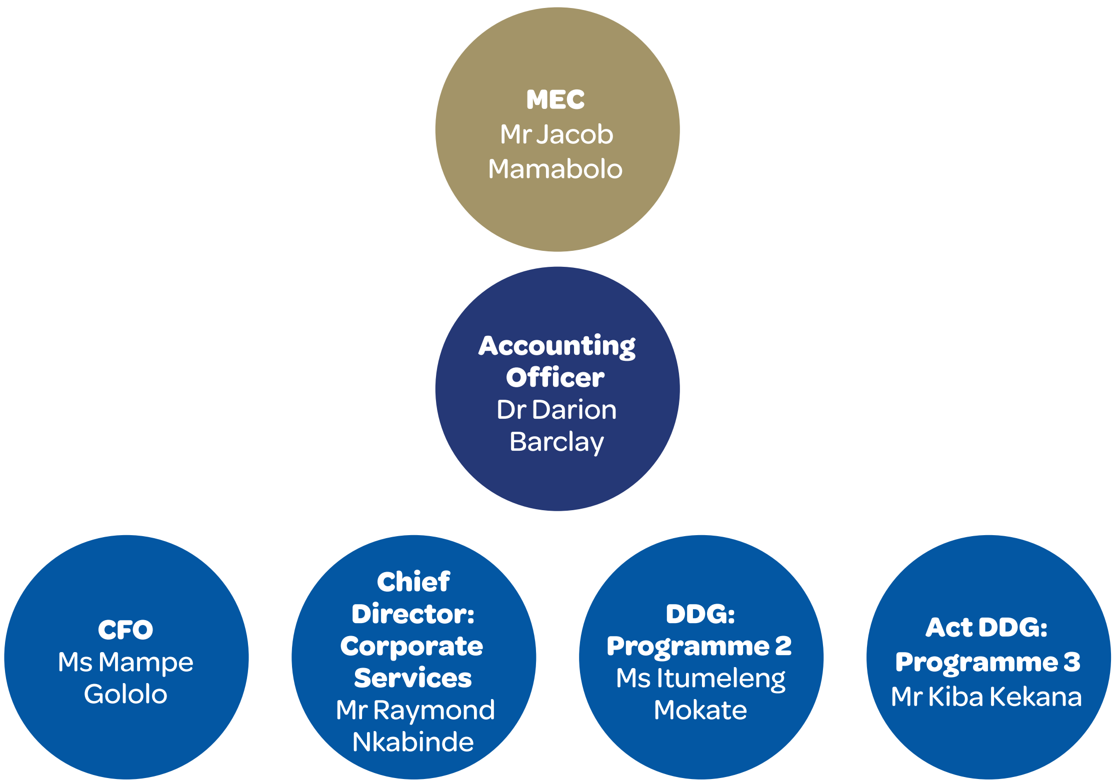
Sendai Framework for Disaster Risk Reduction 2015-2030

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

Disaster Management Framework

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

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC.

PART B
PERFORMANCE INFORMATION

PART B
PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General reported no material findings on the Annual Performance information for the local governance and for the development and planning. Refer to page 131 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. Service Delivery Environment

To assist users of the annual report to gain an understanding of the challenges, successes and other factors that might impact a department's performance, it is necessary to provide the user with an overview of the context and environment within which the department operates to implement its strategic plan and annual performance plan.

The overview should include:

» A balanced overview of the service delivery environment in which it operated during the reporting period under review, and not merely focus on factors that might be offered as 'mitigating circumstances' to support the department's delivery record.

» Commentary on services delivered directly to the public.

» Challenges encountered by the department when providing the relevant services, and the corrective steps to be taken in dealing with such challenges.

» A description of any significant developments, external to the department, that may have impacted either the demand for the department's services or the department's ability to deliver those services.

2.2. Service Delivery Improvement Plan

The Gauteng Department of Cooperative Governance and Traditional Affairs (COGTA), in conjunction with the Gauteng Provincial Treasury (GPT), established a Debt Management Committee (DMC) to facilitate the resolution of Government debts as an Inter-Governmental Relations intervention between the Organs of State.

This Committee meets quarterly with Municipalities and the Government Departments to resolve disputes and reach agreements on payment of outstanding debt to all Gauteng Local and Metro municipalities. In addition to quarterly engagements, working sessions are held between affected Departments and individual Municipalities to implement resolutions of the Debt Management Committee engagements and other urgent issues that might arise in between.

2.3. Legislative Background

Section 34 (2) of the Municipal Finance Management Act (MFMA) provides for the Provincial Government to support the efforts of Municipalities to identify and resolve their financial problems. Furthermore, in terms of Section 44 of the MFMA, whenever a dispute of a financial nature arises between Organs of State, the parties concerned must as promptly as possible take all reasonable steps necessary to resolve the matter out of court. If the National Treasury is not a party to the dispute, the parties: -

a. Must report the matter to the National Treasury and,

b. May request the National Treasury to mediate between the parties or to designate a person to mediate between them.

The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Reduction in Government Debt owed to municipalities	» Provincial Treasury » Department of Transport » Department of Infrastructure Development » Department of Human Settlement » Department of Health » Department of Education » Department of Social Development » Municipalities	9 Municipalities supported in implementing the Government debt reduction strategy.	9 Municipalities supported in implementing the Government debt reduction strategy.	Gauteng Provincial Government (GPG) Departments owe Gauteng Municipalities for rates and services R1.514 billion as at the end of the 2024/25 financial year.

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

Current/actual arrangements	Desired arrangements	Actual achievements
4 quarterly engagements at an agreed venue engagements at an agreed venue	4 Quarterly engagements with 9 municipalities held	4 Quarterly engagements with 9 municipalities were held
4 Quarterly Debt Management Committee Meetings with Municipalities and Provincial Departments	4 Quarterly Debt Management Committee Meetings with Municipalities and Provincial Departments	4 Quarterly Debt Management Committee Meetings with Municipalities and Provincial Departments were held

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
1 annual report produced	1 annual report produced	The annual report and citizens' report were produced in September 2024
1 Citizens' report produced	1 Citizens' report produced	

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
12 work sessions coordinated to resolve disputes.	12 work sessions coordinated to resolve disputes.	12 work sessions were coordinated to resolve disputes.

2.4. Organisational environment

The Gauteng Department of Cooperative Governance and Traditional Affairs (COGTA) conducted a SWOT analysis and strategic review of its 2020-2025 strategy. The findings highlight recurring challenges that impact the department's performance and capacity to achieve its goals. Key weaknesses identified include capacity limitations, poor coordination, resource constraints, and frequent leadership changes. These issues are worsened by budget cuts and political instability, undermining the department's effectiveness.

Opportunities for improvement were also identified, including the need for stronger infrastructure planning, securing additional funding, and leveraging new technologies. The analysis underscores a critical need for better human resource management and innovation, as resistance to change and high staff turnover continue to impede progress. While financial controls are noted as a strength, delays in supply chain management remain a concern.

The department had gained traction and covered growth in aligning programs and projects toward the goals of the 7th administration. The current Human Resource Plan remains valid and in force until 2025. The HR plan with financial & human resources is focused and galvanised on interventions to deal with energy crises, revitalisation of cities, establishment of credible indigent registers and an intergovernmental delivery approach. The recruitment and retention of critical skills becomes more important during this fiscally constrained period.

The work on the review of the organisational structure was completed; however, the structure couldn't get concurrence due to insufficient funding. Going forward, the department is to fit its structure to available funding. The department will review the structure in line with the strategy.

Since 2018, our department has embraced a remote and hybrid work model, showcasing our resilience and adaptability. Despite ongoing challenges in securing suitable office accommodation, we have successfully delivered seamless service to our clients. This journey has strengthened our agility and commitment, enabling us to maintain business continuity and consistently achieve our goals. Our success in navigating this flexible work environment underscores the effectiveness of our strategies, ensuring that operational excellence remains at the forefront of our mission. Key policy developments and legislative changes

2.5. Key policy developments and legislative changes

There were no legislative changes in the year under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

No.	Strategic Outcome	Progress
Outcome - 1	Improved Municipal performance in line with Back-to-basics pillars	» 35% of women were employed in SMS positions. » 1,93% people with disabilities were employed by the department. » 65,93% of procurement on RFQs was from women-owned companies. » 36,64% of procurement on RFQs was from township-based companies.
Outcome - 2	Spatially integrated cities and transformed communities in Gauteng Province	(City of Johannesburg) was supported with additional capacity to develop internal controls to reduce Unauthorised, Irregular, Fruitless and wasteful expenditure weaknesses. Seventeen community-driven initiatives were supported through the application of the Asset-Based Community Development model in TISH wards across the Gauteng City Region (Johannesburg, West Rand, Ekurhuleni, Tshwane, and Sedibeng).
Outcome - 3	Effective Systems of Cooperative Governance	20,082 Work opportunities were report-ed through the Community Work Pro-gramme. Municipal IDPs Analysis Reports on responsiveness to GSDF 2030 were prepared.
Outcome - 4	Strengthened institution of Traditional Leadership	2 Traditional Councils were supported to comply with legislative prescripts.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. Programme 1: Administration

Purpose: The purpose of the programme is to provide strategic leadership, management, and support services to the Department. Render corporate services and financial administration to the department. Promote sound financial management practices.

Sub-programmes

- Office of the MEC
- Corporate Services

Table 1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME 1: ADMINISTRATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Human Capital Management								
Improved municipal performance in terms of the B2B pillars.	Employment Equity targets reached for women in SMS positions and people with disabilities.	Number of Equity targets reached for women in SMS positions and people with disabilities.	50% Women in SMS positions and 5% people with disabilities.	2 Assessments were conducted to ascertain the percentage of employment equity targets reached (50% women in SMS positions and 7% people with disabilities).	40% of Women in SMS positions and 4% people with disabilities.	The Department had 35% female appointees at the SMS level, and 1,93% people with disabilities were appointed by the end of the 2024/2025 financial year.	5% of Women in SMS positions were not appointed, and 2.07% of people with disabilities were not appointed.	The implementation of cost containment measures, requiring the concurrence of both the Office of the Premier and Gauteng Provincial Treasury, necessitated a delay in the advertisement process for posts designated for women in SMS and individuals with disabilities.

PROGRAMME 1: ADMINISTRATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Financial Management Services								
Improved municipal performance in terms of the B2B pillars.	Invoices paid in 15 days.	Percentage of invoices paid in 15 days.	95.5% of undisputed invoices were paid in 15 days.	95.75% of undisputed invoices were paid within 15 days.	100% of undisputed invoices paid in 15 days.	99% of undisputed invoices were paid within 15 days.	1% of undisputed invoices were paid after 15 days.	System and SITA downtime.
	Procurement from women owned companies.	Percentage of procurement from women owned companies through the RFQ process	45.31% of procurement on RFQs from women-owned companies.	46.9 % of procurement on RFQs from women owned companies.	40% of procurement on RFQs from women owned companies through the RFQ process.	60% of procurement on RFQs from women owned companies through the RFQ process.	More focus was placed on women-owned companies.	N/A
	Procurement from township-based companies.	Percentage of procurement from township-based companies through the RFQ process.	New indicator.	New indicator.	30% of procurement from township-based companies through the RFQ process.	46,55% of procurement from township-based companies through the RFQ process.	More focus was placed on women-owned companies.	N/A

PROGRAMME 1: ADMINISTRATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Transformation Programmes								
Improved municipal performance in terms of the B2B pillars.	Learners with disabilities awarded with bursaries.	Number of learners with disabilities awarded with bursaries.	10 Learners with disabilities awarded bursaries.	15 Learners with disabilities were awarded bursaries.	10 Learners with disabilities awarded bursaries.	10 Learners with disabilities were awarded bursaries.	None.	N/A.
	Municipalities implementing GBVF programmes.	Number of Municipalities monitored on the implementation of GBVF responsive programmes (Final M&E Plan for NSP on GBVF) (Pillar 2: Prevention and Restoration of Social Fabric).	0 Municipalities Monitored on the implementation of GBVF responsive programmes.	2 Municipalities monitored on the implementation of GBVF responsive programmes.	2 Municipalities monitored on the implementation of GBVF responsive programmes.	6 Municipalities were monitored on the implementation of GBVF responsive programmes.	Extension of monitoring and support efforts to Sedibeng, City of Tshwane, Midvaal and Merafong to address a broader range of development challenges effectively.	N/A.
	Increased awareness on GBVF amongst traditional leadership communities.	Number of Anti GBVF Intervention/ campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti GBVF Intervention/ campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti GBVF Intervention/ campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti GBVF Intervention/ campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP).	2 Anti GBVF Interventions/ campaigns were conducted for traditional leadership.	None.	N/A.

PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
	Capacity Building Initiatives on GEYODI & GBVF Mainstreaming (Transformation Programmes).	Number of Capacity Building Initiatives on GEYODI & GBVF Mainstreaming.	80 Ward Committees trained on GBVF. 80 Councillors and Traditional Council Members trained on Gender Mainstreaming.	4 Capacity building initiatives on Gender Mainstreaming & GBVF.	4 Capacity building Initiatives on Gender Mainstreaming & GBVF.	4 Capacity building Initiatives on Gender Mainstreaming & GBVF were implemented.	None.	N/A.
	Empower Persons with Disabilities on Entrepreneurship (Incubation Programme B-BBEE).	Number of Persons with Disabilities empowered on Entrepreneurship (B-BBEE Incubation Programme).	New Indicator.	New Indicator.	25 Persons with Disabilities empowered on Entrepreneurship (B-BBEE Incubation Programme).	25 Persons with Disabilities empowered on Entrepreneurship (B-BBEE Incubation Programme).	None.	N/A.

Linking performance with budgets

The Administration Programme was allocated a total of R165 243 000, of which R165 015 000 was spent, representing 100% of the total allocated budget for the period under review. The work on reviewing the organisational structure was completed; however, the structure couldn’t receive concurrence due to insufficient funding. In the future, the department is to fit its structure to available funding. The department will review the structure in line with the strategy.

Sub-programme expenditure

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	4 363	4 224	139	5 663	5 637	26
Corporate Services	160 880	160 791	89	171 412	169 164	2 248
Total	**165 243**	**165 015**	**228**	**177 075**	**174 801**	**2 274**

Strategy to overcome areas of underperformance

- Improvement of system capabilities which affect the payment of invoices has been communicated to the stakeholders.
- The Department will review its Organisational Structure in line with the current MTEF budget allocation, and funding will be reprioritised for vacancies that address the targets for women in SMS and People with Disabilities.

4.2. Programme 2: Local Governance

Purpose: The outcomes will be achieved through the implementation of the Local Governance sub-programmes. The Local Governance budget under these goals will be utilised for municipal administration, municipal financial support, public participation (specifically catering for the CDW Programme), capacity development and municipal performance, monitoring and reporting. The budget allocated under this programme is utilised to support and monitor local performance to ensure that municipalities become viable and sustainable to carry out their constitutional mandate. The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as building the capacity and capability of local government to achieve its constitutional mandate. The sustained performance on the B2B pillar will serve as an indicator of whether the Municipalities are functional and ethical, which will further illustrate whether there is effective service delivery. In terms of the B2B pillars, municipalities that achieve a minimum of 80% satisfaction levels in stakeholder surveys will further reflect functionality and sustainability.

