



KWAZULU-NATAL PROVINCE

COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2024/25 VOTE 11



Inspiring New Hope



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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

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



3. FOREWORD BY THE MEC

REV. T.D BUTHELEZI, MPL

*MEC for Department of Cooperative Governance and Traditional Affairs
(COGTA).*

It is an honour and a privilege to present the Annual Report for the 2024/25 financial year, which reflects the commencement of a period of renewed hope and unwavering commitment to the mandate of the Department of Cooperative Governance and Traditional Affairs (COGTA).

Under the 7th administration, the department has swiftly addressed inherited challenges, notably clearing a R165 million budget deficit through prudent financial management and strategic project reprioritisation. This early success underpins our firm resolve to serve the people of KwaZulu-Natal with integrity and efficiency.

Administratively, we have managed to fill critical vacancies which will assist in rendering core services, including supporting Amakhosi and our municipalities. The department continues to play its significant role in job creation, ensuring the implementation of the Expanded Public Works Programme in its various units. The skills development remains our top priority and affording the youth with much needed work experience. We continued to get more graduates into our internship programmes and those seeking to complete their studies into the in-service trainee programme. To capacitate our municipalities, this programme is also extended to them as we place some of the interns to various municipalities to prepare them for the work environment.

A core focus has been the empowerment of Amakhosi, recognising their vital role in rural development. The launch of the Amakhosi Empowerment Programme, providing essential resources for income generation, and the UKZN Amakhosi Empowerment Programme, upskilling traditional leaders in critical areas, are testament to this commitment. Furthermore, our decision for the EXCO of the KZN Provincial House of Traditional and Khoisan leaders to operate full-

time signifies a profound step towards strengthening traditional governance. The Expanded Public Works Programme (EPWP) for Amakhosi has also created much-needed employment opportunities, demonstrating our dedication to alleviating economic hardship.

As a department we pride ourselves with the work we have managed to do within the institution of traditional leadership. The state of the institution is undoubtedly in the better state than it was, we have seen more transformation in the work and lives of Amakhosi, and more gains are in the pipeline for the coming financial years. The launch of Amakhosi Local Economic Empowerment was also another milestone, while the programme has, by the end of 2024/25 covered only one District which is Umkhanyakude, it promises to be a game changer as far as local economic empowerment is concerned.

On the local government front, we have also implemented measures aimed at improving how our municipalities function. We have provided intensive support to municipalities which has dramatically reduced the number of distressed municipalities. We have also ensured that water service authorities receive adequate support. This has yielded positive results with R317 million addition funding secured for water infrastructure.

On the disaster management front, we are committed to tackling the ever-increasing climate-related disasters, our proactive Disaster Response and Recovery Measures and new MOUs with social partners are building a more resilient KwaZulu-Natal. Our province continues to bear the brunt of the climate change as heavy rains, winds and extreme heat cause devastating damages in various parts of our province. Through our capable team in the disaster



management, we continue to work with municipalities and social partners to create awareness and provide prompt response where necessary. Disaster response is becoming a regular occurrence in our province, but we must recommend our MOUs with social partners as the positive move. Our response and distribution of relief is more coordinated and effective to the victims. We continue to make a call for more collaboration with the general public and organisations to minimise the impact of these disasters.

This administration is deeply committed to restoring accountability and good governance. Firm action has been taken against officials involved in financial misconduct, and comprehensive forensic investigations are underway in several municipalities. This underscores our unwavering resolve to uphold transparency and

ensure public resources are managed responsibly. This report stands as a testament to COGTA's dedication to delivering tangible improvements and inspiring a new era of progress for all citizens of KwaZulu-Natal.