Sub-programmes

» Municipal Administration

» Municipal Finance Support

» Public Participation

» Capacity Development

» Municipal Performance Monitoring, Reporting and Evaluation

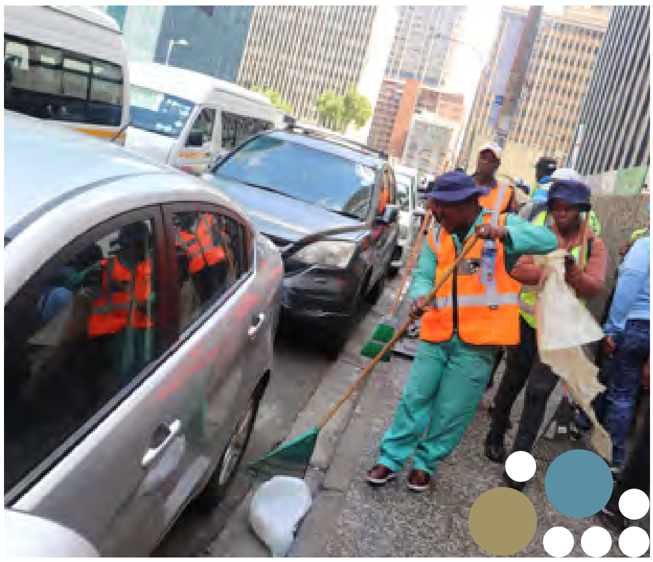


Table 2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Municipal Administration								
Improved municipal performance in line with the B2B pillars.	Functional and Stable Municipal Councils and Mayoral Committees.	Number of municipalities with functional Municipal Councils and Mayoral Committees.	New indicator.	11 Municipalities monitored the functionality of municipal councils and related committees.	11 Municipalities with functional Municipal Councils and Mayoral Committees.	11 Municipalities with functional councils and mayoral committees.	None.	N/A.
	Reduced corruption in municipalities.	Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Linked to MTSF 2019 – 2024, Priority 1).	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities were monitored on the extent to which anti-corruption measures were implemented.	None.	N/A.
	Municipalities supported on ethics and integrity management.	Number of municipalities supported on ethics and integrity management.	11 Municipalities supported on ethics and integrity management.	11 Municipalities supported on ethics and integrity management.	11 Municipalities supported on ethics and integrity management.	11 Municipalities were supported on ethics and integrity Management.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Municipal Finance Support								
Improved municipal performance in line with the B2B pillars.	Municipalities supported with capacity to implement simplified revenue plans to improve revenue collection.	Number of Municipalities supported with capacity to implement the simplified revenue plans to improve revenue collection.	2 Municipalities provided with capacity to implement the simplified revenue plans. (Lesedi and Midvaal).	3 Municipalities were provided with the capacity to implement simplified revenue plans to improve revenue collection (Mogale City, Rand West City and Emfuleni LMs).	3 Municipalities provided with capacity to implement simplified revenue plans to improve revenue collection. (Mogale, Randwest, and Merafong Local Municipalities).	3 Municipalities (Rand West, Mogale and Merafong local municipalities) were provided with capacity to implement simplified revenue plans to improve revenue collection.	None.	N/A.
	Enriched billing data of large power and Water Users to improve revenue collection.	Number of large power and water users in targeted local municipalities billed accurately to improve revenue collection.	2 Municipalities provided with capacity to undertake data enrichment of large power and Water Users (Mogale, and Rand West Local Municipalities).	180 Large power and water users in targeted local municipalities were billed accurately to improve revenue collection (Midvaal, Lesedi and Merafong LMs).	Top 60 large power and water users in targeted local municipalities billed accurately to improve revenue collection. (Merafong, Emfuleni, Lesedi and Midvaal LMs).	Top 60 large power and water users in targeted local municipalities (Merafong, Emfuleni, Lesedi and Midvaal LMs) were billed accurately to improve revenue collection.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Municipalities supported to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure (Linked to MTSF 2019 – 2024, Priority 1).	Number of municipalities supported to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure (Linked to MTSF 2019 – 2024, Priority 1).	2 Municipalities provided with capacity to undertake data enrichment of large power and Water Users (Mogale, and Rand West Local Municipalities).	4 Municipalities supported to reduce Under expenditure Wasteful Expenditure. (Emfuleni, Merafong, Mogale and Lesedi LM).	1 Municipality supported to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure (CoJ Metro Municipality).	City of Johannesburg was supported to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure.	None.	N/A.
	Municipalities provided with capacity to undertake Viability assessments and develop viability plans.	Number of Municipalities provided with capacity to develop viability plans.	3 Municipalities provided with capacity to undertake Viability assessments and develop viability plans. (CoT, CoJ and CoE Metropolitan Municipalities).	4 Municipalities (Sedibeng District, Emfuleni, Midvaal and Lesedi LMs) with viability plans developed.	6 Local and 2 district Municipalities provided with capacity to develop viability plans (Sedibeng District, Emfuleni, Midvaal and Lesedi LM, Westrand district, Mogale, Randwest and Merafong LMs)	6 Local and 2 district Municipalities (Sedibeng District, Emfuleni, Midvaal and Lesedi LM, Westrand district, Mogale, Randwest and Merafong LMs) were provided with capacity to develop viability plans.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Public Participation								
Improved municipal performance in line with the B2B pillars.	Municipalities actively promoting and facilitating community participation.	Number of municipalities supported to promote participation in community based local governance processes (Priority 1: Capable, Ethical and Developmental State).	9 Municipalities supported to promote participation in community based local governance processes through the ABCD approach.	6 Municipalities supported to promote participation in community based local governance processes through the ABCD approach.	9 Municipalities supported to promote participation in community based local governance processes through the ABCD approach.	9 Municipalities were supported to promote participation in community based local governance processes through the ABCD approach.	None.	N/A.
	Municipalities capable of recording, reviewing, responding to community concerns, and reporting.	Number of municipalities supported to respond to community concerns (Outcome-9: Sub-Outcome 2) (B2B Pillar 1).	9 Municipalities supported to respond to community concerns.	9 Municipalities supported to respond to community concerns.	9 Municipalities supported to respond to community concerns.	9 Municipalities were supported to respond to community concerns.	None.	N/A.
	Municipalities maintaining functional ward committees to promote the deepening of participatory democracy at local level.	Number of municipalities supported to maintain functional ward committees (Linked to MTSF 2019 – 2024, Priority 1).	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities were supported to maintain functional ward committees.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Civic awareness programmes implemented in provincial regions.	Number of targeted groups reached through civic awareness in provincial regions.	10 Civic awareness programmes implemented in provincial regions.	10 Targeted groups reached through civic awareness in provincial regions.	10 Targeted groups reached through civic awareness in provincial regions.	17 Targeted groups were reached through civic awareness in provincial regions.	7 more targeted groups were reached.	There was a high demand from communities for civil awareness.
	Voter Education Stakeholder engagement sessions implemented in provincial regions to promote voter turnout.	Number of voter education engagement sessions implemented in provincial regions to foster active citizenry and public participation.	5 Voter Education Stakeholder engagement sessions implemented in provincial regions.	21 Targeted groups reached through voter education and awareness in provincial regions.	10 Voter education engagement sessions implemented in provincial regions to foster active citizenry and public participation.	10 Voter education engagement sessions were implemented in provincial regions to foster active citizenry and public participation.	None	N/A
Sub-programme: Capacity Development								
Improved municipal performance in line with the B2B pillars.	Capacity building interventions supported in municipalities.	Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5).	4 Capacity building interventions conducted in municipalities (Councillors and Officials).	4 Capacity-building interventions successfully completed. Statement of Results (SOR) issued for NQF L3 and Accountability and Ethical Conduct Certificates issued for NQF L4 and 5.	1 Capacity building intervention conducted in municipalities (Officials trained in the Emerging Management Development program).	1 Capacity-building intervention was conducted in municipalities (Officials trained in the Emerging Management Development program).	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Experts placed in targeted municipalities to provide capacity support on Legal and Labour.	Number of Experts placed in municipalities to provide capacity support.	2 Experts placed in municipalities to provide capacity support (1 Local Government Labour Expert and 1 Local Government Legal Expert).	2 Experts (1 Local Government Labour Expert and 1 Local Government Legal Expert) placed in municipalities to provide capacity support.	2 Experts placed in municipalities to provide capacity support (Local Government Labour Expert and Local Government Legal Expert).	2 Experts were placed in municipalities to provide capacity support (Local Government Labour Expert and Local Government Legal Expert).	None.	N/A.
	Municipalities supported to comply with Municipal Systems Act (MSA) on the appointment of senior managers, and other critical technical positions (Linked to MTSF 2019 – 2024, Priority 1).	Number of municipalities supported to comply with Municipal Systems Act (MSA) on the appointment of senior managers (Linked to MTSF 2019 – 2024, Priority 1).	11 Municipalities supported to comply with MSA on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSR on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities supported to comply with MSA on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	11 Municipalities were supported to comply with MSA on the appointment of senior managers (Section 54A and 56) and other critical technical positions.	None.	N/A.
	Municipalities supported to institutionalise performance management system (PMS) (Linked to MTSF 2019 – 2024.	Number of municipalities supported to institutionalise the performance management system (PMS) (Linked to MTSF 2019 - 2024, Priority 1).	11 Municipalities supported to institutionalise performance management system.	11 Municipalities supported to institutionalise performance management system.	11 Municipalities supported to institutionalise performance management system.	11 Municipalities were supported to institutionalise a performance management system.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Municipal Performance Monitoring, Reporting and Evaluation								
Improved municipal performance in line with the B2B pillars.	Municipal performance reports against the key performance areas of Local Government.	Number of municipalities measured on performance against the key performance areas of Local Government.	4 Quarterly municipal performance reports against the key performance areas of Local Government.	4 Quarterly reports measuring the performance of municipalities against key performance areas of local government have been developed.	4 Quarterly Reports measuring the performance of Municipalities against key performance areas of Local Government.	4 Quarterly Reports measuring the performance of Municipalities against key performance areas of Local Government were developed.	None.	N/A.
	Annual municipal performance reports compiled as per section 47 of the Municipal Systems Act.	Number of Section 47 reports compiled as prescribed by the MSA (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5).	1 Annual municipal performance report compiled for 2022/23 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2021/22 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2023/24 as per Section 47 of the Municipal Systems Act (MSA) developed.	1 Annual municipal performance report for 2023/24 as per Section 47 of the Municipal Systems Act (MSA) was developed.	None.	N/A.
	Increased provision and access to Free Basic Services.	Number of municipalities monitored on the implementation of indigent policies (Sub-outcome 1) (B2B Pillar 2).	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities monitored on the implementation of indigent policies.	9 Municipalities were monitored on the implementation of indigent policies.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act and Municipal Structures Amended Act compliant municipalities.	Number of reports on compliance of municipalities in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act, Remuneration of Public Office Bearers Act and Municipal Structures Amended Act.	4 Compliance reports in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Reports on compliance of municipalities in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act and Municipal Structures Amended Act.	4 Reports on compliance of municipalities in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act, Remuneration of Public Office Bearers Act and Municipal Structures Amended Act.	4 Reports on compliance of municipalities in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act, Remuneration of Public Office Bearers Act and Municipal Structures Amended Act were developed.	None.	N/A.
	MPRA compliant municipalities.	Number of municipalities guided to comply with the MPRA (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 4).	9 Municipalities guided to comply with MPRA.	9 Municipalities guided to comply with MPRA.	9 Municipalities guided to comply with MPRA.	9 Municipalities were guided to comply with MPRA.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Back 2 Basics and Intergovernmental Relations								
Effective Systems of Cooperative Governance.	Municipalities that are functional in terms of B2B indicators.	Number of Reports on the implementation of Back-to-Basics support plans by municipalities.	4 Reports on the implementation of Back-to-Basics support plans by municipalities.	4 Reports on the implementation of Back-to-Basics support plans by municipalities.	4 Reports on the implementation of Back-to-Basics support plans by municipalities.	4 Reports on the implementation of Back-to-Basics support plans by municipalities were developed.	None.	N/A.
	Functional IGR Structures in Place.	Number of functional IGR Structures in accordance with the IGR Framework.	4 Statutory IGR Structures' functional in accordance with the IGR Framework.	4 IGR structures' functional in accordance with the IGR Framework: MEC/Mayors Forum MEC/Speakers Forum HOD/MM Forum LG Workstream	4 IGR Structures' functional in accordance with the IGR Framework.	4 IGR Structures were functional in accordance with the IGR Framework.	None.	N/A.

Linking performance with budgets

The Local Governance Programme was allocated an adjusted budget of R276 353 000, of which an amount of R275 648 000 was spent, thus representing an average of 100% expenditure of the allocated budget. The City of Johannesburg was supported to reduce Unauthorised, Irregular, Fruitless and Wasteful Expenditure. The city assisted in developing a detailed project implementation plan to deal with identified internal control weaknesses in the Supply Chain Management. West Rand District, Mogale City, Rand West City, and Meriton Local Municipalities were provided with the capacity to undertake viability assessments, and viability strategies were developed for these municipalities.

Capacity Development

The cities of Ekurhuleni and Johannesburg were supported to comply with the Municipal Systems Act on the appointment of Senior Managers. In the City of Ekurhuleni, out of 24 senior manager positions, 13 (55%) were filled and 11 (45%) were vacant. In the City of Johannesburg, out of 22 senior manager positions, 17 (77%) were filled and 5 (23%) were vacant; 3 of the vacant positions were advertised. Merafong, Lesedi, Emfuleni and Rand West City local municipalities.

Sub-programme expenditure

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	13 491	12 814	677	18 375	15 390	2 985
Municipal Finance	21 895	21 890	5	24 964	24 703	261
Public Participation	209 019	209 004	15	210 107	208 145	1 962
Capacity Development	16 220	16 217	3	16 270	16 020	250
Municipal Performance Monitoring, Reporting and Evaluation	15 728	15 723	5	16 527	15 114	1 413
Total	**276 353**	**275 648**	**705**	**286 243**	**279 372**	**6 871**

Strategy to overcome areas of underperformance

There was no underperformance

4.3. Programme 3: Development and Planning

Purpose: This programme seeks to coordinate, facilitate, and promote integrated development and planning in municipalities to ensure that a variety of services are delivered in an integrated and sustainable manner. It facilitates and coordinates processes towards ensuring the municipal IDPs are credible, implementable, and aligned to national and provincial outcomes, plans and strategies. Coordination and support are provided for the implementation of the National Disaster Management Act and framework to ensure the effective management of disaster at National, provincial and local level within this programme. In addition, it also ensures the accelerated delivery of municipal basic service and infrastructure delivery to meet national targets.

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

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

Sub-programmes

- Land Use Management
- IDP Coordination
- Disaster Management
- Municipal Infrastructure

Table 3: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Land Use Management								
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	Gauteng Spatial Development Framework implemented to strengthen planning across the 3 spheres.	Number of Gauteng Spatial Development Frameworks implemented.	1 Final Gauteng Spatial Development Framework reviewed.	Gauteng Spatial Development Framework implemented.	Gauteng Spatial Development Framework implemented.	GSDF was implemented, and the Gauteng Spatial Development Framework Implementation Report for 2024 to 2025 was produced.	None.	N/A.
Sub-programme: IDP Coordination								
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	Municipalities with legally compliant IDPs.	Number of municipalities with legally compliant IDPs.	11 Municipalities with legally compliant and responsive IDPs.	11 Municipalities with legally compliant and responsive IDPs.	11 Municipalities with legally compliant and responsive IDPs.	11 Municipalities with legally compliant and responsive IDPs.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Districts/Metros monitored on the implementation of One Plans.	Number of Districts/ Metros monitored on the implementation One Plans (MTSF 2019 – 2024, Priority 5: Spatial integration, human settlements, and local government).	5 District/Metro monitored on the implementation of One Plans.	5 District/Metro monitored on the implementation of One Plans.	5 District/Metro monitored on the implementation of One Plans.	5 Districts/ Metros were monitored on the implementation of One Plans.	None.	N/A.
	Sedibeng DDM Hub functional.	Number of DDM Hub Plans executed.	New Indicator.	1 Sedibeng DDM hub is functional.	1 DDM Hub Implementation plan executed.	Sedibeng DDM Hub 2024/25 plan implemented.	None.	N/A.
	Sufficient work opportunities created for the vulnerable people.	Number of work opportunities reported through the Community Work Programme (CWP) (MTSF 2019-2024, Priority 2).	25,699 Work opportunities reported through the CWP.	24,881 Participants worked in the programme.	21,000 Work opportunities reported through the Community Work Programme.	20,082 Participants were employed in the programme.	918 work opportunities were not created	There were fewer people recruited to replace those who had exited the 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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Disaster Management								
Spatially Integrated Cities and Transformed Communities in the Gauteng Province.	Disaster Management plans completed.	Number of disaster management plans completed.	1 Master System Plan for an Integrated Disaster Risk Management Information system.	Project was deferred to 2024/2025.	Level 3 plan disaster management plan completed.	The project is deferred to the 2025/2026 financial year.	Level 3 disaster management plan was not completed.	The opportunity to appoint a service provider lapsed due to contention over the SCM processes by another service provider.
	Municipal Disaster Management centers supported to remain functional.	Number of municipalities supported to maintain functional Disaster Management Centres.	5 Municipal Disaster Management centers supported to remain functional.	5 Municipalities supported to maintain functional Disaster Management Centres.	5 Municipalities supported to maintain functional Disaster Management Centres.	5 Municipalities were supported to maintain functional Disaster Management Centres.	None.	N/A.
	Municipalities supported on Fire Brigade Services.	Number of municipalities supported on Fire Brigade Services.	4 Municipality supported on fire and rescue services.	4 Municipalities (Lesedi, Westrand, Emfuleni and Midvaal) supported on fire and rescue services.	3 Municipalities (Lesedi, Westrand, and Midvaal) supported on Fire Brigade Services.	3 Municipalities (Lesedi, Westrand, and Midvaal) were supported on Fire Brigade Services.	None.	N/A.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Municipal Infrastructure								
Spatially Integrated Cities and Transformed Communities in the Gauteng province	Municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1) (B2B Pillar 5).	Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1) (B2B Pillar 5).	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	9 Municipalities monitored on the implementation of infrastructure delivery programmes.	9 Municipalities were monitored on the implementation of infrastructure delivery programmes.	None.	N/A.
	Districts supported to improve spending on National Grants.	Number of Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	5 Districts monitored on the spending of National Grants.	5 Districts were monitored on the spending of National Grants.	None.	N/A.
	Municipalities supported with Technical Skills capacity through MISA/ COGTA/ Multidisciplinary team of experts in engineering and town planning.	Number of Municipalities supported with technical skills capacity through multi-disciplinary teams, to address urgent issues which will impact on municipal service delivery.	9 Municipalities supported with technical skills capacity through multi-disciplinary teams (engineering and town planning).	6 Municipalities supported with technical skills capacity through multidisciplinary teams, to address urgent issues which will impact on municipal service delivery.	6 Municipalities supported with technical skills capacity through multi-disciplinary teams, to address urgent issues which will impact on municipal service delivery.	5 Municipalities were supported with technical skills capacity through multi-disciplinary teams, to address urgent issues which will impact on municipal service delivery.	1 Municipality was not supported with technical skills capacity through multi-disciplinary teams, to address urgent issues which will impact on municipal service delivery.	Budget constraints limited the support to five municipalities.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Municipalities monitored on the implementation of adaptive measures to climate change in water supply infrastructure and use.	Number of municipalities monitored on implementation of adaptive measures to climate change in water supply infrastructure and use.	9 Municipalities monitored on the adaptive responses to climate change impacts on water supply services and use.	9 Municipalities monitored on the adaptive responses to climate change impacts on water supply services and use.	9 Municipalities monitored on the adaptive responses to climate change impacts on water supply services and use.	9 Municipalities were monitored on the adaptive responses to the climate change impacts on water supply services and use.	N/A	N/A
	Municipalities supported to implement the on-water security interventions.	Number of municipalities supported to implement on the water security interventions.	9 Municipalities supported to implement on the water security interventions.	9 Municipalities supported to implement on the water security interventions.	9 Municipalities supported to implement on the water security interventions.	9 Municipalities were supported to implement on the water security interventions.	N/A	N/A
	Municipalities supported to implement online metering system for Large Power Users and commercial customers Meters.	Number of municipalities supported to implement online metering system for Large Power Users and commercial customers Meters.	Emfuleni local municipality supported to implement online metering system for large power users and commercial customers meters.	2 Municipalities supported to implement online metering system for Large Power Users and commercial customers Meters (Emfuleni and Merafong).	1 Municipality supported to implement online metering system for Large Power Users and commercial customers Meters Merafong).	Merafong local municipality was supported to implement online metering system for Large Power Users and commercial customers Meters.	N/A	N/A

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Transformer replacement programme.	Number of defective transformers replaced in 6 local municipalities.	New Indicator.	New Indicator.	60 Defective transformers replaced in 6 local municipalities.	31 Transformers were replaced under the transformer replacement programme.	29 Transformers were not replaced under the transformer replacement programme.	Due to other competing priorities, the number of transformers replaced was reduced to accommodate additional scope of projects in the energy crisis response programme.
	Smart meter replacement programme.	Number of smart meters installed in 6 local municipalities in line with the transformer replacement programme.	New Indicator.	New Indicator.	Smart Meters 4800.	1500 Smart meters installed.	3300 smart meters were not installed.	Due to the City of Ekurhuleni not taking up their quota of assigned meters as allocated to them under the Energy Crisis Response Plan, the reallocation of smart meters was concluded late.

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**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
	Solar High Mast installations.	Number of solar high mast lights installed in 6 local municipalities.	New Indicator.	New Indicator.	57 solar high mast lights installed in 6 local municipalities.	21 Solar high mast lights were installed.	36 solar high mast lights were not installed.	Due to other competing priorities, the number of solar high mast lights installed was reduced to accommodate additional scope of projects in the energy crisis response programme.
	Refurbishment of Open Cycle Gas Turbines (John Ware and Durban Street.	Number of OCGT power stations refurbished in the City of Johannesburg.	New Indicator.	New Indicator.	1 OCGT (50MW) completion of Durban Street	The Durban Street OCGT power station refurbishment was 85% complete by the end of the financial year.	0 OCGT (50MW) of Durban Street not completed.	15% of the refurbishment work was not completed.
	Provide access to off grid power for Informal settlements).	Number of microgrids developed for Informal Settlement.	New Indicator.	New Indicator.	1 Microgrid developed for an informal settlement.	0 Micro Grid installed in an Informal Settlement.	0 Micro Grid installed in an Informal Settlement.	Due to other competing priorities, the Micro Grid was not installed in an Informal Settlement.

Linking performance with budgets

The Development and Planning Programme was allocated a total adjusted budget of R554 777 000, of which an amount of R491 964 000 was spent, resulting in an average of 89% expenditure. The Gauteng Spatial Development Framework Implementation Report for the period of 2024-2025 was developed. IDP refresher training sessions for IDP managers were convened from 21 to 30 January 2025. The second bi-annual IDP Intergovernmental Broad Intersectoral Engagements were convened from 17 to 21 February 2025 in all five provincial regions. The DDM week quarterly Technical IGR forum meetings were held from 04 to 06 March 2025. Five DDM Implementation reports were produced. DDM Committees' TORs were finalised. The Sedibeng District Municipality One Plan was updated with the inclusion of the Vaal Aerotropolis project. As part of the DDM Hub, an implementation and support plan was developed for the CBD revitalisation projects. The DDM roadmap meeting was held on 6 February 2025 to facilitate the effective interpretation and implementation of DDM projects within the Sedibeng Region. The meeting concluded with a list of 10 key priority One Plan projects

Sub-programme expenditure

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
Land Use Management	9 216	9 060	156	13 022	13 015	7
IDP Coordination	22 875	22 238	637	27 739	27 495	244
Disaster Management	53 414	53 017	397	68 805	68 243	562
Municipal Infrastructure	469 272	407 649	61 623	482 907	482 894	13
Total	**554 777**	**491 964**	**62 813**	**592 473**	**591 647**	**826**

Strategy to overcome areas of underperformance

» The project to develop a level 3 disaster management plan was deferred to the 2025-26 financial year, with the process of appointing a service provider to be fast-tracked.

» The municipality that was not supported with technical skills through multi-disciplinary teams to address urgent issues, which will impact municipal service delivery, will be supported in the 2025-26 financial year.

» In the 2025/26 financial year, more work will be done to make up for the deficit in the replacement of defective transformers programme.

» The are people who exit the programme after one day due to the nature of the work. The work requirements will be explained in detail to enable people to make informed decisions.

» Smart meter installations were carried over to be installed in the 2025-26 financial year.

» Solar high mast lights were carried over to be installed in the 2025-26 financial year.

» The refurbishment of the Durban Street OCGT power station will be completed in the 2025-26 financial year.

» The project to install a Micro Grid in an Informal Settlement is deferred to the 2025-26 financial year.

4.4. Programme 4: Traditional Institutional Management

Purpose: This strategic posture seeks to secure trust and prosperity across the length and breadth of the Gauteng Province. Support to the Institution of Traditional Leadership in the implementation of policies, norms and standards, systems, and regulatory framework will contribute to the impact. Cultural heritage must be preserved, and social cohesion promoted across the province. How this is to be done is through supporting the two institutions of traditional leadership. The assumption being made is that the support will lead to preserving cultural heritage and promoting social cohesion, integrated cities, and sustainable livelihoods.

Subprogrammes

» Traditional Institute Admin

» Traditional Resource Admin

» Rural Development Facilitation

» Traditional Land Admin

Table 3: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME 4: TRADITIONAL INSTITUTIONA MANAGEMENT								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Sub-programme: Traditional Institution Administration								
Strengthened institution of Traditional Leadership.	Traditional Councils supported to perform their functions.	Number of Traditional Councils supported to perform their functions (TKLA and CIA).	2 Traditional Councils complied with legislative prescripts.	2 Traditional Councils complied with legislative prescripts.	2 Traditional Councils complied with legislative prescripts.	2 Traditional Councils complied with legislative prescripts.	None.	N/A.
	Traditional Leadership succession disputes processed.	Percentage of Traditional Leadership succession disputes processed.	100% of Traditional Leadership succession disputes processed.	100% of Traditional Leadership succession disputes processed.	100% of Traditional Leadership succession disputes processed.	100% of Traditional Leadership succession disputes processed.	None.	N/A.
	Strengthened Collaboration and Cooperation between Local Government Governance System and Traditional Authorities.	Number of training programmes held to strengthen collaboration between local government and the traditional councils.	New indicator.	2 Training programmes were held to strengthen collaboration between local government and the traditional councils.	2 Training programmes held to strengthen collaboration between local government and the traditional councils.	2 Training programmes were held to strengthen collaboration between local government and the traditional councils.	None.	N/A.

Linking performance with budgets

The Traditional Institutional Development received the lowest allocation during the period under review. The programme was allocated an adjusted budget of R20 439 000, of which an amount of R20 406 000 was spent, accounting for 100% expenditure of the total allocation. The Department provides support to the Traditional Council in terms of Section 38 (1) (l) and (j) of the Public Finance Management Act (PFMA). In this regard, grant transfers are made annually, and a memorandum of agreement is signed between the Traditional Councils and the Department. Therefore, Traditional Councils must comply with the PFMA and its supporting Treasury Regulations. In this quarter under review, the department only received Amandebele Ndzundza Sokhulumi Traditional Councils have complied with the provisions of Section 67(1)(b) of the Gauteng Traditional Leadership and Governance Act and have submitted their quarterly financial report, whereas Balebelo's report is still outstanding. However, the Department is currently assisting Amandebele Ba Lebelo TC to compile their financial report. Such reports are key and pertinent to hosting the Annual General meetings.