Yours in Service,

.....
Hon. Reverend T.D Buthelezi, MPL

MEC for Cooperative Governance and Traditional
Affairs, KwaZulu-Natal



4. REPORT OF THE ACCOUNTING OFFICER

DR H.B KRISHNAN

Acting Head of Department

As the Accounting Officer, it is pleasing to submit the 2024/25 Annual Report of the KZN Department of Cooperative Governance and Traditional Affairs ("COGTA/Department") to the Provincial Legislature, Provincial Treasury, the media and the general public.

This report will unpack the Department's achievements during the year under review. It will outline the Department's achievement of the set annual targets towards the delivery of basic services such as electricity, water and sanitation in accordance with the Annual Performance Plan, as a way of contributing towards the fulfilment of the province's key priorities as outlined by the 7th administration. The Department achieved 93% planned annual targets set in the Annual Performance Plan and spent 99.8% of its allocated budget, which is a major feat for the Department. These achievements are a true reflection of the Department's commitment to service delivery and also clean governance.

The Department remains committed in discharging its constitutional mandate to support, monitor, and build the capacity of municipalities in the Province. Strong oversight from the Department will be required to monitor the functionality of Councils and to provide support where necessary.

The Department also prioritised the capacitation of Councillors through targeted, needs-directed interventions. Throughout the 2024/2025 financial year, the Department worked closely with municipalities to address the gaps identified in the skills audits. In doing so, the Department ensured that municipalities are now prioritising the gaps identified in the skills audit in their workplace skills plans. In addition, the Department also deployed dedicated Local Government Champions in each of KZN's 10 districts and the metro. This has facilitated the resolution of countless service delivery issues on the ground where it matters the most.

We are also pleased that the majority of municipalities under Section 139 intervention have achieved an acceptable level of political and administrative stability, though some challenges are still prevalent.

As KZN COGTA, we continue to strive for the full implementation of the District Development Model which is already transforming the sphere of local government in KZN. This enhanced and comprehensive approach to intergovernmental relations is already operational in most districts and the metro in the Province, which continues to ensure that all spheres of government actively engage with one another in aligning and integrating their plans and budgets for shared implementation, resulting in more effective service delivery. This alignment is now expressed in the model's One Plans which are now being finalised with our hands-on support throughout the Province.

In the 2024/2025 financial year, we continued implementing the water interventions enshrined in the KZN Provincial Water Master Plan. A key part of our efforts were the accelerated province-wide water interventions that are aimed at improving general access to water for both communities and businesses. We have also intensified our support to municipalities by providing additional technical capacity to a number of Districts, to ensure that their existing conditional grants would be utilised effectively and the additional funding we provided for the Accelerated Water Programme was fully implemented.

The institution of traditional leadership requires good governance in order to provide effective support to the communities. The Department continued to support cultural platforms to enable the traditional communities the opportunity to share their cultures and customs, and to update their family trees. Traditional leaders remain a crucial link between government and traditional



communities. The surge in the killings of traditional leaders remains a grave concern and consequential efforts are being made to apprehend the criminals who are responsible for these gruesome assassinations.

During the 2024/2025 financial year, we continued with our efforts to uphold the dignity of the institution of traditional leadership by channelling our resources towards the capacitation of Amakhosi. In December 2024, we signed a memorandum of understanding with the University of KwaZulu-Natal, which will enable Amakhosi to undertake a training programme that will capacitate them to fully deploy their mandate.

Overview of the results and challenges for the department, briefly commenting on significant events and projects for the year.

In 2024/25 the department received an amount of R30 million from contingency reserves which relates to funds allocated to the department for transfer to Eskom to replace failed Eskom transformers as a result of overload and illegal connections in the eThekweni, Ugu, uMgungundlovu, iLembe and uMkhanyakude areas. An amount of R4.204 million was allocated under provincial cash resources in relation to funds recalled by the department from the uMuziwabantu Municipality and the uMfolozi Municipality, and the department requested Provincial Treasury to reimburse them the full amount. The unspent funds related to the construction of the Harding Trading Stores project and various completed projects. The department is projecting a balanced budget at the end of 2024/25 as per the November IYM.