Sub-programme expenditure

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 Institute Admin	11 766	11 739	27	14 887	14 162	725
Traditional Resource Admin	7 578	7 574	4	7 857	7 289	568
Rural Development Facilitation	0	0	0	491	490	1
Traditional Land Admin	1 095	1 093	2	1 469	1 026	443
Total	**20 439**	**20 406**	**33**	**24 704**	**22 967**	**1 737**

Strategy to overcome areas of underperformance

There was no underperformance under this branch.

5. TRANSFER PAYMENTS

5.1. Transfer payments to municipalities

The department made transfers only to municipalities

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 municipalities	Reasons for the funds unspent by municipalities
Merafong City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	500	500	-
Lesedi Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	1 000	772	-
Mogale City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	500	497	-
West Rand District Municipality	Municipality	Functional Fire and Rescue Services	Yes	3 600	0	-
Midvaal Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	2 200	0	-
Lesedi Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	4 200	1 260	-

There were no transfer payments which were budgeted between 1 April 2024 to 31 March 2025 that were not made

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: EPWP

Department/ Municipality to whom the grant has been transferred	**Three municipalities (Merafong, Lesedi and Mogale City Local Municipalities)**
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation opportunities in the communities
Actual outputs achieved	Job opportunities created
Amount per amended DORA	R2 000
Amount transferred (R'000)	R2 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 769
Reasons for the funds unspent by the municipality	Municipalities still have the fourth quarter of their financial year remaining to fully expend the fully allocated funds. The municipal financial year concludes on 30 June 2025
Monitoring mechanism by the transferring department	Reports from municipalities

6.2. Conditional grants and earmarked funds received

The table/s below details the conditional grants and earmarked funds received during the period 1 April 2024 to 31 March 2025.

Conditional Grant EPWP:

Department who transferred the grant	**National Department of Public Works**
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation programme
Actual outputs achieved	Job opportunities created
Amount per amended DORA	R2 000
Amount received (R'000)	R2 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R2 000
Reasons for the funds unspent by the municipality	Municipalities still have the fourth quarter of their financial year remaining to fully expend the fully allocated funds. The municipal financial year concludes on 30 June 2025
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Reports from municipalities

7. DONOR FUNDS

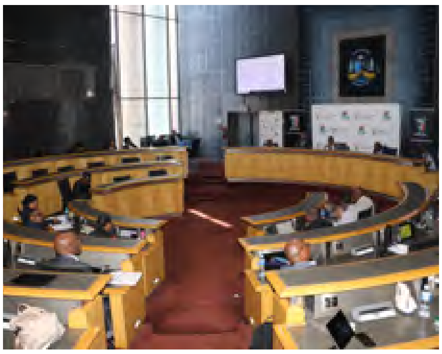
7.1. Donor Funds Received

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

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance, and asset management plan

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



PART C
GOVERNANCE

PART C
GOVERNANCE

1. INTRODUCTION

The Department is committed to maintaining the highest standard of governance in managing the public finances and resources. This involves controls put in place, compliance with relevant legislation and the establishment of different structures to ensure good performance in all areas.

2. RISK MANAGEMENT

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

Strategic and operational risk assessments are undertaken at least annually to satisfactorily identify risks that might hinder the achievement of objectives. Risk Registers for each of the above-mentioned categories are in place and are monitored for progress regularly. New and emerging risks are identified by Risk Owners, and the implementation of the action plans is monitored by the Risk Management unit. when the Risk Management unit monitors the progress on the implementation plan.

Progress in the management of all risks is reported quarterly to the Risk Management Committee (RMC), which is chaired by an Independent Chairperson.

The Risk Management Committee was fully functional throughout the financial year 2024/25 and advised the Executive Management Team whenever necessary on the management of existing risks, identification and assessment of emerging risks, including progress reported on the implementation of action plans, so that risk can be reduced to an acceptable level.

The Provincial Audit Committee was fully functional and served as an advisory support to the Department on the effectiveness risk management system, including management and monitoring of risks. There was a progress in mitigating/reducing risks, and that led to improvement in terms of Departmental performance.

3. FRAUD AND CORRUPTION

With a focus on preventative measures, the Department conducted a fraud risk assessment in the 2024/25 financial year. A Fraud Prevention Plan (FPP) and Fraud Response Policy aligned to the fraud risk assessment were developed and approved. The plan was implemented throughout the year.

Ethics, Fraud Prevention and Anti-Corruption Awareness Campaigns were conducted to sensitise staff on Departmental values and zero tolerance for fraud and corruption activities. Officials were encouraged to report cases of fraud and corruption via the National Anti-Corruption Hotline, while others are also reported via the Premier's Hotline. In addition to reporting suspected fraud and corruption to the national hotline, staff are encouraged to make disclosures through internal mechanisms such as the Office of the Chief Risk Officer, legal services, and security management. Allegations of fraud and corruption are referred to the Gauteng Premier's Office for investigations, and appropriate actions are taken based on the recommendations of the reports.

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

4. MINIMISING CONFLICT OF INTEREST

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

Senior Management, Middle Management, Assistant Directors, Finance and Supply Chain Management officials are required to disclose their financial interests on a national system owned by the DPSA. All officials who were eligible to disclose their financial interests during the year under review disclosed them. Furthermore, the Gauteng Audit Services performs bi-annual data analysis reviews to identify any areas of direct or potential conflict of interest. Recommendations from the internal audit report are implemented.

Awareness campaigns on Remunerative Work outside public services were conducted to eliminate any direct or potential conflict of interest.

5. CODE OF CONDUCT

The department has an Ethics Committee which is chaired by a member of the Executive Management Team. There is an ethics awareness plan which is implemented throughout the year with specific focus on the following:

- » Gifts and donations;
- » Remuneration work outside public service;
- » Financial disclosures;
- » Performance of duties with professional due and care;
- » Personal Conduct: Acting responsibly as far as the use of alcohol beverages or any other substance with an intoxicating effect is concerned."

There were no cases of misconduct that were reported and investigated during the year under review..

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The main challenges of the Department since the loss of offices as a result of the tragedy of the Bank of Lisbon, has been the availability of Office accommodation. The Department had occupied temporary Office accommodation. Occupational health and safety challenges emanated in some cases, though were managed.

The Department has a functional OHS Committee with two 16.2 appointments, and 31 committee representatives appointed as evacuation marshals, first aiders and fire fighters. With regards to training, all committee members are trained in all OHS functional areas. Furthermore, the Department is working toward testing its current Emergency Preparedness Plan, reasonable accommodating Employees with Disabilities and upskilling its committee members.

7. PORTFOLIO COMMITTEES

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
N/A	**Response to the Portfolio Committee on COGTA oversight Report on the Detail of the Provincial Adjustments Appropriation Bill (G003 – 2024) for COGTA**	The Portfolio Committee therefore reiterates that fund reallocations between programmes should translate to a more robust planning and budgeting process and furthermore conduct a thorough assessment to accurately determine the resource needs of each programme. Proper planning is crucial to ensure that each programme has the resources it needs to achieve its goals effectively. Provide the measures the department is implementing to ensure shifting of funds per programme are well coordinated to ensure programme continuation; Provide procedures and processes on the consultations with programme managers on the management of their budgets and expenditures.	**Response:** Proposals for budget shifts and virements are discussed at management meetings where the impact of the proposals on the achievement of targets as outlined in the Annual Performance Plan (APP). Once the proposed shifts and virements are agreed upon by programme managers, the proposal is submitted to Provincial Treasury. The shifts and virements are implemented once approved by Provincial Treasury. Provincial Treasury communicates the guidelines and the requirements for the preparation of the budget with the timeframes. The budget is based on the Medium-Term Development Plan (MTDP/ Strategic Plan). The budget preparation process goes through several consultation processes. Internally, programme managers make inputs to the budget in line with the priorities as set out in the MTDP and the APP. The department presents the budget to Provincial Treasury through MTEC for consultation, review and recommendation to the Premier's Budget Council (PBC) where final budget allocation is approved. Programme managers are furnished with weekly and monthly expenditure reports for monitoring. Progress on budget performance is discussed in monthly management meetings attended by programme managers where proposals and discussions around budget shifts and virements are discussed and taken. Monthly reports on budget performance are submitted to Treasury.	**Yes**
	Response to the Portfolio Committee on the COGTA oversight Report on the Third Quarterly report of COGTA for 2024/25 FY	**Meter discrepancies** The Department must ensure that municipalities conduct regular audits of the Meter Service Report and Meter Reading File to identify and rectify discrepancies promptly. The department must also support municipalities by ensuring improved integration between metering systems and consistent accurate data across all reports.	**Response:** The department deployed revenue experts is to Review, Enhance, Develop and Implement Simplified Revenue Plan project to assist 6 Municipalities in Gauteng (Mogale City, Emfuleni, and Rand West City Local Municipalities). Through this project the analysis and review of accounts without meter readings was conducted, the meter reading files, and GIS data analysis were to include review of accounts without movement and faulty meters and interventions/remedial actions based on the analysis.	**Yes**

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			The analysis and review of accounts made findings in relation to read and unread meters. The unread meters were investigated and allocated for field verifications to enhance data credibility and billing accuracy. Furthermore, the following recommendations were also made to municipalities and some instances implemented: Stand Audits on meter-replaced properties (Joint exercise between Revenue and Service Departments. Relocation and replacement of meters for access. Assistance from Service departments to attend to maintenance errors. Political intervention for No-Go Areas. Data Cleansing (ongoing), check readings, audits, etc. In addition, through the capacity support initiative on conducting an audit and correction of Large Power and Water Users billing data and facilitate payment from the Large Power and Water Users in six Gauteng Municipalities, large user accounts that were not linked to any electricity or water meter services were identified and subsequently linked to the correct meters that enabled them to be correctly billed for the services consumed to avoid long overdue estimations that in most cases resulted in under billing.	
		Furthermore, the department must ensure that municipalities provide training for staff on the importance of accurate data entry and reconciliation processes.	Meter reading Standard Operating Procedures were developed, and training was undertaken with relevant officials within the municipalities, as well as to those service providers responsible for meter readings appointed by the municipalities.	
		The Department must ensure the following before budget allocation: Enhance planning processes to ensure that projects are well-defined and feasible before allocation of Funds.	The Annual Procurement Plan (APP) is prepared and approved together with the budget and the Annual Performance Plan (APP) to ensure that there is alignment between all these areas. Projects are included in the procurement plan in line with the identified objectives and priorities and budget allocations.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Address procurement delays by streamlining the procurement process and reducing bureaucratic hurdles.	The Department has improved the capacity of SCM to ensure that bottle necks within the procurement process are addressed. Performance monitoring on the procurement plan is done regularly and formally reported on a monthly basis with remedial actions recommended and implemented for identified poor performance.	
		Conduct regular progress reviews to identify and address any issues that may be causing stagnation in project implementation.	The department has established contract management unit in line with Treasury guidelines. The unit will be monitoring contract performance and will be reporting to Treasury on a monthly basis.	
		The Department must provide the following support to the City of Joburg: Boost capital investment in infrastructure projects to address decaying infrastructure and improve service delivery.	The department conducted a Municipal Bulk Infrastructure Workshop on 11 December 2024 with the following stakeholders to enable capital investment to the City of Johannesburg Metropolitan Municipality with the following stakeholders: » Industrial Development Corporation of SA » Development Bank of SA – Vumela fund, Infrastructure fund, and others » GIFA – BFI fund, public private partnerships » Infrastructure SA » New Development Bank » World Bank » Agence Française de Développement (AFD) The meeting discussed the options available to all municipalities for development of infrastructure be it bulk or distribution. The timelines for submission of the proposal to Infrastructure South Africa were deliberated on and requirements for accessing the funds. The City of Johannesburg Metropolitan Municipality has submitted proposals for funding, through the Budget For Infrastructure Facility from National Treasury.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Capacity Development Delays The Department must fast-track the SCM processes to ensure timely appointment of necessary experts. The Department must also review and improve recruitment strategies to attract qualified candidates for critical positions. Establish clear timelines for appointment of service providers and hold responsible parties accountable for delays.	The Department has improved the capacity of SCM to ensure that bottle necks within the procurement process are addressed. Performance monitoring on the procurement plan is done regularly and formally reported on a monthly basis with remedial actions recommended and implemented for identified poor performance. The Department is already engaged on the procurement process of the Service Provider/s on the appointment of Experts. This process is anticipated to be finalised in the next three weeks. The Supply Chain Unit has standard operating processes that guides the appointment of service providers. The status of procurement is monitored regularly with areas of concern identified and addressed timeously.	

8. SCOPA RESOLUTIONS

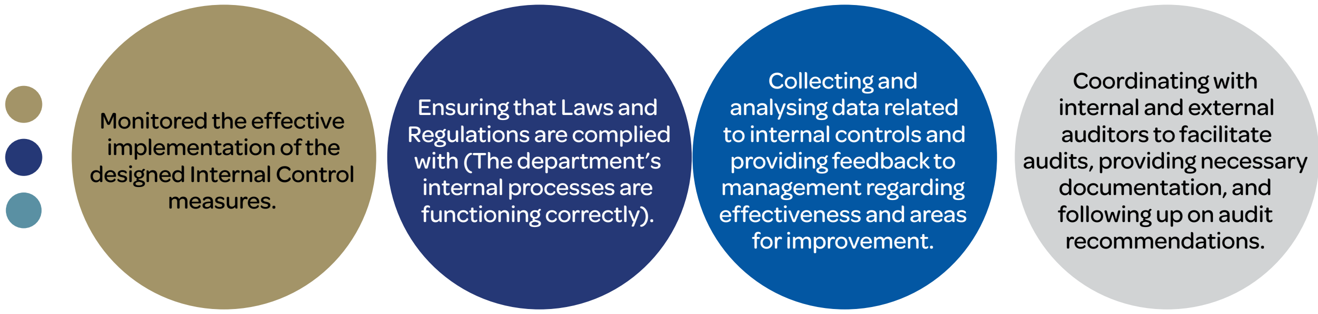
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
N/A	N/A	N/A	N/A	N/A

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department obtained a clean audit outcome in the current year and the past years

10. INTERNAL CONTROL UNIT

In implementing section 38(1) (a)(I) of PFMA which states that "The accounting officer for a department, trading entity or constitutional department must ensure that the department, trading entity or constitutional department has and maintain effective, efficient and transparent systems of financial and risk management and internal control", the Department performed the following functions:



This is mostly achieved through the Key Controls reporting and Compliance reporting.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

» **Purpose and mandate**

The purpose of the internal audit function is to strengthen governance, risk management, and control processes; its effects extend beyond the organisation. Internal audit contributes to an organisation's overall stability and sustainability by assuring its operational efficiency, reliability of reporting, compliance with laws and/or regulations, safeguarding of assets, and ethical culture. various risk-based audits are completed by the Internal Audit Function.

The Internal Audit Function's existence is derived from an Internal Audit mandate. Gauteng Audit Services derives its mandate from the PFMA and the Treasury Regulations. The PFMA Section 38 (1) requires that the Accounting Officer for a Department, trading entity or constitutional institution, must ensure that that Department, Trading Entity or Constitutional Institution has and maintains a system of internal audit under the control and direction of an Audit Committee complying with and operating following regulations and instructions prescribed in terms of sections 76 and 77.

» **Vision and strategy**

The Internal Audit vision is a desired future state, i.e., in the next three to five years. The vision is designed to inspire Internal Auditors to continuously improve. The strategic objectives define achievable targets to attain the vision. The supporting initiatives outline more specific tactics and steps for achieving each strategic objective.

An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy includes a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfilment of the internal audit mandate.

» **Charter, methodology, and internal audit plans**

The Internal Audit Charter is a formal document that sets out the nature, role, responsibility, status, and authority of Gauteng Audit Services. (GAS). It provides the Chief Audit Executive (CAE), the Staff, and Management of the GPG departments and trading entities with a broad overview framework for the functions of internal audit. And the Internal Audit Charter is approved by the Audit Committee.

An Internal Audit Methodology is a structured approach that internal auditors use to ensure their work is thorough, consistent, and compliant with standards. A formal document that gives guidance on how the audit process should be followed when performing the Internal Audit work. And the Methodology is approved by the Chief Audit Executive.

An internal audit plan is a structured document that identifies areas of the department that will be audited, the scope of the audit, assesses the risks facing the department, defining the scope of the audit, specifying the audit approach to be used, developing an audit schedule, identifying resources to perform the audit and establish a clear reporting and documentation process. The Internal Audit Plan has been very well executed in the year under review.

» **Independence and objectivity**

Independence relates to the Chief Audit Executive reporting functionally to the Audit Committee and administratively to the Head of Department - Gauteng Provincial Treasury. This structure allows GAS to have direct access to the Audit Committee while maintaining its operational independence from Management. Gauteng Audit Services has been independent in performing its work.

Objectivity relates to the Gauteng Audit Service, Internal auditors maintaining an unbiased mental attitude that allows Auditors to perform audit engagements objectively and in such a manner that they believe in their work results, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others. Internal Auditor were objective in performing their work in the year under review.

» **Internal audit modality**

Internal Auditors use their Internal Audit professional judgment when conducting their work. Internal Auditors are professionals in performing their duties. Internal Auditors use due professional care during the performance of their duties.

» **Staffing**

Gauteng Audit Services possesses staffing resources with vast knowledge, experience, and adequate competency needed that ensure that assurance audits and advisory work are performed in alignment with the department's expectations and conformance with standards. GAS staff possess relevant Internal Audit qualifications and certifications to perform the Internal Audit work.

» **Quality assurance and improvement program**

The Quality Assurance and Improvement Program is a programme established to evaluate and ensure the Internal Audit Function conforms with the Global Internal Audit Standards, achieves performance objectives, and pursues continuous improvement. The program includes internal and external assessments. Gauteng Audit Services has a Quality Assurance unit that ensures that the Internal Assessment is conducted, the ongoing review of the audit process is done every financial year, and the External Assessment is done every five years.

» **Stakeholder relationships**

Gauteng Audit Services maintains stakeholder relationships continuously, through having ongoing engagements with various Management Officials in GPG departments, Audit Committee Members, and the Auditor General. Stakeholder relationship is a continuous exercise that GAS continues to maintain good relations with various stakeholders throughout the province.

» **Planned and completed audits**

Number	Planned Audits	Current status
1	Support - Integrity Management at Municipalities	Completed
2	Risk Management	Completed
3	Follow up on Supply Chain Management	Completed
4	Follow-Up on Auditor-General's (AG) Findings	Completed
5	Municipal support – Energy Crisis	Completed
6	Follow up on Support – Stability in Municipalities	Completed
7	Review of Draft Annual Performance Report	Completed
8	Performance of the Department against predetermined objectives Q1	Completed
9	Performance of the Department against predetermined objectives Q2	Completed
10	Management of funding of commissions established to resolve disputes	In progress
11	Data Analysis – SAP ESS & PERSAL leave reconciliation	Completed
12	2025-26 IT risk assessment	Completed
13	Data Analysis – ETHICS / FIN / HR (1 Jan 2024 – 30 June 2024)	Completed
14	User account management review	Completed
15	Data Analysis – ETHICS / FIN / HR (1 July 2024 – 31 December 2024)	Completed

» **Ad hoc projects**

There were no ad-hoc projects

» **Internal audit recommendations**

The Department was encouraged to strengthen governance, risk management, and internal control processes. Recommendations were aligned to the root causes identified.

» **Value add**

Value-added findings are incorporated in the audits that we conduct for the Department.

» **Limitations**

The Internal Audit team did not experience any scope limitations in the financial year.

Key activities and objectives of the audit committee

Purpose and mandate

» The Audit Committee is established in terms of the Public Finance Management Act and National Treasury Regulations to provide oversight responsibility on financial and non-financial performance of GPG departments, internal control systems, risk management, ICT, governance and to give counsel to the departments on any compliance with legal regulations.

Independence

» The Audit Committee is an independent governance structure established and constituted in terms of section 38(1)(a)(ii) and 77 of the Public Finance Management Act (PFMA) and paragraph 3.1 of the Treasury Regulations.

Protecting the independence of the internal audit function

» The Audit Committee ensure and protect the independence of the internal audit by reviewing and approving their three (03) years audit plan and monitor quarterly progress and implementation of the plans. The Audit Committee evaluate Internal Audit function at least annually to determine its efficiency and effectiveness.

Performance against statutory duties

» The Audit Committee perform in terms of the Charter (Terms of Reference) which is aligned to the Public Finance Management Act and Treasury Regulations. Their duties and responsibilities are stipulated in the above-mentioned regulations and are monitored regularly to ensure its efficient and effectiveness.

Composition of the audit committee

» The Audit Committee comprise of three (03) independent members, of which one (01) is appointed as the Chairperson.

Meeting attendance

» There were five (05) Audit Committee Meetings held during the period under review. All stakeholders and Audit Committee Members attended the meetings as scheduled and in terms of the Audit Committee Charter.

Combined assurance

» The Audit Committee review the effectiveness of the Combined Assurance Model and its implementation on a quarterly basis.

» The Audit Committee ensure sound relationships with all assurance providers, oversight structures and other stakeholders to achieve an effective combined assurance system.

Resolution of audit committee recommendations

» The Audit Committee Meeting resolutions for 2024/2025 financial year were addressed to satisfactory.

Audit committee performance evaluation

» The Audit Committee evaluation outcome for the period under review was effective, meaning the Audit Committee were observed as adding value to the Gauteng Government Departments.

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

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 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. Mandla Ncube (Former Chairperson)	» AAT Diploma in Accounting » Certificate of Training in USAID funded projects » Certificate in Internal Auditor » Certificate in Corporate Fraud Manager » Certificate in Control Self Assessmet (QAR)	–	01 August 2022	17 February 2025	2	Yes	No	–	–

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. Stanley Ngobeni **(Stand-in Chairperson from Cluster 03)**	» Master of Philosophy of International Business » Doctor of Philosophy in Business Management (current) » Master of Business Administration » Master of Commerce in International and Domestic Taxation » Bcompt Honours (CTA) » Bachelor Accounting Science (Hons) » Bachelor of Commerce » Higher Diploma in Computer Auditing » Certificate in Labour relations	SAIPA, IIASA, IOD(SA)	01 March 2019	31 July 2025	3	Yes	No	02	01

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					
Ms. Yongama Pamla-Dhludhlu (Member)	» Postgraduate Diploma in Accounting » Postgraduate Diploma in Management (Financial Accounting) » Bachelor of Commerce	SAICA IoDSA	01 August 2023	31 July 2026	5	Yes	No	4	2
Ms. Pumla Mzizi (Member)	» CA(SA) » Honours Bachelor of Commerce in Transport Economics. » B Compt Honours (CTA) » B BusSci Finance Honours	SAICA	01 September 2018	31 July 2025	5	Yes	No	4	3

Remuneration of audit committee members

Rates

» The Audit Committee Members are remunerated for preparation and actual duration hours of the Meetings, capped at 12 hours. The hourly remuneration rates are R3076 and R2153 for Chairperson and Member respectively. A special or ad hoc meeting is remunerated at R5500 for Chairperson and R5000 for a member.

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

» All Audit Committee Member within the Cluster 05 are not working for an organ of the state.

Total audit committee expenditure for the reporting period.

» The total Cluster 05 Audit Committee expenditure for the 2024/2025 reporting period amounted to R426 262, inclusive remuneration for all scheduled, in-committees or ad hoc meetings.

12. REPORT OF THE AUDIT COMMITTEE (COGTA)

We are pleased to present our report for the financial year ended 31 March 2025, set out in three parts:

Part 1: Audit Committee Reflections – 2024/25

Chairperson's brief reflections on key objectives and activities of the AC:

The Purpose and mandate of the Audit Committee is that it is established in terms of the Public Finance Management Act and National Treasury Regulations to provide oversight responsibility on financial and non-financial performance of GPG departments, internal control systems, risk management, ICT, governance and to give counsel to the departments on any compliance with legal regulations.

The Audit Committee is an independent governance structure established and constituted in terms of section 38(1)(a)(ii) and 77 of the Public Finance Management Act (PFMA) and paragraph 3.1 of the Treasury Regulations.

The Audit Committee declare any conflict of interest when they sign their appointment contracts to serve in the GPG Audit Committees. Also, in each Audit Committee Meetings, Audit Committee Members are offered the opportunity to declare any interest relative to meeting agenda, and such are recorded accordingly in the minutes.

The Chief Audit Executive report functionally to the Audit Committee and administratively to the Accounting Officer: Gauteng Provincial Treasury. The Audit Committee review and approve the Internal Audit Plans and monitor quarterly progress report against the IA plans. The Audit Committee provide oversight and counsel role to the Internal Audit activities, conduct one-on one meetings to address and resolve differences and/or matters identified by IA during their audits.

The 360-degree approach was conducted on the evaluation of the Audit Committee function for the period under review. The Audit Committee evaluation outcome was effective, meaning the Audit Committee were observed as adding value to the Gauteng Government Departments. Any challenges or shortcoming identified during the evaluations are presented at the Provincial Audit Committee Meetings by Secretariat and addressed during the period under review or within stipulated timeframes.

The Audit Committee has complied with its responsibilities arising from Public Finance Management Act and Treasury Regulations. The Audit Committee understands and has internalised the requirements of the Global Internal Audit Standards™ in its work. The Audit Committee reviewed and adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein. The Audit Committee can confirm that it has functioned without hindrance or limitations throughout the reporting period.

Part 2: Audit Committee Composition and Meeting Attendance

The audit committee consists of three (03) 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 five (05) times during the year for the ordinary meetings.

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. Mandla Ncube **(Former Chairperson)**	» AAT Diploma in Accounting » Certificate of Training in USAID funded projects » Certificate in Internal Auditor » Certificate in Corporate Fraud Manager » Certificate in Control Self-Assessment (QAR)	No	2	0
Mr. Stanley Ngobeni **(Interim Chairperson)**	» Master of Philosophy of International Business » Doctor of Philosophy in Business Management (current) » Master of Business Administration » Master of Commerce in International and Domestic Taxation » Bcompt Honours (CTA) » Bachelor Accounting Science (Hons) » Bachelor of Commerce » Higher Diploma in Computer Auditing » Certificate in Labour relations	No	3	0
Ms. Yongama Pamla-Dhludhlu **(Member)**	» Postgraduate Diploma in Accounting » Postgraduate Diploma in Management (Financial Accounting) » Bachelor of Commerce	No	5	0

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
Ms. Pumla Mzizi (Member)	» Honours Bachelor of Commerce in Transport Economics. » B Compt Honours (CTA) » B BusSci Finance Honours	No	5	0

Part 3: Audit Committee Focus Areas

Effectiveness of the internal control systems

Based on the results of the audits performed and the follow up reviews conducted, the overall opinion on the internal control design was Adequate but Ineffective to ensure that the Department objectives will be achieved. The Audit Committee will monitor the Department to focus on improving the effectiveness of controls in the following areas:

- Support - Integrity Management at Municipalities;
- Municipal support – Energy Crisis;
- Audit of the performance of the department against predetermined objectives.

Effectiveness of the Internal Audit Function (IAF)

Gauteng Audit Services derives its mandate from the Internal Audit Charter, PFMA, and the Treasury Regulations. The PFMA Section 38 (1) requires that the Accounting Officer for a Department, trading entity or constitutional institution, must ensure that that Department, Trading Entity or Constitutional Institution has and maintains a system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.

Treasury Regulations 3.2 require that each institution to which these Regulations apply must have an Internal Audit Function.

The Internal Audit Function strengthens the Department's ability to create, protect, and sustain value by providing Management and, ultimately, the Audit Committee with independent, risk-based, and objective assurance, advice, insight, and foresight.

Audit committee concluded that internal audit performance and effectiveness is satisfactory:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the reports of the Internal Auditors on the Department's systems of internal control;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto

Activities of the IAF

The following was reviewed by Internal Audit during the year under review:

- Support - Integrity Management at Municipalities
- Risk Management
- Follow up on Supply Chain Management
- Follow-Up on Auditor-General's (AG) Findings
- Municipal support – Energy Crisis
- Follow up on Support – Stability in Municipalities
- Review of Draft Annual Performance Report
- Performance of the Department against predetermined objectives Q1

» Performance of the Department against predetermined objectives Q2

» Data Analysis – SAP ESS & PERSAL leave reconciliation

» 2025-26 IT risk assessment

» Data Analysis – ETHICS / FIN / HR (1 Jan 2024 – 30 June 2024)

» User account management review

» Data Analysis – ETHICS / FIN / HR (1 July 2024 – 31 December 2024)

Effectiveness of risk management

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

Adequacy, reliability, and accuracy of financial and performance information

The Audit Committee reviewed the quality, accuracy, uselessness, reliability and appropriateness of quarterly and annual financial reporting and the Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Accounting and auditing concerns identified as a result of internal and external audits

The Audit Committee held separate in-committee meetings with Management, Auditor General of South Africa and Internal Audit were there was a need, to address findings raised by the auditors. Management mitigated action plans for audit findings and where audit findings are still not implemented, Management have put measures in place to resolve them with due dates.

Compliance with legal and regulatory provisions

During the year, the Audit Committee, Management, Internal Audit, and Auditor-General of South Africa identified a number of instances of non-compliance with enabling laws and regulations. As a result, the Audit Committee suggested the establishment and implementation of an effective compliance management system to address issues of non-compliance with laws and regulations.

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

The Audit Committee would like to commend the department for reporting monthly and quarterly to Treasury as is required by the PFMA. The Audit Committee recommends that the department should fully comply with section 40(1) of the PFMA, in so far as management's review and monitoring of financial reports and performance information reports

Combined Assurance

The Combined assurance framework does exist within the Department. Management quarterly reported to the Audit Committee on the coordinated approach that integrate the Risk Management and assurance activities within the Department to optimise the effectives if controls.

Evaluation of the annual financial statements

Prior to submission to the AGSA for auditing purposes, the Audit Committee reviewed and recommended the Department's Annual Financial Statements on the 26 May 2025. The Audit Committee agrees with and accepts the Auditor-General of South Africa's conclusions regarding the Annual Financial Statements and recommends that the audited Annual Financial Statements be accepted and read alongside the Auditor-General's report.

External Audit

The Auditor General of South Africa as an independent assurance provider attended all Audit Committee Meeting during the financial year and participated in the process. The Audit Strategy and Engagement Letter were presented and endorsed by the Audit Committee including the audit fees. The Auditor General of South Africa engaged the Audit Committee to provide progress update on the audit prior to finalisation of the Audit and Management Reports for the Department.

Auditor-General's Report

The overall audit outcome of the department of corporate governance and traditional affairs is unqualified without findings (a clean audit). This is the same as the previous year's audit outcome. The Audit Committee commend the Department for the audit outcome.

Conclusion

The Audit Committee wishes to acknowledge the commitment and support of the Honourable MEC, Head of the department and his staff, AGSA, and Internal Audit of the department. Both political and administrative leadership in the department played ultimate and big role during the financial year.

Mr. Stanley Ngobeni

Chairperson of the Audit Committee
Department Cooperative Governance & Traditional Affairs
Date: 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 will appoint a verification agency to assist with the B-BBEE certificate level
Developing and implementing a preferential procurement policy?	YES	The preferential and procurement policy has been included in the Supply chain management policy of the department
Determining qualification criteria for the sale of state-owned enterprises?	NO	N/A
Developing criteria for entering partnerships with the private sector?	NO	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	NO	N/A

PART D
HUMAN RESOURCE MANAGEMENT

PART D
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

In 2024-2025 period, the Directorate: Human Capital Management made significant strides to achieve progress in all areas of its responsibility. The Directorate: Human Capital Management is committed to providing a positive and supportive workplace environment for all employees. The information provided below provide a detailed account of the human resources management function in the department. The department has a total staff establishment of 722 posts of which 613 were filled as of 31 March 2025. The vacancy rate as of 31 March 2024 was at 15,10%. The Minister for Public Service and Administration on 01 October 2023, issued Circular 49 and Directive on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments. This was amended and Circular 20 of 2024 and the Directive on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments was issued.

The department is yet to comply and meet the target for employment of Women in SMS and People with Disabilities. Representation of women in SMS as of 31 March 2025 was 35%, and People with Disabilities stand at 1,93%. To enhance equity, the department will make targeted recruitment to those groups that are under-represented. This will be achieved through targeted recruitment and partnership with institutions of Persons with Disabilities, once the moratorium on recruitment is lifted, depending on the outcome of the sought additional funding on the Cost of Employment budget from the Gauteng Provincial Treasury. The department has, however, not met the 30% target of Youth in the department. As of 31 March 2025, the representation of youth was at 6,5%. Measures will be put in place to employ youth in the department.

The overall vacancy rate of the department as of 31 March 2025 was at 15,10%, which is higher than the National benchmark of 10%. Efforts will be made to recruit suitably qualified, capable, and skilled workforce and to maintain the vacancy rate below 10% as prescribed by the Department of Public Service and Administration (DPSA). The increase in the vacancy rate can be ascribed to the DPSA Circular 49 and Directive on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments. The prioritisation of vacant posts to be filled will be documented in a Recruitment Plan, and vacant posts to be filled within the legislated timeframes.

For the period January 2024 to December 2024 (Table

3.10.1), a total of 3,204 sick leave days were utilised, compared to the 2,517 days utilised for sick leave in the 2023/4 calendar year. The number of staff members who used sick leave grew to 195 in 2024/5 compared to 180 in 2023/4. This reflects an average of 7 days sick leave per employee who used sick leave, compared to the average of 7 days sick leave per employee who used sick leave in 2024/5 – meaning that the average number of utilised days remained unchanged.

A total of 13,011 working days of annual leave were utilised by 632 employees (on average 21 days per employee) from the 2024 leave cycle, compared to 13,684 working days of annual leave utilised by 639 employees (on average 21 days per employee) in the previous period (Table 3.10.3). The Capped leave refers to leave accrued prior to 1 July 2000, which employees can only be utilised after exhausting their previous and current leave cycles' annual leave credits. No capped leave days were utilised in the period 1 January 2024 to 31 December 2024 (Table 3.10.4).

A total of twenty-six (26) grievances were dealt with in the reporting period and thirty-two (32) grievances were dealt with in the reporting period, and eight (8) of these grievances were resolved in 2024/2025. No application for granting an Employee Initiated Severance Package was received in the 2024/2025 reporting period.

2. OVERVIEW OF HUMAN RESOURCES

2.1. HUMAN RESOURCES OVERSIGHT STATISTICS

The status of human resources in the department.

The period under review marks the third and final year of the 2022- 2025 MTEF HR Plan and a new HR Plan for the 2025- 2028 period is in the process to be developed, as per the directive on the development of and reporting on HR plans in the public service require and given that the Departments has a newly approved five-year 2025 - Departmental Strategy for the period 2025- 2030. The focus is to support the Department to achieve this:

IMPACT STATEMENT: A functional and capable cooperative governance system that ensures responsive and sustainable services to citizens.

» The Human resource priorities for the year under review and the impact of these.

HR Planning Priorities	Impact
Organisational Structure Review	» The developed organisational structure is designed to deliver on the mandate of the Department.
Training and development - workplace skills plans	» Training and development initiatives focused on developing the Department's core competencies. » Implementation of the identified training programmes served to fulfil and ascertain progress/improvement in performance.
Employment Equity Plan	» Compliance with the Employment Equity Act.
Conducive and safe working environment	» The Department does not have an office building, which leads to some staff not having a » conducive working environment.
Repositioning of Human Capital Management as a solutions-oriented business partner	» Meaningful contribution to the holistic development of human capital in the Department.

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

The Department is continually focusing its attention on developing and implementing a Workforce Planning Strategy focused on attracting, retaining and capacity building with the view of achieving its Mandate, Strategic Objectives and Annual Performance Plans, whilst operating in the cost containment measures with all the competing strategic and operational demands.

» **Implementation of the salary grade progression for Occupation Specific Dispensation (OSD) and Non-Occupation Specific Dispensation (non-OSD) Employees:**

The Department embarked on a massive redress exercise of salary grade progression for the employees who qualified for the same in terms of the applicable Public Service Bargaining Coordinating Council (PSBCC) Resolutions applicable to the OSD and Non-OSD employees. The implementation not only ensured compliance by the Department but also showed a good-faith commitment to improving the employees' conditions of service by the Department.

» **Employee performance management.**

The Department has, in the period under review, seen a marked improvement in compliance with the implementation of the full cycle of the performance management process and transactions, both at salary levels 1-12 and SMS. The increased compliance can be attributed to line management's embrace of their role in this instance as well as the employees' increasing understanding of the importance of the same in guiding their work deliverables and the increasing awareness of the link to financial rewards, such as salary grade progression as well as the notch progression, where employees have complied with the qualifying criteria.

» **Employee wellness programmes.**

The Employee Wellness Management continues to be a priority service provision due to increasing recognition that the health and well-being of the COGTA employees directly impact the productivity of the organisation. During the period under review, the Department managed and delivered its insourced service provision to ensure continuity of the service as the transversal service had terminated. The core function of the services, substantively, seeks to provide employees with a full suite of Health and Wellness Programme (EHWP) with access to professional counselling and wellness services 24/7.

The services are aimed at helping employees and their immediate family members to manage personal and work-related problems that impact their wellbeing, productivity, and performance at work and personal/family environments. The participation in Advocacy and Awareness, as well as in Health & Wellness Education advocacy sessions, is helping to increase utilisation of the service. These sessions have seen encouraging growth, and the participation rate suggests that the EHWP is responsive, and it is proactively targeting the identified risks by flexibly putting in place the value-adding interventions.

2.2. Personnel-related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. It indicates the following:

» amount spent on personnel

» amount spent on salaries, overtime, homeowners' allowances and medical aid.

Table 2.2.1: 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	165 015	97 236	721	4 139	59%	700
Local Governance	275 648	223 340		21 412	81%	571
Development and Planning	491 964	60 899		393 512	12%	870
Traditional Institutional Management	20 406	14 608		4 011	72%	1 124
Total	**953 033**	**396 083**	**721**	**423 074**	**42%**	**646**

Table 2.2.2: 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)	158	0%	13	12
Skilled (level 3-5)	9 429	2%	27	349
Highly skilled production (Levels 6-8)	218 477	55%	419	521
Highly skilled supervision (Levels 9-12)	118 190	30%	121	977
Senior and Top management (Levels 13-16)	49 829	13%	33	1 510
Total	**396 083**	**100%**	**613**	**646**

Table 2.2.3: Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

Programme	Salaries		Overtime		Homeowners 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	63 761	66%	447	0%	2 686	3%	4 341	4%
Local Governance	144 803	65%	62	0%	7 281	3%	14 261	6%
Development and Planning	40 127	66%	631	1%	1 110	2%	2 034	3%
Traditional Institutional Management	8 634	59%	1	0%	139	1%	498	3%
Total	**257 325**	**65%**	**1 141**	**0%**	**11 216**	**3%**	**21 134**	**5%**

Table 2.2.4: Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Salaries		Overtime		Homeowners 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)	158	100	0	0%	115	73%	349	221%
Skilled (level 3-5)	7 261	77%	86	1%	509	5%	893	9%
Highly skilled production (Levels 6-8)	133 111	61%	728	0%	7 820	4%	15 904	7%
Highly skilled supervision (Levels 9-12	83 745	71%	327	0%	1 871	2%	3 516	3%
Senior management (level 13-16)	33 050	66%	0	0%	901	2%	472	1%
Total	**257 325**	**65%**	**1 141**	**0%**	**11 216**	**3%**	**21 134**	**5%**

2.3. Employment and Vacancies

Table 2.3.1: 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	1	1	0,00	0
Development and planning, permanent	23	16	30,40	0
Grd: cooperative governance, permanent	51	39	23,50	0
Integrated devel & sev del, permanent	26	23	11,50	0
Integrated development & service del 0506, permanent	20	19	5,00	0
Local governance, permanent	431	366	15,10	0
Pr1 administration, permanent	155	136	12,30	0
Traditional institution management (pr4), permanent	15	13	13,30	0
Total	**722**	**613**	**15,10**	**0**

Table 2.3.2: 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)	9	8	14,30	685
Skilled (3-5)	40	31	23,70	49
Highly skilled production (6-8)	480	409	14,90	0,00
Highly skilled supervision (9-12)	152	132	13,20	0,00
Senior management (13-16)	41	31	20,50	0,00
Total	**722**	**613**	**15,10**	**734**

Table 2.3.3: 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
Administration clerks, permanent	50	41	18,00	0,00
Administrative and governance policy manager, permanent	8	7	12,50	0,00
Chief information officer, permanent	1	1	0,00	0,00
Civil engineer, permanent	1	0	100,00	0,00
Communication and marketing manager, permanent	1	0	100,00	0,00
Communication coordinator, permanent	6,00	6,00	0,00	0,00
Community development practitioner, permanent	365	313	14,20	0
Compliance officer, permanent	2	2	0,00	0
Computer quality assurance analyst, permanent	1	1	0,00	0
Disaster management manager, permanent	3	3	0,00	0
Dispatching and receiving clerk, permanent	2	1	50,00	0
Engineering manager, permanent	4	4	0,00	0
Ethics officer, permanent	1	1	0,00	0
Facilities manager, permanent	1	1	0,00	0
Finance clerk, permanent	1	1	0,00	0
Finance manager, permanent	3	3	0,00	0
Financial accountant, permanent	3	3	0,00	0
Food trade assistant, permanent	1	1	0,00	0
General accountant, permanent	6	6	0,00	0
Head of provincial department, permanent	1	1	0,00	0
Human resource clerk, permanent	1	1	0,00	0
Human resource manager, permanent	1	1	0,00	0
Human resource practitioner, permanent	5	5	0,00	0
Legal-related manager, permanent	1	1	0,00	0
Light vehicle driver, permanent	4	4	0,00	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Managers not elsewhere classified, permanent	1	0	100,00	0
Middle manager: human resource & organisational development	2	2	0,00	0
Middle manager: administrative related, permanent	3	3	0,00	0
Middle manager: engineering sciences related, permanent	13	13	0,00	0
Middle manager: finance and economics related, permanent	4,	4,	0,00	0
Middle manager: legal-related, permanent	1	1	0,00	0
Middle manager: communication & information related, permanent	3	3	0,00	0
Mine communities & stakeholder engagement manager, permanent	4	1	75,00	0
Office cleaner, permanent	10	8	20,00	0
Office machine operator, permanent	1	1	0,00	0
Organisational development practitioner, permanent	1	1	0,00	0
Other middle manager, permanent	121	104	14,00	0
Other occupations, permanent	1	1	0,00	0
Payroll clerk, permanent	1	1	0,00	0
Personal assistant, permanent	38	28	26,30	0
Policy and planning managers, permanent	3	2	33,30	0
Public/media relations manager, permanent	2	1	50,00	0
Receptionist (general), permanent	1	1	0,00	0
Registry and mailing clerk, permanent	4	2	50,00	0
Risk and integrity manager, permanent	1	1	0,00	0
Risk officer, permanent	3	2	33,30	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Safety/health & environ.& quality(she&q)practitioner, permanent	1	1	0,00	0
Secretary (general), permanent	1	1	0,00	0
Security officer, permanent	5	5	0,00	0
Social counselling worker, Permanent	1	1	0,00	0
State owned entities and oversight manager, permanent	1	0	100,00	0
Strategy/monitoring &evaluation manager, permanent	4	4	0,00	0
Supply chain clerk, permanent	1	1	0,00	0
Supply chain manager, permanent	1	1	0,00	0
Switchboard operator, permanent	2	0	100,00	0
Systems administrator, permanent	5	5	0,00	0
Urban and regional planner, permanent	9	6	33,30	0
Total	**722**	**613**	**15,10**	**0**

2.4. 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 2.4.1: SMS post information as of 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
Salary Level 16	1	1	100%	0	0,00%
Salary Level 15	2	2	100%	0	0,00%
Salary Level 14	9	9	88,89%	1	11,11%
Salary Level 13	26	21	75%	7	25%
Total	**40**	**32**	**80%**	**8**	**20%**

Table 2.4.2: 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
Salary Level 16	1	1	100%	0	0,00%
Salary Level 15	2	2	100%	0	0,00%
Salary Level 14	9	9	88,89%	1	11,11%
Salary Level 13	26	21	80,77%	5	19,23%
Total	**38**	**33**	**84,21%**	**6**	**15,78%**

Table 2.4.3: 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
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 2.4.4: 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
There were restrictions imposed during this period owing to obtaining the concurrence to fill the posts as per DPSA circular 49 of 2023 and extended by circular 20 of 2024. There was a special programme of CEAs that resulted in some of the permanent posts being held back from being filled

Reasons for vacancies not filled within twelve months
There were restrictions imposed during this period owing to obtaining the concurrence to fill the posts as per DPSA circular 49 of 2023 and extended by circular 20 of 2024. There was a special programme of CEAs that resulted in some of the permanent posts being held back from being filled

Table 2.4.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
None.