The department's budget was reduced by the carry-through fiscal consolidation cuts from the 2021/22 MTEF by R93.008 million in 2023/24, R97.193 million in 2024/25 and R101.547 million in 2025/26 effected against Compensation of employees and Goods and services. These all related to the carry through cuts

from the 2021/22 MTEF. Also over the 2023/24 MTEF, the department's budget was further cut by R23.184 million, R9.375 million and R16.504 million as a result of data updates of the equitable share formula and own revenue reduction effected against Programmes 1, 2 and 3, against Goods and services, Buildings and other fixed structures and Machinery and equipment.

The 2024/25 MTEF budget cuts amounted to R69.522 million in 2024/25, R68.697 million in 2025/26 and R73.527 million in 2026/27. There are no further fiscal consolidation budget cuts made over the 2025/26 MTEF.

Overview of the financial results of the department:

The Department was originally allocated a budget of R1,848,066 billion and the budget for the Department has now been adjusted to R1,919,388 billion.

The reimbursement of R30,000 million allocated to ESKOM for the replacement of failed transformers in eThekweni, Ugu, uMgungundlovu, iLembe, and uMkhanyakude have been received and formalized in the 2024/25 Adjustments Estimate. This action is based on the Cabinet's approval and directive.

The unspent funds amounting to R4.204 million, which were related to the construction of the Harding Trading Stores project and other completed projects, were recalled from the uMuziwabantu Local Municipality by the department. These funds were then reallocated to the department to address spending pressures within the department, specifically for the purchase and renewal of various licenses under Software and other intangible assets in Programme 1: Administration.

The R4.578 million from the R35.118 million roll over request for 2023/24 back pay has been reallocated to legal fees due to backlog, as approved during adjustment estimates.



Departmental receipts

Departmental receipts	2023/2024			2024/2025		
	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	1 734	1 734	-	1 730	1 565	165
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	120	120	-	69	73	(4)
Sale of capital assets	-	-	-	1 600	-	(1 600)
Financial transactions in assets and liabilities	2 696	2 696	-	1 528	10 825	(9 297)
Total	4 550	4 550	-	4 927	12 463	(7 536)

Sale of goods and services other than capital assets derives its revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders, sale of maps and publications, parking fees, tender fees and rental from officials occupying state houses. The under collection resulted from the decrease in the revenue collected from the rented dwellings due to people having left the Department. Once a person leaves the department, they are given three months to vacate and then the house reverts back to the Department of Public Works as well as lower revenue from commission on PERSAL deductions.

Interest, dividends and rent on land relates to interest derived from staff debts. The revenue trend is very volatile due to the uncertain nature of this source as it depends on the outstanding debts and the interest rate charged.

Sale of capital assets relates to the sale of redundant assets such as motor vehicles and old office equipment. The Department did not collect any revenue under this category, despite the projected amount of R1.600 million. The non collection of revenue is due to a

directive issued to all Departments stating that auctions will be conducted by the Department of Transport.

Transactions in financial assets and liabilities includes the recovery of staff debts such as breached bursary contracts and refunds related to previous years' expenditure. The high collection in 2024/25 Revised Estimate is due to unspent and/or surplus funds recalled from municipalities. This relates to an unspent transfer of R4.205 million surrendered from the uMuziwabantu Municipality. These funds were transferred in 2022/23 for the construction of the Harding Trading Stores. The project started, and the engineers completed the design, but after that there was no substantial progress, hence the department recalled the funds from the municipality. Furthermore, the uMfolozi Municipality returned savings of R57 000 from a completed project. These funds were transferred in 2018/19 for the preparation of the single land use scheme, while savings were realised against this transfer and these savings were recalled by the department. These funds were reallocated back to the department in the 2024/25 Adjustments Estimate towards implementation of additional projects.