Reasons for vacancies not filled within six months
Obtaining the concurrence to fill the posts as per DPSA circular 49 of 2023 and extended by circular 20 of 20204.

2.5. Job Evaluation

The Public Service Regulations, 2016, determine in terms of Regulation 40 (b and c) that an Executive Authority shall evaluate the job before creating a post for any new job, or filling any vacancy. In the case of a new job, an Executive Authority shall evaluate the job in terms of the job evaluation and job grading system referred to in regulation 41(1), except in the case of jobs determined in terms of an OSD, or jobs graded by the Minister in terms of regulation 41(2)(d), in which case the grade indicated in the OSD or as determined by the Minister shall be utilised. In terms of Regulation 41(3), an Executive Authority may evaluate or re-evaluate any job in his or her department, except jobs evaluated and graded by the Minister in terms of Sub-Regulation (2)(d) or jobs determined in terms of an OSD. 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 2.5.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% Of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	9	0	0	0	0	0	0,00
Skilled (Levels 3-5)	40	0	0	0	0	0	0,00
Highly skilled production (Levels 6-8)	480	0	0	0	0	0	0,00
Highly skilled supervision (Levels 9-12)	154	0	0	0	0	0	0,00
Senior Management Service Band A	26	0	0	0	0	0	0,00
Senior Management Service Band B	8	0	0	0	0	0	0,00
Senior Management Service Band C	4	0	0	0	0	0	0,00
Senior Management Service Band D	1	0	0	0	0	0	0,00
Total	**722**	**0**	**0**	**0**	**0**	**0**	**0,00**

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 2.5.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 20204 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 2.5.3: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 20204 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 beneficiaries of the above in terms of race, gender, and disability.

Table 2.5.4: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Director: Legal Services	1	13	15	Retention.
Chief Financial Officer	1	14	15	Retention.
Personal Assistant: Head of Department	1	7	8	Retention.
Personal Assistant: Deputy Director General: Local Governance	1	7	9	Retention.
Senior Human Resource Practitioner	1	7	8	Retention.
Total number of employees whose salaries exceeded the level determined by job evaluation				5
Percentage of total employed				0,69%

The retentions were implemented before the amendment of the Public Service Regulation, 2026 (sub-Regulation - Regulation 44(2)(c).

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

Table 2.5.5: 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	2	0	1	0	3
Male	1	0	1	0	2
Total	**3**	**0**	**2**	**0**	**5**
Employees with a disability	1	0	0	0	1

Total number of Employees whose salaries exceeded the grades determined by job evaluation	**5**

2.6. Employment Changes

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

Table 2.6.1: 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
Lower skilled (Levels 1-2)	6	0	0,00	0,00
Skilled (Levels 3-5)	29	0	0,00	0,00
Highly skilled production (Levels 6-8)	422	1	19,00	4,50
Highly skilled supervision (Levels 9-12)	136	0	5,00	3,70
Senior Management Service Bands A	20	1	1,00	5,00
Senior Management Service Bands B	8	0	1,00	12,50
Senior Management Service Bands C	4	0	0,00	0,00
Senior Management Service Bands D	1	1	1,00	100
Contracts	14	7	13	100
Civic Education Ambassadors	734	0	734	0,00
Total	**1 376**	**10**	**774**	**6,30**

Table 2.6.2: Annual turnover rates by critical occupation for the period 01 April 2024 - 31 March 2025

Critical occupation	Number of employees at beginning of the period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administration clerks Permanent	0	0	1	0
Administrative and governance policy manager permanent	0	1	1	0
Administrative related permanent	102	0	0	0
Architects' town and traffic planners permanent	8	0	0	0
Cleaners in offices workshops hospitals etc. Permanent	1	0	0	0
Communication and information related permanent	3	0	0	0
Community development practitioner permanent	0	0	12	0
Community development workers permanent	328	0	3	0,90
Computer programmers. Permanent	1	0	0	0
Computer system designers and analysts. Permanent	5	0	0	0
Engineering sciences related permanent	5	0	0	0
Engineers and related professionals permanent	8	0	0	0
Facilities manager permanent	0	1	0	0
Finance and economics related permanent	5	0	0	0
Financial and related professionals permanent	8	0	0	0
Financial clerks and credit controllers permanent	6	0	0	0
Food services aids and waiters permanent	1	0	0	0
Food trade assistant permanent	0	1	1	0
Head of department/chief executive officer permanent	1	0	0	0
Human resources & organisat developm & relate prof permanent	5	0	0	0
Human resources clerks permanent	6	0	0	0
Human resources related permanent	6	0	0	0
Language practitioners interpreters & other commun permanent	6	0	0	0
Legal related permanent	1	0	0	0

Critical occupation	Number of employees at beginning of the period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Library mail and related clerks permanent	4	0	0	0
Logistical support personnel permanent	2	0	0	0
Messengers porters and deliverers permanent	12	0	1	8,30
Middle manager: administrative-related permanent	0	0	1	0
Mine communities & stakeholder engagement manager permanent	0	0	1	0
Other administration & related clerks and organisers permanent	21	0	0	0
Other administrative policy and related officers permanent	19	0	1	5,30
Other middle manager permanent	0	5	9	0
Other occupations permanent	1	1	1	100
Personal assistant permanent	0	0	3	0
Registry and mailing clerk permanent	0	1	0	0
Risk management and security services permanent	5	0	0	0
Secretaries & other keyboard operating clerks permanent	33	0	1	3,00
Security officers permanent	5	0	0	0
Senior managers permanent	32	0	2	6,30
Switchboard operator permanent	0	0	1	0
Urban and regional planner permanent	0	0	1	0
Total	**640**	**10**	**40**	**6,3**

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

Table 2.6.3: Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations (Termination)
Death	2	5%
Resignation	12	30%
Expiry of contract (CEAs')	14	35%
	734	100%
Dismissal – operational changes	0	0,0%
Dismissal – misconduct	1	2,5%
Dismissal – inefficiency	0	0,0%
Discharged due to ill-health	1	2,5%
Retirement	10	25%
Transfer to other Public Service Departments	0	0,0%
Other	0	0,0%
Total	**774**	**100%**
Total number of employees who left as a % of total employment		**57,5%**

The turn over irate of 57.5% is impacted by the termination of the Civic Education Ambassadors, the normal turnover is 6,5% if CEAs' are excluded. .

Table 2.6.4: 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
Administration clerks	0	0	0	7	0
Administrative related	102	0	0	0	0
Architects town and traffic planners	8	0	0	0	0
Cleaners in offices workshops hospitals etc.	1	0	0	0	0
Communication and information related	3	0	0	0	0
Community development practitioner	0	0	0	43	0
Community development workers	328	1	0	0	0
Computer programmers.	1	0	0	0	0
Computer system designers and analysts.	5	0	0	0	0
Engineering sciences related	5	0	0	0	0
Engineers and related professionals	8	0	0	0	0

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
Finance and economics related	5	0	0	0	0
Financial and related professionals	8	0	0	0	0
Financial clerks and credit controllers	6	0	0	0	0
Food services aids and waiters	1	0	0	0	0
Head of department/chief executive officer	1	0	0	0	0
Human resources & organisat developm & relate prof	5	0	0	0	0
Human resources clerks	6	0	0	0	0
Human resources related	6	0	0	0	0
Language practitioners interpreters & other commun	6	0	0	0	0
Legal related	1	0	0	0	0
Library mail and related clerks	4	0	0	0	0
Logistical support personnel	2	0	0	0	0
Messengers porters and deliverers	12	0	0	0	0
Other administrat & related clerks and organisers	21	0	0	0	0
Other administrative policy and related officers	19	0	0	0	0
Other middle manager	0	2	0	0	0
Other occupations	1	0	0	0	0
Payroll clerk	0	0	0	1	0
Personal assistant	0	0	0	2	0
Policy and planning managers	0	0	0	1	0
Risk management and security services	5	0	0	0	0
Secretaries & other keyboard operating clerks	33	0	0	0	0
Security officers	5	0	0	0	0
Senior managers	32	0	0	0	0
Total	**640**	**3**	**0,5**	**54**	**8,40**

Table 2.6.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	7	0	0	0	0
Skilled (Levels 3-5)	30	0	0	1	3,40
Highly skilled production (Levels 6-8)	425	0	0	52	12,30
Highly skilled supervision (Levels 9-12)	142	3	2,20	1	0,70
Senior Management (Level 13-16)	33	0	0	0	0
Total	**640**	**3**	**0,50**	**54**	**8,40**

2.7. Employment Equity

Table 2.7.1: 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	
Senior Officials and Managers.	1	0	0	0	0	0	0	0	**1**
Technicians and Associate Professionals	0	0	0	0	0	0	0	1	**1**
Clerks	4	0	0	2	6	1	0	0	**13**
Labour and Related Workers	1	0	0	0	1	0	0	0	**2**
Elementary	21	0	0	0	52	5	3	0	**81**
Plant and Machine Operators and Assemblers	3	0	0	0	5	0	0	0	**8**
Managers	66	4	1	1	75	7	1	5	**160**
Plant & Machine Operators and Assemblers	5	0	0	0	0	0	0	0	**5**
Professionals	147	2	1	1	199	4	0	3	**357**
Protect Rescue Social Health Support Pers	3	0	0	0	2	0	0	0	**5**
Technicians &Associates Technical Occupations	0	0	0	0	2	0	0	0	**2**
Total	**254**	**6**	**2**	**4**	**328**	**17**	**4**	**9**	**632**
Employees with disabilities	7	0	0	0	7	0	0	0	**14**

Table 2.7.2: 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	1	0	0	2	0	0	0	**5**
Senior Management	13	2	1	0	11	1	0	0	**28**
Professionally qualified and experienced specialists and mid-management	59	1	1	1	64	5	1	5	**137**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	149	2	0	3	233	11	3	4	**405**
Semi-skilled and discretionary decision making	18	0	0	0	13	0	0	0	**31**
Unskilled and defined decision making	2	0	0	0	4	0	0	0	**6**
Total	**243**	**6**	**2**	**4**	**327**	**17**	**4**	**9**	**612**

Table 2.7.3: Recruitment for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	**0**
Senior Management	2	0	0	0	0	0	0	0	**2**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	1	0	0	0	**2**
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	**1**
Contract (Professionally qualified), Permanent	2	0	0	0	1	0	0	0	**3**
Contract (Semi-skilled), Permanent	1	0	0	0	1	0	0	0	**2**
Total	**7**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**10**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 2.7.4: Promotions for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	0	2	0	0	**4**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	1	0	0	33	5	0	0	**52**
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	**1**
Total	**16**	**1**	**0**	**0**	**33**	**7**	**0**	**0**	**57**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 2.7.5: Terminations for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	**0**
Senior Management	1	0	0	0	2	0	0	0	**3**
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	11	0	0	0	18	0	0	0	**29**
Semi-skilled and discretionary decision making	1	0	0	0	0	2	0	0	**3**
Unskilled and defined decision-making (CEAs)	229	0	0	0	505	0	0	0	**734**
Total	**245**	**0**	**0**	**0**	**526**	**2**	**0**	**1**	**774**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 2.7.6: 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	
Theft and violation of the Asset Management Policy.	1	0	0	0	0	0	0	0	1
Dereliction of Duty and failure to carry out lawful instructions	1	0	0	0	0	0	0	0	1

Table 2.7.7: 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	4	0	1	0	8	1	0	0	**14**
Professionals	79	1	0	0	116	5	0	0	**201**
Technicians and associate professionals	13	0	0	0	26	1	1	2	**43**
Clerks	7	0	0	0	6	0	0	0	**13**
Service and sales workers	1	0	0	0	1	0	0	0	**2**
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	0	0	0	0	2	0	0	0	**2**
Total	**104**	**1**	**1**	**0**	**159**	**7**	**1**	**2**	**275**
Employees with disabilities %	**3**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**6**

2.8. 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 2.8.1: Signing of Performance Agreements by SMS members as on 31 May 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Salary Level 16	0	0	0	100%
Salary Level 15	2	2	1	0
Salary Level 14	8	8	8	100%
Salary Level 13	22	22	22	100%
Total	**33**	**33**	**32**	**98%**

Table 2.8.2: Reasons for not having concluded Performance agreements for all SMS members as on 30 May 2024

Reasons
The SMS member was seconded to another Gauteng Provincial Government Department.

Table 2.8.3: Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 30 May 2024

Reasons
N/A

2.9. Performance Rewards

The department did not make any payments for performance rewards.

Table 2.9.1 :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	236	0	0	0
Female	0	321	0	0	0
Asian					
Male	0	2	0	0	0
Female	0	4	0	0	0
Coloured					
Male	0	6	0	0	0
Female	0	17	0	0	0
White					
Male	0	4	0	0	0
Female	0	9	0	0	0
Total	**0**	**613**	**0**	**0**	**0**

Table 2.9.2: 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	6	0	0	0	0
Skilled (level 3-5)	0	29	0	0	0	0
Highly skilled production (level 6-8)	0	406	0	0	0	0
Highly skilled supervision (level 9-12)	0	132	0	0	0	0
Total	**0**	**573**	**0**	**0**	**0**	**0**

Table 2.9.3: 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	0	0	0	0
Administrative and governance policy manager	0	0	0	0	0
Chief information officer	0	0	0	0	0
Communication coordinator	0	0	0	0	0
Community development practitioner	0	0	0	0	0
Compliance officer	0	0	0	0	0
Computers quality assurance analyst	0	0	0	0	0
Disaster management manager	0	0	0	0	0
Dispatching and receiving clerk	0	0	0	0	0
Engineering manager	0	0	0	0	0
Ethics officer	0	0	0	0	0
Facilities manager	0	0	0	0	0
Finance clerk	0	0	0	0	0
Finance manager	0	0	0	0	0
Financial accountant	0	0	0	0	0
Food trade assistant	0	0	0	0	0
General accountant	0	0	0	0	0
Head of provincial department	0	0	0	0	0
Human resource clerk	0	0	0	0	0
Human resource manager	0	0	0	0	0
Human resource practitioner	0	0	0	0	0
Legal related manager	0	0	0	0	0
Light vehicle driver	0	0	0	0	0
Midd.manager:human resource & organisa.devel.rela	0	0	0	0	0
Middle manager: administrative related	0	0	0	0	0
Middle manager: engineering sciences related	0	0	0	0	0
Middle manager: finance and economics related	0	0	0	0	0
Middle manager: legal related	0	0	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Middle manager: communication & information related	0	0	0	0	0
Mine communities & stakeholder engagement manager	0	0	0	0	0
Office cleaner	0	0	0	0	0
Office machine operator	0	0	0	0	0
Organisational development practitioner	0	0	0	0	0
Other middle manager	0	0	0	0	0
Other occupations	0	0	0	0	0
Payroll clerk	0	0	0	0	0
Personal assistant	0	0	0	0	0
Policy and planning managers	0	0	0	0	0
Public/media relations manager	0	0	0	0	0
Receptionist (general)	0	0	0	0	0
Registry and mailing clerk	0	0	0	0	0
Risk and integrity manager	0	0	0	0	0
Risk officer	0	0	0	0	0
Safety/health & environ.& quality(she&q)practitioner	0	0	0	0	0
Secretary (general)	0	0	0	0	0
Security officer	0	0	0	0	0
Social counselling worker	0	0	0	0	0
Strategy/monitoring &evaluation manager	0	0	0	0	0
Supply chain clerk	0	0	0	0	0
Supply chain manager	0	0	0	0	0
Systems administrator	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Table 2.9.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2024 to 31 March 2025

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	21	0	0	0	0
Band B	0	9	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	1	0	0	0	0
Total	**0**	**33**	**0**	**0**	**0**	**0**

2.10. Foreign Workers

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

Table 2.10.1: 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
Highly skilled supervision (Levels 9-12)	1	100%	1	100%	1	0,00
Total	**1**	**100%**	**1**	**100%**	**1**	**0,00%**

Table 2.10.2: 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
Highly skilled supervision (Levels 9-12)	1	100%	1	100%	1	0,00
Total	**1**	**100%**	**1**	**100%**	**1**	**0,00%**

2.11. 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 2.11.1: Sick leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	8	100,00	2	1,00	4	6
Skilled (Levels 3-5)	93	93,50	15	7,70	6	98
Highly skilled production (Levels 6-8)	666	92,60	106	54,40	6	1 143
Highly skilled supervision (Levels 9 -12)	399	88,20	55	28,20	7	1 203
Top and Senior management (Levels 13-16)	136	86,00	17	8,70	8	754
Total	**1 302**	**90,70**	**195**	**100,00**	**7**	**3 204**

Table 2.11.2: 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)
Highly skilled production (Levels 6-8)	21	100	1	100	21	31
Total	**21**	**100**	**1**	**100**	**21**	**31**

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 2.11.3: Annual Leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	12	6	2
Contract (Levels 3-5)	6	3	2
Contract (Levels 9-12)	13	3	4
Highly skilled production (Levels 6-8)	8 435	20	417
Highly skilled supervision (Levels 9-12)	3 070	23	136
Lower skilled (Levels 1-2)	133	22	6
Senior management (Levels 13-16)	755	22	35
Skilled (Levels 3-5)	587	20	30
Total	**13 011**	**119**	**632**

Table 2.11.4: Capped leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at the end of the period.
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	15
Highly skilled supervision (Levels 9-12)	0	0	0	12
Lower skilled (Levels 1-2)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	54
Skilled (Levels 3-5)	0	0	0	24
Total	**0**	**0**	**0**	**18**

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

Table 2.11.5: 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)
Annual - discounting with resignation (workdays)	650	14	46.42
Annual - discounting: contract expiry (workdays)	71	1	71
Annual - discounting: unused vacation credits (workdays)	99	1	99
Annual - gratuity: death/retirement/medical retirement(work	410	12	34.16
Total	**1 230**	**28**	**250 596**

2.12. HIV/AIDS & Health Promotion Programmes

Table 2.12.1: 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
Highly mobile Employees, e.g., Community Development Workers	The provision of Health Screening, inclusive of HIV Counselling and Testing (HCT) coordinated by the Employee Health and Wellness Programme (EHWP). Health Promotion on living a healthy lifestyle and various psychosocial topics. and access to counselling and support for employees and their family members. Other interventions are provided as per the Directorates' need and/or request.

Table 2.12.2: 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		Chief Director: Disaster Management and Fire Services, Mr Tshepo Motlhale and Director: Human Capital Management, Mr Odwa Chabula.

Question	Yes	No	Details, if yes
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Employee Health and Wellness Programme consists of 3 employees, with a budget of R2, 280 000.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	X		The EHWP is guided by four Wellness Pillars.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		1) HIV/AIDS and TB Management, which focuses on prevention of HIV, 2) Health and Productivity Management, which includes employees on long-term incapacity leave, 3) Wellness Management which includes counselling and health promotion, 4) SHERQ, which includes Occupational Health and Safety within the workplace. The Department has the following committees in place: Occupational Health and Safety Committee and, a Wellness/Peer Educators Committee. The committee consists of the following members: Mr. T. Motlhale (16.2), Mr. O. Chabula (16.2). Ms. C. Steenkamp (EHWP), Ms. P Tibini (EHWP), Dr. M. Molewa (OHS Officer), Ms. I. Mchalla (Policy & Research), Mr. C. Nkuna (HCM), Ms. A. Rautenbach (Facilities), Ms. L. Kesten (Facilities), Ms. C. Magoro (Disaster Management), Ms. B. Mpinke (Disaster Management), Ms. M. Nkosi (Facilities), Ms. A. Sehoole (Risk Management), Mr. S. Ngcobo (Risk Management), Mr. A. Ndaba (HCM), Mr. P. Ndaba (Facilities), Mr. D. Lentswane (HCM), Ms. T. Lande (CDWP), Mr. L. Khauoe (CDWP), Mr. N. Mbuyazi (MFS), Mr. D. Mahlakanya (Knowledge Management), Ms. L. Qhinebe (Disaster Management), Ms. J. Mashilo (Disaster Management), Ms. S. Ntlhare (Facilities Management), Ms. C. Jita (CDWP), Ms. L. Maluleke (ISS), Ms. S. Ally (Policy & Research), Mr. L. Moloi (CDWP), Mr. R. Koopa (Facilities Management), Ms. K. Lethole (Facilities Management), Mr. S. Mashilo (Facilities Management), Ms. G. Matojane (Communications), Ms. N. Mkhonto (Municipal Finance), Ms. N M. Tshobeka (Facilities Management).

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	X		The Department has a policy on HIV&AIDS Management Policy last reviewed in May 2022 however, the Department is also guided by national legislation and internal policies such as the Basic Conditions of Employment Act and the internal Recruitment and Selection Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The Department is guided by the above-mentioned policies to prevent discrimination. The wellness programme promotes a healthy lifestyle for all employees including those who are living with HIV. Employees who have tested positive during a Wellness Day event are provided with support though pre-test and post-test counselling. Employees` are then referred by the nurse to a clinic or doctor for treatment and care. Furthermore, Employees with GEMS are encouraged to register on the HIV Management program.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		HIV Counselling and Testing (HCT) is available to all staff, quarterly. Employees are encouraged to test for HIV during their Health Screening assessment, to know their status, to either continue prevention or provide access for better management of HIV&AIDS and TB.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		Health and utilization reports from the respective service providers such as GEMS etc., and our appointed external transversal counselling provider, EHWP Quarterly reports, records of attendance of various wellness events and seminars.

2.13. Labour Relations

Table 2.13.1: Collective agreements for the period 1 April 2024 and 31 March 2025

Subject matter	Date
PSCBC Resolution 2 of 2023 - Agreement on the payment of salary adjustment in the public service	13 July 2024
PSCBC Resolution 3 of 2023 – Enforcement of collective agreements in the public service	13 July 2024
Resolution 4 of 2024: Appointment of Full-time Shop steward and Release of Trade Union bearers.	24th May 2024

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 2.13.2: 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	1	16.67
Written warning	2	33.3%
Final written warning	1	16.67%
Suspended without pay	1	16.67%
Fine	1	16.67%
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	**6**	**100%**

Total number of Disciplinary hearings finalised	**6**

Table 2.13.3 :Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Theft and Violation of Asset Policy	1	16,67%
Dereliction of Duty	1	16,67%
Non-compliance with PMDS Policy	1	16,67%
Total	**3**	**100%**

Table 2.13.4: Grievances logged for the period 1 April 2024 and 31 March 2025

Grievances	Number	% of total
Number of grievances resolved	25	100%
Number of grievances not resolved	1	100%
Total number of grievances lodged	**26**	**100%**

Table 2.12.5: Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

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

Table 2.12.6: 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 2.12.7: Precautionary suspensions for the period 1 April 2024 and 31 March 2025

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	5 Months
Cost of suspension (R'000)	131 432

2.14. Skills development

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

Table 2.14.1: 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	15	0	11	4	15
	Male	18	0	15	0	15
Professionals	Female	220	2	190	23	215
	Male	175	2	155	10	167
Technicians and associate professionals	Female	67	0	55	7	62
	Male	40	0	30	7	37
Clerks	Female	56	0	53	0	53
	Male	22	0	18	1	19
Service and sales workers	Female	2	0	2	0	2
	Male	3	0	3	0	3
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	7	0	7	0	7
	Male	2	0	2	0	2
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	4	0	4	0	4
Elementary occupations	Female	7	0	7	0	7
		2	0	0	0	2
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		**640**	**4**	**552**	**52**	**610**

Table 2.14.2: 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	15	0	9	4	13	15
	Male	18	0	5	0	5	18
Professionals	Female	220	2	119	23	142	220
	Male	175	2	78	10	88	175
Technicians and associate professionals	Female	67	0	30	7	37	67
	Male	40	0	13	7	20	40
Clerks	Female	56	0	6	0	6	56
	Male	22	0	7	1	8	21
Service and sales workers	Female	2	0	1	0	1	2
	Male	3	0	1	0	1	3
Skilled agriculture and fishery workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Craft and related trades workers	Female	7	0	0	0	0	7
	Male	2	0	0	0	0	2
Plant and machine operators and assemblers	Female	0	0	0	0	0	0
	Male	4	0	0	0	0	4
Elementary occupations	Female	7	0	2	0	2	7
	Male	2	0	0	0	0	2
Sub Total	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Total		**640**	**4**	**271**	**52**	**321**	**639**

2.15. Injury on duty

The following tables provide basic information on injury on duty.

Table 2.15.1: 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	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**0**	**0**

2.16. 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:

a. The rendering of expert advice;

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

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

N/A

Table 2.16.1: 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 (workdays)	Contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
N/A			

Table 2.16.2: 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
N/A			

Table 2.16.3: 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 (Workdays)	Donor and contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
N/A			

Table 2.16.4: 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
N/A			

2.17. Severance Packages

Table 2.17.1: Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025

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


MIDVAAL SEARCH and RESCUE

PART E
PFMA COMPLIANCE REPORT

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	6 887	5 797
Adjustment to opening balance	0	0
Opening balance as restated	6 887	5 797
Add: Irregular expenditure confirmed	0	1 090
Less: Irregular expenditure condoned	-219	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable[1]	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	**6 668**	**6 887**

N/A

[1] Transfer to receivables

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that relates to the prior year and is identified in the current year	0	0
Irregular expenditure for the current year	0	1 090
Total	**0**	**1 090**

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

Description[2]	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	8 469	0
Irregular expenditure under determination	0	1 090
Irregular expenditure under investigation	0	0
Total	**8 469**	**1 090**

The Department is alleged to have incurred irregular expenditure relating to the award of tender number COGTA 04/2024 relating to a panel of service providers for the purposes of providing camp management services during disaster in Gauteng Province. The terms of reference for the tender were revised after the initial tender was non-responsive. The revised terms of reference were not submitted to Bid Specification Committee (BSC) prior to approval by the Accounting officer. The Auditor General alleged that the non-submission of the revised terms of reference to the BSC is non-compliant and expenditure of R8 469 278,90 incurred from the awards to service providers from the panel should be disclosed as irregular expenditure.

Due to different interpretations in legislation and policy on the matter, management escalated the matter to Provincial Treasury for further assessment which it was communicated will be available after the conclusion of the audit. Management has not disclosed the irregular expenditure pending the outcome of the assessment from Provincial Treasury. The alleged irregular expenditure is not material and does not affect the audit outcome in the current financial year.

Any confirmed irregular expenditure emanating from this process will be addressed appropriately in the forthcoming financial years in line with the requirements of the Modified Cash Standard.

c. Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	219	0
Total	**219**	**0**

N/A

[2] Group similar items

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

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

N/A.

e. Details of irregular expenditure recoverable

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

N/A

f. Details of irregular expenditure written off (irrecoverable)

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

N/A

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
Total

N/A

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	2023/2024
	R'000	R'000
N/A	0	0
Total	**0**	**0**

N/A

[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

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

Disciplinary steps taken
Verbal warnings were issued to responsible officials.

N/A

1.2. Fruitless and wasteful expenditure

a. Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable[4]	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	**0**	**0**

N/A

Reconciling notes

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

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

Description[5]	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	**0**	**0**

N/A

4 Transfer to receivables

5 Group similar items

c. Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	**0**	**0**

N/A

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

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

N/A

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

Disciplinary steps taken
N/A
Total

N/A

1.3. Unauthorised expenditure

a. Reconciliation of unauthorised expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable[6]	0	0
Less: unauthorised not recoverable and written off[7]	0	0
Closing balance	**0**	**0**

N/A

[6] Transfer to receivables

[7] This amount may only be written off against available savings

Reconciling notes

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

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

Description[8]	2024/2025 R'000	2023/2024 R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	**0**	**0**

N/A

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(I) &(iii))[9]

a. Details of material losses through criminal conduct

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

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

b. Details of other material losses

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

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

8 Group similar items

9 Information related to material losses must be disclosed in the annual financial statements.

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)		
Total		

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	1 276	547 262
Invoices paid within 30 days or agreed period	1 276	547 262
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

N/A

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of a service provider for Planning Support on Economic Impact Modelling Modelling	CSIR	Single Source	PO 4251227888	R900,000
Render Cobit and Itil trainings to officials from Information Communication and Technology	Netcampus	Single Source	PO 4251228300 PO 4251228213	R136, 850 R148, 350
Procuring an assistive device in respect to reasonable accommodation as per the Disability Policy: Reasonable Accommodation and Assistive Devices: Ms Maatsatsi Mtshana	Heinrich Wilhelm Grimsehl	Sole Provider	PO 4251213622	R153 393,38
				R1 338 593

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
Appointment of a service provider for the Development of a strategy to revitalize the Old Central Business District in the Gauteng City Region	Cadre Connect (Pty) Ltd	Variation	COGTA 14/2023	R1,986,576	-	R297, 986
Request to render Security Services at 30 Simmonds for the period of two months	Phuthadichaba Trading Enterprise	Variation	COGTA 11/2020	R7 385 181,23	-	R284, 554
Request to render Security Services at 11 Janadel Avenue, PDMC, Midrand for the period of two months	Siyejabula Security Solutions	Variation	COGTA 12/2020	R4 383 273,60	-	R170, 460
Accommodation for the Local Government Turnaround Summit	Recreation Africa Conferences and Events	Variation	4251231151	R999,930	-	R614, 108
Total						**R1 367 108**

PART F
FINANCIAL INFORMATION

PART F
FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS.

For the year ended 31 March 2025

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Co-operative Governance and Traditional Affairs set out on pages 140 to 185, 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 cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Co-operative Governance and Traditional Affairs as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue act 24 of 2024 (Dora).

Basis for opinion

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

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

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

Emphasis of matter

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

Material underspending of the vote by the department

7. As disclosed in the appropriation statement, the department materially underspent the budget by R62 813 000 on programme 3.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 186 to 192 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

10. 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 Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

12. 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.

13. 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 137, forms part of my auditor's report.

Report on the audit of the annual performance report

14. 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.

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

Programme	Page numbers	Purpose
Local governance	35-45	This programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as building the capacity and capability of local government to achieve its constitutional mandate. The sustained performance on B2B pillar will serve as an indicator as to whether the Municipalities are functional and ethical which will further illustrate whether there is effective service delivery. In terms of the B2B pillars, municipalities that achieve a minimum of 80% satisfaction levels in stakeholder survey will further reflect functionality and sustainability.
Development and planning	46-54	This programme seeks to coordinate, facilitate, and promote integrated development and planning in municipalities to ensure that varieties of services are delivered in an integrated and sustainable manner. It facilitates and coordinates processes towards ensuring the municipal IDPs are credible, implementable, and aligned to national and provincial outcomes, plans and strategies. Coordination and support is provided for the implementation of the National Disaster Management Act and framework to ensure the effective management of disaster at National, provincial and local level within this programme. In addition, it also ensures the accelerated delivery of municipal basic service and infrastructure delivery to meet national targets.

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

17. 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.

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

19. I did not identify any material findings on the reported performance information for the local governance and for the development and planning.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

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

The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 46 to 54.

Development and planning

Targets achieved: 58% *Budget spent 89%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of work opportunities reported through the Community Work Programme (CWP) (MTSF 2019-2024, Priority 2)	21 000 work opportunities reported through the CWP	20 082 participants were employed in the programme.
Number of disaster management plans completed	Level 3 plan disaster management plan completed	The project is deferred to the 2025-26 financial year
Number of municipalities supported with technical skills capacity through multi- disciplinary teams, to address urgent issues which will impact on municipal service delivery	6 municipalities supported with technical skills capacity through multi- disciplinary teams, to address urgent issues which will impact on municipal service delivery	5 municipalities were supported with technical skills capacity through multi- disciplinary teams, to address urgent issues which will impact on municipal service delivery
Number of defective transformers replaced in 6 local municipalities	60 defective transformers replaced in 6 local municipalities	31 transformers were replaced under the transformer replacement programme
Number of smart meters installed in 6 local municipalities in line with the transformer replacement programme	4 800 smart meters	1 500 smart meters installed.
Number of solar high mast lights installed in 6 local municipalities	57 solar high mast lights installed in 6 local municipalities.	21 solar high mast lights were installed

Key indicator not achieved	Planned target	Reported achievement
Number of OCGT power stations refurbished in the City of Johannesburg	1 OCGT (50MW) completion of Durban Street	The Durban Street OCGT power station refurbishment was 85% complete by the end of the financial year
Number of microgrids developed for informal settlement	1 microgrid developed for an informal settlement	0 micro grid installed in an informal settlement

Report on compliance with legislation

22. 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.

23. 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.

24. 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.

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

Other information in the annual report

26. 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.

27. 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.

28. 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.

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

Internal control deficiencies

30. 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.

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

Auditor - General

Johannesburg

31 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	Sections, regulations 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
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 24 of 2024	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Health Act 61 of 2003	Section 13
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 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

Legislation	Sections, regulations or paragraph
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)

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	162 790	-	2 453	165 243	165 015	228	99,9%	177 075	174 799
2. LOCAL GOVERNANCE	277 620	-	(1 267)	276 353	275 648	705	99,7%	286 243	279 374
3. DEVELOPMENT PLANNING	555 963	-	(1 186)	554 777	491 964	62 813	88,7%	592 473	591 646
4. TRADITIONAL INSTITUTIONAL MANAGEMENT	20 439	-	-	20 439	20 406	33	99,8%	24 704	22 968
Total	**1 016 812**	**-**	**-**	**1 016 812**	**953 033**	**63 779**	**93,7%**	**1 080 495**	**1 068 787**

	2024/25		2023/24	
	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000
Total (brought forward)	1 016 812		1 080 495	
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1 008		765	
Actual amounts per statement of financial performance (Total revenue)	**1 017 820**		**1 081 260**	
Actual amounts per statement of financial performance (Total expenditure)		**953 033**		**1 068 787**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

APPROPRIATION PER ECONOMIC CLASSIFICATION

	2024/25							2023/24	
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**1 000 675**	**502**	**-**	**1 001 177**	**937 400**	**63 777**	**93,6%**	**1 042 560**	**1 030 843**
Compensation of employees	412 232	(11 679)	(2 376)	398 177	396 085	2 092	99,5%	394 868	384 206
Salaries and wages	354 106	(9 463)	(2 049)	342 594	341 238	1 356	99,6%	338 931	330 853
Social contributions	58 126	(2 216)	(327)	55 583	54 847	736	98,7%	55 937	53 353
Goods and services	588 443	12 181	2 376	603 000	541 315	61 685	89,8%	647 692	646 637
Administrative fees	603	(135)	-	468	467	1	99,8%	360	360
Advertising	8 086	3 180	-	11 266	11 266	-	100,0%	5 929	5 924
Minor assets	158	(157)	-	1	1	-	100,0%	489	486
Audit costs: External	4 615	(190)	-	4 425	4 425	-	100,0%	4 443	4 440
Bursaries: Employees	2 410	1 445	-	3 855	3 854	1	100,0%	3 967	3 963
Catering: Departmental activities	2 380	(117)	-	2 263	2 260	3	99,9%	5 300	5 286
Communication	13 198	1 471	-	14 669	14 668	1	100,0%	10 486	10 485
Computer services	13 828	(8 669)	-	5 159	5 159	-	100,0%	16 320	16 302
Consultants: Business and advisory services	14 802	(9 176)	-	5 626	5 624	2	100,0%	5 371	4 986
Legal services	2 300	(395)	-	1 905	1 904	1	99,9%	686	686
Contractors	5 872	684	-	6 556	6 554	2	100,0%	11 026	10 546
Agency and support / outsourced services	473 671	5 398	-	479 069	417 449	61 620	87,1%	502 709	502 699
Fleet services	5 875	6 976	-	12 851	12 850	1	100,0%	15 310	15 302
Inventory: Other supplies	335	48	-	383	382	1	99,7%	-	-
Consumable supplies	7 215	6 823	-	14 038	14 033	5	100,0%	10 257	10 245
Consumable: Stationery, printing and office supplies	915	11	-	926	924	2	99,8%	1 917	1 912
Operating leases	500	279	-	779	778	1	99,9%	182	181
Property payments	10 839	3 917	2 376	17 132	17 110	22	99,9%	20 585	20 570
Travel and subsistence	6 711	(440)	-	6 271	6 154	117	98,1%	8 626	8 564

APPROPRIATION PER ECONOMIC CLASSIFICATION

	2024/25							2023/24	
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	6 506	725	-	7 231	7 231	-	100,0%	9 519	9 510
Operating payments	1 775	(789)	-	986	983	3	99,7%	2 875	2 867
Venues and facilities	5 849	1 292	-	7 141	7 239	(98)	101,4%	11 335	11 323
Transfers and subsidies	**13 645**	**575**	**-**	**14 220**	**14 219**	**1**	**100,0%**	**35 069**	**35 068**
Provinces and municipalities	12 000	-	-	12 000	12 000	-	100,0%	33 369	33 369
Municipalities	12 000	-	-	12 000	12 000	-	100,0%	33 369	33 369
Municipal bank accounts	12 000	-	-	12 000	12 000	-	100,0%	33 369	33 369
Households	1 645	575	-	2 220	2 219	1	100,0%	1 700	1 699
Social benefits	1 045	575	77	1 697	1 696	1	99,9%	1 181	1 180
Other transfers to households	600	-	(77)	523	523	-	100,0%	519	519
Payments for capital assets	**2 492**	**(1 077)**	**-**	**1 415**	**1 414**	**1**	**99,9%**	**2 080**	**2 090**
Machinery and equipment	2 470	(1 110)	-	1 360	1 359	1	99,9%	2 080	2 076
Other machinery and equipment	2 470	(1 110)	-	1 360	1 359	1	99,9%	2 080	2 076
Software and other intangible assets	22	33	-	55	55	-	100,0%	-	14
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**786**	**786**
Total	**1 016 812**	**-**	**-**	**1 016 812**	**953 033**	**63 779**	**93,7%**	**1 080 495**	**1 068 787**

PROGRAMME 1: ADMINISTRATION

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	4 316	47	-	4 363	4 224	139	96,8%	5 663	5 636
2. CORPORATE SERVICES	158 474	(47)	2 453	160 880	160 791	89	99,9%	171 412	169 163
Total for sub programmes	**162 790**	**-**	**2 453**	**165 243**	**165 015**	**228**	**99,9%**	**177 075**	**174 799**
Economic classification									
Current payments	**159 253**	**502**	**2 376**	**162 131**	**161 905**	**226**	**99,9%**	**173 028**	**170 743**
Compensation of employees	105 660	(8 237)	-	97 423	97 235	188	99,8%	100 336	98 150
Salaries and wages	93 031	(8 323)	-	84 708	84 532	176	99,8%	87 774	85 896
Social contributions	12 629	86	-	12 715	12 703	12	99,9%	12 562	12 254
Goods and services	53 593	8 739	2 376	64 708	64 670	38	99,9%	72 692	72 593
Administrative fees	15	12	-	27	27	-	100,0%	19	19
Advertising	1 521	833	-	2 354	2 354	-	100,0%	2 781	2 779
Minor assets	158	(157)	-	1	1	-	100,0%	489	486
Audit costs: External	4 615	(374)	-	4 241	4 241	-	100,0%	4 257	4 255
Bursaries: Employees	2 410	1 445	-	3 855	3 854	1	100,0%	3 452	3 451
Catering: Departmental activities	218	(17)	-	201	201	-	100,0%	617	614
Communication (G&S)	5 298	(191)	-	5 107	5 106	1	100,0%	3 129	3 129
Computer services	7 923	(3 161)	-	4 762	4 762	-	100,0%	14 550	14 533
Consultants: Business and advisory services	612	354	-	966	966	-	100,0%	599	595
Legal services	2 300	(395)	-	1 905	1 904	1	99,9%	686	686
Contractors	4 217	141	-	4 358	4 357	1	100,0%	1 462	1 462
Agency and support / outsourced services	2 050	1 123	-	3 173	3 173	-	100,0%	1 873	1 873

PROGRAMME 1: ADMINISTRATION

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	5 875	5 844	-	11 719	11 718	1	100,0%	11 633	11 631
Inventory: Medical supplies	335	48	-	383	382	1	99,7%	-	-
Consumable supplies	1 028	260	-	1 288	1 285	3	99,8%	1 372	1 364
Consumable: Stationery, printingand office supplies	565	(338)	-	227	227	-	100,0%	1 650	1 649
Operating leases	500	279	-	779	778	1	99,9%	182	181
Property payments	9 550	3 037	2 376	14 963	14 940	23	99,8%	15 815	15 808
Travel and subsistence	1 737	(87)	-	1 650	1 548	102	93,8%	1 213	1 178
Training and development	497	315	-	812	812	-	100,0%	1 933	1 930
Operating payments	735	(174)	-	561	559	2	99,6%	520	513
Venues and facilities	1 434	(58)	-	1 376	1 475	(99)	107,2%	4 460	4 457
Transfers and subsidies	**1 045**	**575**	**77**	**1 697**	**1 696**	**1**	**99,9%**	**1 181**	**1 180**
Households	1 045	575	77	1 697	1 696	1	99,9%	1 181	1 180
Social benefits	1 045	575	77	1 697	1 696	1	99,9%	1 181	1 180
Payments for capital assets	**2 492**	**(1 077)**	**-**	**1 415**	**1 414**	**1**	**99,9%**	**2 080**	**2 090**
Machinery and equipment	2 470	(1 110)	-	1 360	1 359	1	99,9%	2 080	2 076
Other machinery and equipment	2 470	(1 110)	-	1 360	1 359	1	99,9%	2 080	2 076
Software and other intangible assets	22	33	-	55	55	-	100,0%	-	14
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**786**	**786**
Total	**162 790**	**-**	**2 453**	**165 243**	**165 015**	**228**	**99,9%**	**177 075**	**174 799**

APPROPRIATION STATEMENT

for the year ended 31 March 2025

PROGRAMME 2: LOCAL GOVERNANCE

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MUNICIPAL ADMINISTRATION	19 508	(4 750)	(1 267)	13 491	12 814	677	95,0%	18 375	15 390
2. MUNICIPAL FINANCE	22 479	(584)	-	21 895	21 891	4	100,0%	24 964	24 704
3. PUBLIC PARTICIPATION	199 728	9 291	-	209 019	209 003	16	100,0%	210 107	208 145
4. CAPACITY DEVELOPMENT	18 142	(1 922)	-	16 220	16 217	3	100,0%	16 270	16 020
5. MUNICIPAL PERFORMANCE MONITORING, REPORTING AND EVALUATION	17 763	(2 035)	-	15 728	15 723	5	100,0%	16 527	15 115
Total for sub programmes	**277 620**	**-**	**(1 267)**	**276 353**	**275 648**	**705**	**99,7%**	**286 243**	**279 374**
Economic classification									
Current payments	**277 020**	**-**	**(1 190)**	**275 830**	**275 125**	**705**	**99,7%**	**285 724**	**278 855**
Compensation of employees	226 351	(1 130)	(1 190)	224 031	223 343	688	99,7%	220 308	213 978
Salaries and wages	190 440	1 082	(863)	190 659	190 136	523	99,7%	185 955	181 553
Social contributions	35 911	(2 212)	(327)	33 372	33 207	165	99,5%	34 353	32 425
Goods and services	50 669	1 130	-	51 799	51 782	17	100,0%	65 416	64 877
Administrative fees	38	23	-	61	61	-	100,0%	-	-
Advertising	6 565	826	-	7 391	7 391	-	100,0%	3 098	3 095
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	184	-	184	184	-	100,0%	-	-
Bursaries: Employees	-	-	-	-	-	-	-	278	276
Catering: Departmental activities	1 067	(493)	-	574	572	2	99,7%	3 329	3 322
Communication (G&S)	7 900	1 662	-	9 562	9 562	-	100,0%	6 568	6 567
Computer services	330	67	-	397	397	-	100,0%	378	378

PROGRAMME 2: LOCAL GOVERNANCE

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	524	(524)	-	-	-	-	-	460	460
Contractors	1 366	472	-	1 838	1 837	1	99,9%	8 086	7 607
Agency and support / outsourced services	22 901	(1 488)	-	21 413	21 411	2	100,0%	24 080	24 074
Consumable supplies	15	139	-	154	153	1	99,4%	798	797
Consumable: Stationery, printing and office supplies	130	520	-	650	649	1	99,8%	181	178
Property payments	-	-	-	-	-	-	-	1 297	1 290
Travel and subsistence	2 069	(396)	-	1 673	1 664	9	99,5%	3 442	3 427
Training and development	5 010	(852)	-	4 158	4 158	-	100,0%	7 069	7 063
Operating payments	40	27	-	67	67	-	100,0%	476	475
Venues and facilities	2 714	871	-	3 585	3 584	1	100,0%	4 323	4 318
Transfers and subsidies	**600**	**-**	**(77)**	**523**	**523**	**-**	**100,0%**	**519**	**519**
Households	600	-	(77)	523	523	-	100,0%	519	519
Other transfers to households	600	-	(77)	523	523	-	100,0%	519	519
Total	**277 620**	**-**	**(1 267)**	**276 353**	**275 648**	**705**	**99,7%**	**286 243**	**279 374**

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

APPROPRIATION STATEMENT

for the year ended 31 March 2025

PROGRAMME 3: DEVELOPMENT PLANNING

	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
Sub programme									
1. LAND USE MANAGEMENT	10 712	(1 496)	-	9 216	9 059	157	98,3%	13 022	13 016
2. IDP COORDINATION	31 765	(7 829)	(1 061)	22 875	22 239	636	97,2%	27 739	27 494
3. DISASTER MANAGEMENT	53 539	-	(125)	53 414	53 017	397	99,3%	68 805	68 243
4. CAPACITY DEVELOPMENT	459 947	9 325	-	469 272	407 649	61 623	86,9%	482 907	482 893
Total for sub programmes	**555 963**	**-**	**(1 186)**	**554 777**	**491 964**	**62 813**	**88,7%**	**592 473**	**591 646**
Economic classification									
Current payments	**543 963**	**-**	**(1 186)**	**542 777**	**479 964**	**62 813**	**88,4%**	**559 104**	**558 277**
Compensation of employees	65 582	(2 312)	(1 186)	62 084	60 897	1 187	98,1%	60 362	59 944
Salaries and wages	57 790	(2 114)	(1 186)	54 490	53 582	908	98,3%	52 849	52 620
Social contributions	7 792	(198)	-	7 594	7 315	279	96,3%	7 513	7 324
Goods and services	478 381	2 312	-	480 693	419 067	61 626	87,2%	498 742	498 333
Administrative fees	540	(160)	-	380	379	1	99,7%	336	336
Advertising	-	1 521	-	1 521	1 521	-	100,0%	50	50
Audit costs: External	-	-	-	-	-	-	-	186	185
Bursaries: Employees	-	-	-	-	-	-	-	102	101
Catering: Departmental activities	895	178	-	1 073	1 072	1	99,9%	415	412
Communication (G&S)	-	-	-	-	-	-	-	789	789
Computer services	5 575	(5 575)	-	-	-	-	-	1 392	1 391
Consultants: Business and advisory services	12 980	(9 658)	-	3 322	3 320	2	99,9%	4 028	3 647
Contractors	100	49	-	149	149	-	100,0%	876	875
Agency and support / outsourced services	445 415	6 394	-	451 809	390 192	61 617	86,4%	471 704	471 701

PROGRAMME 3: DEVELOPMENT PLANNING

	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
Fleet services (including government motor transport)	-	1 040	-	1 040	1 040	-	100,0%	2 124	2 121
Consumable supplies	6 172	6 424	-	12 596	12 595	1	100,0%	8 087	8 084
Consumable: Stationery, printing and office supplies	170	(170)	-	-	-	-	-	-	-
Property payments	1 289	880	-	2 169	2 170	(1)	100,0%	3 473	3 472
Travel and subsistence	2 295	(34)	-	2 261	2 257	4	99,8%	1 877	1 868
Training and development	799	1 462	-	2 261	2 261	-	100,0%	46	46
Operating payments	1 000	(642)	-	358	357	1	99,7%	1 879	1 879
Venues and facilities	1 151	603	-	1 754	1 754	-	100,0%	1 378	1 376
Transfers and subsidies	**12 000**	**-**	**-**	**12 000**	**12 000**	**-**	**100,0%**	**33 369**	**33 369**
Provinces and municipalities	12 000	-	-	12 000	12 000	-	100,0%	33 369	33 369
Municipalities	12 000	-	-	12 000	12 000	-	100,0%	33 369	33 369
Municipal bank accounts	12 000	-	-	12 000	12 000	-	100,0%	33 369	33 369
Total	**555 963**	**-**	**(1 186)**	**554 777**	**491 964**	**62 813**	**88,7%**	**592 473**	**591 646**

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. TRADITIONAL INSTITUTION ADMINISTRATION	11 272	494	-	11 766	11 739	27	99,8%	14 887	14 162
2. TRADITIONAL RESOURCE ADMINISTRATION	7 431	147	-	7 578	7 574	4	99,9%	7 857	7 290
3. RURAL DEVELOPMENT FACILITATION	200	(200)	-	-	-	-	-	491	490
4. TRADITIONAL LAND ADMINISTRATION	1 536	(441)	-	1 095	1 093	2	99,8%	1 469	1 026
Total for sub programmes	**20 439**	**-**	**-**	**20 439**	**20 406**	**33**	**99,8%**	**24 704**	**22 968**
Economic classification									
Current payments	**20 439**	**-**	**-**	**20 439**	**20 406**	**33**	**99,8%**	**24 704**	**22 968**
Compensation of employees	14 639	-	-	14 639	14 610	29	99,8%	13 862	12 134
Salaries and wages	12 845	(108)	-	12 737	12 988	(251)	102,0%	12 353	10 784
Social contributions	1 794	108	-	1 902	1 622	280	85,3%	1 509	1 350
Goods and services	5 800	-	-	5 800	5 796	4	99,9%	10 842	10 834
Administrative fees	10	(10)	-	-	-	-	-	5	5
Bursaries: Employees	-	-	-	-	-	-	-	135	135
Catering: Departmental activities	200	215	-	415	415	-	100,0%	939	938
Consultants: Business and advisory services	686	652	-	1 338	1 338	-	100,0%	284	284
Contractors	189	22	-	211	211	-	100,0%	602	602
Agency and support / outsourced services	3 305	(631)	-	2 674	2 673	1	100,0%	5 052	5 051

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	50	(1)	-	49	48	1	98,0%	86	85
Travel and subsistence	610	77	-	687	685	2	99,7%	2 094	2 091
Training and development	200	(200)	-	-	-	-	-	471	471
Venues and facilities	550	(124)	-	426	426	-	100,0%	1 174	1 172
Total	**20 439**	**-**	**-**	**20 439**	**20 406**	**33**	**99,8%**	**24 704**	**22 968**

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT)

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H 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

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	%
ADMINISTRATION				
Current payments	162 131	161 905	226	0,1%
Transfers and Subsidies	1 697	1 696	1	0,1%
Payments for Capital Assets	1 415	1 414	1	0,1%
LOCAL GOVERNANCE				
Current payments	275 830	275 125	705	0,3%
Transfers and Subsidies	523	523	-	0,0%
DEVELOPMENT PLANNING				
Current payments	542 777	479 964	62 813	11,6%
Transfers and Subsidies	12 000	12 000	-	0,0%
TRADITIONAL INSTITUTIONAL				
Current payments	20 439	20 406	33	0,2%

4.2. Per economic classification

Economic classification	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Current payments				
Compensation of employees	398 177	396 085	2 092	0.5%
Goods and services	603 000	541 315	61 685	10.2%
Transfers and subsidies				
Provinces and municipalities	12 000	12 000	-	0.0%
Households	2 220	2 219	1	0.0%
Payments for capital assets				
Machinery and equipment	1 360	1 359	1	0.1%
Intangible assets	55	55	-	0.0%
Payments for financial assets	**-**	**-**	**-**	**-**
Total	**1 016 812**	**953 033**	**63 779**	**6.3%**

The underspending in Goods and Services is due to the underspending on the energy project.

4.3. Per conditional grant

Conditional grant	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a percentage of Final Budget %
Expanded Public Works Programme	2 000	2 000	-	0%
Total	**2 000**	**2 000**	**-**	**0%**

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	1 016 812	1 080 495
Departmental revenue	2	1 008	765
TOTAL REVENUE		**1 017 820**	**1 081 260**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	396 085	384 204
Goods and services	4	541 315	646 639
Total current expenditure		**937 400**	**1 030 843**
Transfers and subsidies			
Transfers and subsidies	6	14 219	35 068
Total transfers and subsidies		**14 219**	**35 068**
Expenditure for capital assets			
Tangible assets	7	1 359	2 076
Intangible assets	7	55	14
Total expenditure for capital assets		**1 414**	**2 090**
Payments for financial assets	5	-	786
TOTAL EXPENDITURE		**953 033**	**1 068 787**
SURPLUS/(DEFICIT) FOR THE YEAR		**64 787**	**12 473**

Reconciliation of Net Surplus/(Deficit) for the year	Note		
Voted funds		63 779	11 708
Annual appropriation		63 779	11 708
Conditional grants		-	-
Departmental revenue and PRF receipts	12	1 008	765
SURPLUS/(DEFICIT) FOR THE YEAR		**64 787**	**12 473**

STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets		**64 149**	**11 874**
Cash and cash equivalents	8	63 872	11 531
Prepayments and advances	9	-	-
Receivables	10	277	343
TOTAL ASSETS		**64 149**	**11 874**
LIABILITIES			
Current liabilities		**64 120**	**11 856**
Voted funds to be surrendered to the Revenue Fund	11	63 779	11 708
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	12	340	18
Bank overdraft		-	-
Payables	13	1	130
TOTAL LIABILITIES		**64 120**	**11 856**
NET ASSETS		**29**	**18**

	Note	2024/25 R'000	2023/24 R'000
Represented by:			
Recoverable revenue		29	18
Total		**29**	**18**

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Recoverable revenue			
Opening balance		18	484
Transfers:		11	(466)
Recoverable revenue written off	*5.1*	-	786
Debts revised		-	-
Debts recovered (included in departmental revenue)		11	(1 252)
Debts raised		-	-
Closing balance		29	18
Total		**29**	**18**

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		**1 017 820**	**1 081 260**
Annual appropriation funds received	*1.1*	1 016 812	1 080 495
Departmental revenue received	*2*	1 008	748
Interest received	*2.3*	-	17
Net (increase)/decrease in net working capital		(63)	817
Surrendered to Revenue Fund		(12 394)	(21 859)
Current payments		(937 400)	(1 030 843)
Payments for financial assets	*5*	-	(786)
Transfers and subsidies paid		(14 219)	(35 068)
Net cash flow available from operating activities	*14*	**53 744**	**(6 479)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*7*	(1 414)	(2 090)
Net cash flow available from investing activities		**(1 414)**	**(2 090)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		11	(466)
Net cash flows from financing activities		**11**	**(466)**
Net increase/(decrease) in cash and cash equivalents		52 341	(9 035)
Cash and cash equivalents at beginning of period		11 531	20 566
Cash and cash equivalents at end of period	*15*	**63 872**	**11 531**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
PART A: ACCOUNTING POLICIES

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

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

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

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

3. PRESENTATION CURRENCY

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department

4. ROUNDING

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6. COMPARATIVE INFORMATION

6.1. Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2. Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. REVENUE

7.1. Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Appropriated funds are measured at the amount's receivable.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2. Departmental revenue

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

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

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

7.3. Accrued departmental revenue

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

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

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

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

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

8. EXPENDITURE

8.1. Compensation of employees

8.1.1. Salaries and wages

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

8.1.2. Social contributions

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

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

8.2. Other expenditure

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

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3. Accruals and payables not recognised

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

8.4. Leases

8.4.1. Operating leases

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

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

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 and services are received.

11. LOANS AND RECEIVABLES

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

12. PAYABLES

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

13. CAPITAL ASSETS

13.1. 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.

13.2. Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

13.3. 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 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

14. PROVISIONS AND CONTINGENTS

14.1. 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.

14.2. Contingent assets

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

14.3. Capital commitments

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

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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 National Departments (Voted funds) and 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
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	165 243	165 243	-	177 075	177 075	-
LOCAL GOVERNANCE	276 353	276 353	-	286 243	286 243	-
DEVELOPMENT PLANNING	554 777	554 777	-	592 473	592 473	-
TRADITIONAL INSTITUTIONAL MANAGEMENT	20 439	20 439	-	24 704	24 704	-
Total	**1 016 812**	**1 016 812**	**-**	**1 080 495**	**1 080 495**	**-**

1.2. Conditional grants

	Note	2024/25	2023/24
		R'000	R'000
Total grants received	*25*	2 000	1 769
Provincial grants included in total grants received		**2 000**	**1 769**

The only grant received from the National Government was the Expanded Public Works Programme (EPWP) grant, which was subsequently allocated to the respective municipalities for the purpose of creating job opportunities within their communities. The grant distribution was as follows:

1. *Lesedi Local Municipality: R1,000,000*
2. *Merafong Local Municipality: R 500,000*
3. *Mogale City Local Municipality: R 500,000*

2. DEPARTMENTAL REVENUE

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services other than capital assets	*2.1*	209	198
Fines, penalties and forfeits	*2.2*	100	-
Interest, dividends and rent on land	*2.3*	-	17
Transactions in financial assets and liabilities	*2.4*	699	550
Total revenue collected		**1 008**	**765**
Less: Own revenue included in appropriation		-	-
Total		**1 008**	**765**

The department's primary source of revenue was derived from payroll-related activities. The increase in fines, penalties, and forfeits can be attributed to unclaimed and forfeited Government Employees' Housing Subsidies by employees together with previous year's expenditure.

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		209	198
Sales by market establishment		209	198
Total	*2*	**209**	**198**

Sales of goods and services, excluding capital assets, primarily consist of commissions earned from collecting funds on behalf of third parties via the payroll system.

2.2. Fines, penalties and forfeits

	Note	2024/25 R'000	2023/24 R'000
Forfeits		100	-
Total	*2*	**100**	**-**

The increase in fines, penalties, and forfeits can be attributed to unclaimed and forfeited Government Employees' Housing Subsidies by employees.

2.3. Interest, dividends and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest		-	17
Total	*2*	**-**	**17**

2.4. Transactions in financial assets and liabilities

	Note	2024/25 R'000	2023/24 R'000
Receivables		699	550
Total	*2*	**699**	**550**

3. COMPENSATION OF EMPLOYEES

3.1. Analysis of balance

	Note	2024/25 R'000	2023/24 R'000
Basic salary		257 325	254 795
Performance award		8	191
Service based		226	54
Compensative/circumstantial		31 546	26 065
Periodic payments		153	-
Other non-pensionable allowances		51 979	49 746
Total		**341 237**	**330 851**

1. *The increase in Basic Salary is attributed to the appointment of new employees and the annual salary adjustment.*
2. *Other non-pensionable allowances include the following:*
   - *Capital Remuneration:* R 354,844.73
   - *Housing Allowance:* R11,216,186.67
   - *Non-Pensionable Allowance:* R20,258,956.73
   - *Service Bonus:* R20,149,372.67
3. *The decrease in Performance Awards is due to the discontinuation by the Department of Public Service and Administration (DPSA) starting in the 2020/21 financial year. Therefore, the payment made in the current year is for prior year bonus of a former employee.*
4. *The increase in circumstantial items is related to payments for overtime and the appointment of interns to support service delivery initiatives within the department.*

3.2. Social contributions

Employer contributions	Note	2024/25 R'000	2023/24 R'000
Pension		33 443	32 731
Medical		21 134	20 367
Bargaining council		78	77
Insurance		193	178
Total		**54 848**	**53 353**
Total compensation of employees		**396 085**	**384 204**
Average number of employees		**642**	**1 376**

The average number of employees has decreased due to the retirement of ambassadors (contracts for temporary workers) employed in response to the national elections.

4. GOODS AND SERVICES

	Note	2024/25 R'000	2023/24 R'000
Administrative fees		467	359
Advertising		11 265	5 924
Minor assets	4.1	1	486
Bursaries (employees)		3 854	3 963
Catering		2 260	5 285
Communication		14 669	10 485
Computer services	4.2	5 159	16 302
Consultants: Business and advisory services		5 624	4 986
Legal services		1 904	686
Contractors		6 555	10 546
Agency and support / outsourced services		417 450	502 700
Audit cost - external	4.3	4 425	4 441
Fleet services		12 849	15 303
Inventories	4.4	382	-
Consumables	4.5	14 958	12 159
Operating leases		778	181
Property payments	4.6	17 110	20 570
Travel and subsistence	4.7	6 152	8 562
Venues and facilities		7 238	11 325
Training and development		7 231	9 510
Other operating expenditure	4.8	984	2 866
Total		**541 315**	**646 639**

1. *Advertising costs have increased due to the voters' education sessions with the stakeholders.*
2. *Catering expenses have decreased because of cost containment measures.*
3. *Communication expenses have risen due to the upgrading of cell phones and the addition of new employees.*
4. *Agency and support decrease is due to the decrease in the budget allocation from prior year by R11m and secondly, the energy project was not completed by the end of the financial year, with underspending of R61,6m.*
5. *Travel and subsidies have decreased due to cost containment measures.*
6. *Expenses for venues and facilities have decreased because of cost containment measures.*
7. *Property payments property payments reduced due to the reduced number of buildings that were utilized*
8. *Consumables increased because of more relief material procured due to floods and disasters that occurred during the period under review.*
9. *Computer services decreased due to Microsoft ware licenses being settled less during the reporting period as compared to prior year where licences included part of municipalities.*
10. *Legal services Legal fees increased due to the increase in cases that were finalized and paid during the period under review.*

4.1. Minor assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		1	486
Total	*4*	**1**	**486**

4.2. Computer services

	Note	2024/25 R'000	2023/24 R'000
SITA computer services		-	-
External computer service providers		5 159	16 302
Total	*4*	**5 159**	**16 302**

The decline in Computer Services is attributed to a reduction in Microsoft license fees payments for the current year where during the prior year it included part of municipalities licences.

4.3. Audit cost - external

	Note	2024/25 R'000	2023/24 R'000
Regularity audits		4 425	4 441
Total	*4*	**4 425**	**4 441**

Payments for regulatory audits cover services rendered by the Office of the Auditor-General in both the current and prior years

4.4. Inventories

	Note	2024/25 R'000	2023/24 R'000
Medical supplies		382	-
Total	*4*	**382**	**-**

The inventory purchased was for the prostheses of two employees.

4.5. Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies		14 033	10 247
Uniform and clothing		1 373	826
Household supplies		7 845	1 765
Building material and supplies		4 778	6 729
Communication accessories		-	-
IT consumables		-	924
Other consumables		37	3
Stationery, printing, and office supplies		925	1 912
Total	*4*	**14 958**	**12 159**

1. *Other consumables include bags and accessories, totalling R37,490.*
2. *The increase in consumables was due to increased procurement of disaster relief material due to the floods in various areas during the period under review.*

4.6. Property payments

	Note	2024/25 R'000	2023/24 R'000
Municipal services		3 383	4 144
Property management fees		167	273
Property maintenance and repairs		2 171	3 818
Other		11 389	12 335
Total	*4*	**17 110**	**20 570**

1. *Other property payments comprise the following: Gardening Services, Cleaning Services, Firefighter Protection, Pest Control Fumigation, Cleaning and Security Services.*
2. *The decrease on municipal services is due credits received from the municipality , Property payments reduced due to the reduced number of buildings that were utilized*

4.7. Travel and subsistence.

	Note	2024/25 R'000	2023/24 R'000
Local		5 665	7 715
Foreign		487	847
Total	*4*	**6 152**	**8 562**

Travel and subsistence expenses decreased due to cost containment measures and reduced travel for physical meetings and training sessions outside the department's premises.

4.8. Other operating expenditure

	Note	2024/25 R'000	2023/24 R'000
Professional bodies, membership, and subscription fees		35	12
Resettlement costs		-	9
Other		949	2 845
Total	*4*	**984**	**2 866**

1. *Other operating comprises Awards and Achievements and Subscriptions, Printing, and Public Services Membership Affiliation.*
2. *Expenditure decreased to the reduced of manual documents.*

5. PAYMENTS FOR FINANCIAL ASSETS

	Note	2024/25 R'000	2023/24 R'000
Debts written off	5.1	-	786
Total		**-**	**786**

5.1. Debts written off.

Nature of debts written off	Note	2024/25 R'000	2023/24 R'000
Other debt written off		-	786
Total		-	786
Total debt written off	5	**-**	**786**

6. TRANSFERS AND SUBSIDIES

	Note	2024/25 R'000	2023/24 R'000
Provinces and municipalities	25	12 000	33 369
Households	Annex 1G	2 219	1 699
Total		**14 219**	**35 068**

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

Functional Fire and Rescue Services:

1. *Midvaal Local Municipality:* *R2,200,000*
2. *Lesedi Local Municipality:* *R4,200,000*
3. *WestRand District Municipality:* *R3,600,000*

Total for Functional Fire and Rescue Services: R10,000,000

Expanded Public Works Programme:

1. *Merafong Local Municipality:* *R 500,000*
2. *Lesedi Local Municipality:* *R1,000,000*
3. *Mogale City Local Municipality:* *R 500,000*

Total for Expanded Public Works Programme: R2,000,000

7. EXPENDITURE FOR CAPITAL ASSETS

	Note	2024/25	2023/24
		R'000	R'000
Tangible capital assets		**1 359**	**2 076**
Machinery and equipment		1 359	2 076
Intangible capital assets		**55**	**14**
Software		55	14
Total		**1 414**	**2 090**

7.1. Analysis of funds utilised to acquire capital assets - Current year

	2024/25		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	**1 359**	**-**	**1 359**
Machinery and equipment	1 359	-	1 359
Intangible capital assets	**55**	**-**	**55**
Software	55	-	55
Total	**1 414**	**-**	**1 414**

7.2. Analysis of funds utilised to acquire capital assets - Prior year

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	**2 076**	-	**2 076**
Machinery and equipment	2 076	-	2 076
Intangible capital assets	**14**	-	**14**
Software	14	-	14
Total	**2 090**	**-**	**2 090**

8. CASH AND CASH EQUIVALENTS

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General Account		63 872	11 531
Total		**63 872**	**11 531**

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

9. PREPAYMENTS AND ADVANCES

	Note	2024/25 R'000	2023/24 R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)		-	-
SOCPEN advances		-	-
Total		**-**	**-**

9.1. Advances paid (Expensed)

	2024/25			
	Amount as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
National departments	-	-	-	-
Provincial departments	-	-	-	-
Public entities	13 049	(13 049)	-	-
Other entities	-	-	-	-
Total	**13 049**	**(13 049)**	**-**	**-**

	2023/24				
	Amount as at 1 April 2023	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	-	(223 078)	-	236 127	13 049
Other entities	-	-	-	-	-
Total	**-**	**(223 078)**	**-**	**236 127**	**13 049**

10. 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
Recoverable expenditure	*10.1*	81	-	81	170	-	170
Staff debt	*10.2*	196	-	196	124	-	124
Other receivables	*10.3*	-	-	-	49	-	49
Total		**277**	**-**	**277**	**343**	**-**	**343**

10.1. Recoverable expenditure

		2024/25	2023/24
	Note	R'000	R'000
Salary Recoverable		81	98
Salary Reversal Control		-	72
Total	*10*	**81**	**170**

10.2. Staff debt

		2024/25	2023/24
	Note	R'000	R'000
Departmental Debtors		196	124
Total	*10*	**196**	**124**

10.3. Other receivables

		2024/25	2023/24
	Note	R'000	R'000
Salary GEHS Refund		-	49
Total	*10*	**-**	**49**

11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2024/25 R'000	2023/24 R'000
Opening balance		11 708	21 095
Prior period error		-	-
As restated		11 708	21 095
Transferred from statement of financial performance (as restated)		63 779	11 708
Voted funds not requested/not received	*1.1*	-	-
Paid during the year		(11 708)	(21 095)
Closing balance		**63 779**	**11 708**

The funds to be surrendered to the Provincial Revenue Fund are composed of the following:

1. *Compensation of Employees: R 2,092,000*
2. *Goods and Services: R61,685,000*
3. *Transfers and Subsidies: R 1,000*
4. *Capital Assets: R 1,000*

11.1. Reconciliation on unspent conditional grants

	Note	2024/25 R'000	2023/24 R'000
Opening balance		-	-
Total conditional grants received	*1.2*	2 000	1 769
Total conditional grants spent		(2 000)	(1769)
Unspent conditional grants to be surrendered		-	-
Less: Paid to the Provincial Revenue Fund by Provincial department		-	-
Approved for rollover		-	-
Not approved for rollover		-	-
Closing balance		**-**	**-**
Due by the Provincial Revenue Fund1		**-**	**-**

1

12. DEPARTMENTAL REVENUE AND PRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2024/25 R'000	2023/24 R'000
Opening balance		18	17
Prior period error		-	-
As restated		18	17
Transferred from statement of financial performance (as restated)		1 008	765
Paid during the year		(686)	(764)
Closing balance		**340**	**18**

13. PAYABLES - CURRENT

	Note	2024/25 R'000	2023/24 R'000
Other payables	*13.1*	1	130
Total		**1**	**130**

13.1. Other payables

Description	Note	2024/25 R'000	2023/24 R'000
SAL: ACB RECALL		-	47
SAL: INCOME TAX		-	72
SAL: GARNISHEE		1	2
SAL: FIN OTHER INSTITUTE		-	3
SAL: PENSION FUND		-	6
Total	*13*	**1**	**130**

14. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2024/25 R'000	2023/24 R'000
Net surplus/(deficit) as per Statement of Financial Performance		64 787	12 473
Add back non-cash/cash movements not deemed operating activities		(11 043)	(18 952)
(Increase)/decrease in receivables		66	701
Increase/(decrease) in payables - current		(129)	116
Expenditure on capital assets		1 414	2 090
Surrenders to Revenue Fund		(12 394)	(21 859)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		**53 744**	**(6 479)**

15. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account		63 872	11 531
Total		**63 872**	**11 531**

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

16.1. Contingent liabilities

Liable to	Nature	Note	2024/25 R'000	2023/24 R'000
Claims against the department		*Annex 3B*	3 510	-
Intergovernmental payables		*Annex 5*	-	131
Total			**3 510**	**131**

Contingent liabilities include the following two cases:

Case 1: Litigation against the department for procurement matter that occurred several years ago and was not finalised by year-end.

Case 2. Members of the Public Servants Association of South Africa whose contracts were terminated by the Department launched an Application for a declaratory order that the provisions of section 198B of the Labour Relations Act, as amended, apply to the public service contract employees, and as such, the contract workers demand to be employed permanently.

17. ACCRUALS AND PAYABLES NOT RECOGNISED.

17.1. 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		13 091	-	13 091	14 443
Capital assets		-	-	-	11
Total		**13 091**	**-**	**13 091**	**14 454**

		2024/25	2023/24
Listed by programme level	*Note*	R'000	R'000
Administration		4 005	3 191
Local Governance		22	6 050
Development Planning		9 027	4 200
Traditional Institution		37	1 013
Total		**13 091**	**14 454**

17.2. 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		944	-	944	481
Total		**944**	**-**	**944**	**481**

		2024/25	2023/24
Listed by programme level	*Note*	R'000	R'000
Administration		944	367
Development Planning		-	114
Total		**944**	**481**

		2024/25	2023/24
Included in the above totals are the following:	*Note*	R'000	R'000
Confirmed balances with other departments	*Annex 5*	-	-
Confirmed balances with other government entities	*Annex 5*	-	1 467
Total		**-**	**1 467**

18. EMPLOYEE BENEFITS

	Note	2024/25 R'000	2023/24 R'000
Leave entitlement		29 051	27 338
Service bonus		10 083	9 780
Performance awards		-	-
Capped leave		1 255	1 212
Other		299	208
Total		**40 688**	**38 538**

1. *Included in the leave entitlement is a negative balance of R43,729.82 relating to additional employees' leave above the allocated leave balances that were pending finalisation of adjustments.*
2. *Included in "Other" is a long service award liability for employees with 20, 30, and 40 years of service, amounting to R116,000, as well as a salary-related claim totalling R183,000.*

Included in the above totals are the following:	Note	2024/25 R'000	2023/24 R'000
Confirmed balances with other departments	*Annex 5*	183	-
Confirmed balances with other government entities	*Annex 5*	-	-
Total		**183**	**-**

19. LEASE COMMITMENTS.

19.1. Operating leases

	2024/25				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	9 955	9 955
Later than 1 year and not later than 5 years	-	-	-	14 108	14 108
Later than 5 years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**24 063**	**24 063**

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	983	983
Later than 1 year and not later than 5 years	-	-	-	303	303
Later than 5 years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**1 286**	**1 286**

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

20. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	Note	2024/25	2023/24
		R'000	R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		-	1 091
Fruitless and wasteful expenditure - current year		-	-
Total		**-**	**1 091**

21. RELATED PARTY TRANSACTIONS

Department has a related party relationship with Gauteng Department of Infrastructure since both departments are under the same Executive Authority

22. KEY MANAGEMENT PERSONNEL

	Note	2024/25	2023/24
		R'000	R'000
Political office bearers		2 289	2 201
Officials:			
Level 15 &16		9 932	9 622
Level 14 & inc CRO and CFO		13 159	13 751
Total		**25 380**	**25 574**

23. MOVABLE TANGIBLE CAPITAL ASSETS

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

	2024/25				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	51 843	-	1 359	(1 452)	51 750
Transport assets	926	-	-	-	926
Computer equipment	34 145	-	703	(1 390)	33 458
Furniture and office equipment	10 207	-	10	(9)	10 208
Other machinery and equipment	6 565	-	646	(53)	7 158
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**51 843**	**-**	**1 359**	**(1 452)**	**51 750**

Included in the above total of the movable tangible capital assets as per the asset register, are assets that are under investigation because of theft and losses. Investigations are on-going.

Movable Tangible Capital Assets under investigation 2024/25

	Note	Number	Value
			R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Computer Equipment		38	773
Total		**38**	**773**

23.1. 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	49 824	-	2 019	-	51 843
Transport assets	926	-	-	-	926
Computer equipment	33 828	-	317	-	34 145
Furniture and office equipment	8 992	-	1 215	-	10 207
Other machinery and equipment	6 078	-	487	-	6 565
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**49 824**	**-**	**2 019**	**-**	**51 843**

Movable Tangible Capital Assets under investigation 2023/24

	Note	Number	Value
			R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Computer Equipment		54	1 323
Office Equipment		1	10
Other Machinery Equipment		8	132
Total		**38**	**1 465**

23.2. Minor assets

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

	2024/25						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	3 247	-	-	3 247
Value adjustments	-	-	-	-	-	-	-
Additions	-	-	-	1	-	-	1
Disposals	-	-	-	3	-	-	3
Total Minor assets	**-**	**-**	**-**	**3 245**	**-**	**-**	**3 245**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	476	-	-	476
Number of minor assets at cost	-	-	-	1 362	-	-	1 362
Total number of minor assets	**-**	**-**	**-**	**1 838**	**-**	**-**	**1 838**

Minor capital assets under investigation 2024/25

	Note	Number	Value
			R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Computer Equipment		6	6
Total		**6**	**6**

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

	2023/24						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	2 761	-	-	2 761
Prior period error	-	-	-	-	-	-	-
Additions	-	-	-	486	-	-	486
Disposals	-	-	-	-	-	-	-
Total Minor assets	**-**	**-**	**-**	**3 247**	**-**	**-**	**3 247**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of R1 minor assets	-	-	-	476	-	-	476
Number of minor assets at cost	-	-	-	1 363	-	-	1 363
Total number of minor assets	**-**	**-**	**-**	**1 839**	**-**	**-**	**1 839**

Minor capital assets under investigation 2023/24

	Note	Number	Value
			R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Computer Equipment		1	3
Total		**1**	**3**

23.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

	2024/25						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	1 452	-	-	1 452
Total movable assets written off	**-**	**-**	**-**	**1 452**	**-**	**-**	**1 452**

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	2023/24						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-	-
Total movable assets written off	**-**	**-**	**-**	**-**	**-**	**-**	**-**

24. 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	14	55	-	69
TOTAL INTANGIBLE CAPITAL ASSETS	**14**	**55**	**-**	**69**

24.1. MOVEMENT IN INTANGIBLE 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
SOFTWARE	-	-	14	-	14
TOTAL INTANGIBLE CAPITAL ASSETS	**-**	**-**	**14**	**-**	**14**

25. STATEMENT OF CONDITIONAL GRANTS RECEIVED.

	2024/25									2023/24	
	GRANT ALLOCATION					SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under- / (Overspending)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart-ment
Name of grant	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Expanded Public Works Programme	2 000	-	-	-	2 000	2 000	2 000	-	100%	1 769	1 769
Total	**2 000**	**-**	**-**	**-**	**2 000**	**2 000**	**2 000**	**-**	**100%**	**1 769**	**1 769**

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

	2024/25							2023/24	
	GRANT ALLOCATION				TRANSFER				
Name of municipality	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Merafong City Local Municipality (EPWP)	500	-	-	500	500	-	-	450	450
Mogale City Local Municipality (EPWP)	500	-	-	500	500	-	-	419	419
Lesedi Local Municipality (EPWP)	1 000	-	-	1 000	1 000	-	-	900	900
West Rand District Municipality (Lease fire fighting Vehicle)	-	-	-	-	-	-	-	3 000	3 000
Midvaal Local Municipality (Improve fire and Rescue services responses)	2 200	-	-	2 200	2 200	-	-	2 200	2 200
Lesedi Local Municipality (Fire and rescue services)	4 200	-	-	4 200	4 200	-	-	2 200	2 200
Emfuleni Local Municipality (fire and rescue services)	-	-	-	-	-	-	-	4 200	4 200
Merafong City Local Municipality	-	-	-	-	-	-	-	5 000	5 000
Rand West City Local Municipality	-	-	-	-	-	-	-	15 000	15 000
West Rand District Municipality (Fire & Rescue Services)	3 600	-	-	3 600	3 600	-	-	-	-
Total	**12 000**	**-**	**-**	**12 000**	**12 000**	**-**	**-**	**33 369**	**33 369**

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 depart-ment	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
Merafong City Local Municipality (EPWP)	500	-	-	500	500	-	-	500	460	40	92%	450	450
Mogale City Local Municipality (EPWP)	500	-	-	500	500	-	-	500	491	9	98%	419	419
Lesedi Local Municipality (EPWP)	1 000	-	-	1 000	1 000	-	-	1 000	670	330	67%	900	900
West Rand District Municipality (Lease fire fighting Vehicle)	-	-	-	-	-	-	-	-	-	-	-	3 000	3 000
Midvaal Local Municipality (Improve fire and Rescue services responses)	2 200	-	-	2 200	2 200	-	-	2 200	1 335	865	61%	2 200	2 200
Lesedi Local Municipality (Fire and rescue services)	4 200	-	-	4 200	4 200	-	-	4 200	1 260	2 940	30%	2 200	2 200
Emfuleni Local Municipality (fire and rescue services)	-	-	-	-	-	-	-	-	-	-	-	4 200	4 200
Rand West City Local Municipality	-	-	-	-	-	-	-	-	-	-	-	15 000	15 000
Merafong City Local Municipality	-	-	-	-	-	-	-	-	-	-	-	5 000	5 000
West Rand District Municipality (fire & Rescue Services)	3 600	-	-	3 600	3 600	-	-	3 600	-	3 600	-	-	-
Total	**12 000**	**-**	**-**	**12 000**	**12 000**	**-**	**-**	**12 000**	**4 216**	**7 784**		**33 369**	**33 369**

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
Household	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Employees social benefits: Retirement benefit - Key health Med Scheme	-	-	-	-	329	-	-	401
Employees social benefits: Leave gratuity	-	-	-	-	1 366	-	-	779
Bursaries for non-employees	-	-	-	-	522	-	-	519
H/H Employee Benefit: Injury on duty	-	-	-	-	2	-	-	-
Total	**-**	**-**	**-**	**-**	**2 219**	**-**	**-**	**1 699**

ANNEXURE 3B

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					
Atlantis Corporate Travel	-	785	-	-	785
Jackie Lamola - C/O Mafate Attorneys	-	2 725	-	-	2 725
Total	**-**	**3 510**	**-**	**-**	**3 510**

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Gauteng Department of Economic Development	81	-	-	-	81	-	-	-
Total	**81**	**-**	**-**	**-**	**81**	**-**	**-**	**-**

ANNEXURE 5

INTERGOVERNMENT PAYABLES

	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
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Transport	183	-	-	131	183	131	-	-
Total Departments	**183**	**-**	**-**	**131**	**183**	**131**	**-**	**-**
OTHER GOVERNMENT ENTITIES								
Current								
G-Fleet	-	1 467	2 896	-	2 896	1 467	-	-
Total Other Government Entities	**-**	**1 467**	**2 896**	**-**	**2 896**	**1 467**	**-**	**-**
TOTAL INTERGOVERNMENT PAYABLES	**183**	**1 467**	**2 896**	**131**	**3 079**	**1 598**	**-**	**-**

ANNEXURE 6

INVENTORIES

Inventories for the year ended 31 March 2025	Materials and supplies R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Total R'000
Opening balance	-	-	-	-	-
Add: Additions/Purchases - Cash	356 248	-	-	-	356 248
(Less): Issues	(356 248)	-	-	-	(356 248)
Closing balance	**-**	**-**	**-**	**-**	**-**

Inventories for the year ended 31 March 2024	Materials and supplies R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Total R'000
Opening balance	-	-	-	-	-
Add: Additions/Purchases - Cash	434 443	-	-	-	434 443
(Less): Issues	(434 443)	-	-	-	(434 443)
Closing balance	**-**	**-**	**-**	**-**	**-**

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 9)

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
Advances									
City Power Johannesburg	Public entities			441 000	13 049	-	(13 049)	-	-
Total advances				**441 000**	**13 049**	**-**	**(13 049)**	**-**	**-**
TOTAL PREPAYMENTS AND ADVANCES				**441 000**	**13 049**	**-**	**(13 049)**	**-**	**-**

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

CONTACT DETAILS

Address
30 Simmonds Street
Johannesburg
2000

Online
Email: Tafita.Mokoena@gauteng.go.za
Website: www.gauteng.gov.za

Phone
+27 10 345 0809

PR 143/2025
ISBN: 978-1-77997-747-2