Programme Expenditure

Programme Name	2023/2024			2024/2025		
	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	441 384	441 384	-	521 948	521 948	-
Local Governance	336 706	336 706	-	360 154	360 154	-
Development and Planning	383 430	383 430	-	346 736	346 736	-
Traditional Institutional Management	1 273 989	1 238 871	35 118	690 550	687 079	3 471
Total	2 435 509	2 400 391	35 118	1 919 388	1 915 917	3 471

Programme 1 mainly provides for the improvement of the department's ICT systems, and the maintenance and upgrading of various departmental buildings. The increase in the 2024/25 Adjusted Appropriation was in respect of an increase in Goods and services to cater for computer services in respect of SITA running costs, legal services, property payments and advertising costs in respect of the payment of invoices from 2023/24. Additionally, the increase catered for operating leases costs in respect of outstanding invoices from 2023/24. These costs are in respect of leases for official buildings. This resulted from delays in 2023/24 in the signing of the lease agreement for the Southern Life Plaza between the landlord and DOPWI as they needed to resolve various details and DOPWI held back on the payment of the invoices until the necessary documentation was signed. The department also incurred interest in respect of overdue Telkom accounts. The department had to pay interest on an account, as one of the invoices was not recorded in the invoice register on time, and it missed the payment run for that period. Also, the Main Appropriation was increased by a roll-over of R4.578 million which was approved to be re-purposed to cater for pressures under this programme in respect of legal services, partly related to the legal costs incurred in terms of tracing Izinduna beneficiaries. The 2024/25 budget also includes property payment, travel and subsistence, departmental fleet service and other operating expenses such as stationery and printing.

Programme 2 caters for the training of municipal councillors, governance and financial experts, municipal

administrators, and community outreach programmes (including Izimbizo and community dialogues with ward committees as part of the Back-to-Basics campaigns), among others. The decrease in the 2024/25 Adjusted Appropriation is mainly due to slower than anticipated filling of vacant post, delays in renewing the support staff for ministerial representatives, as well as the non-payment of the municipal experts' retention fees. Funds were moved to Programmes 1 and 4 to cater for SITA running costs and costs of the 2024 wage agreement, as well as the salary back pay to Amakhosi in line with the signed proclamation in July 2024 mandating a 2.5 per cent increase, which was implemented in August 2024 and backdated to April 2023 and April 2024.

Programme 3 caters for various projects such as electrification projects, the Cleaning and Greening Programme, new construction and refurbishment and rehabilitation of CSCs, disaster management relief stock, disaster management summits, accelerated water intervention programme, and maintenance of Disaster Management Centres. This also includes new centres under Nquthu Local Municipality and Nkandla Local Municipality however further consultations are awaited the office of MEC in this regard. Other projects included are the Small-Town Rehabilitation and the Amakhosi resource mobilisation initiative among others. This initiative will allow traditional leaders to raise funds to utilise for their community upliftment programmes and projects. The 2024/25 Adjusted Appropriation was decreased mainly against Compensation of employees as a result of slower than anticipated filling of vacant posts and due to enforced



savings from the postponement of various construction and rehabilitation of CSC projects that have not been committed for 2024/25 due to financial pressures within the department. The decrease in the 2024/25 Adjusted Appropriation was mitigated by an increase of R30 million, under the sub-programme Municipal Infrastructure. This relates to the funds allocated to the department for transfer to Eskom to replace failed Eskom transformers as a result of overloading and illegal connections in the eThekwin, Ugu, uMgungundlovu, iLembe and uMkhanyakude areas.

Programme 4 caters for the recognition and installation of Amakhosi, cultural events, capacity building programmes for Amakhosi and the remuneration of Amakhosi, Izinduna and TC secretaries, etc. The increase in the 2024/25 Adjusted Appropriation relates to Compensation of employees to cater for the cost of the 2024 wage agreement, as well as the salary back pay to Amakhosi in line with the signed proclamation in July 2024 mandating a 2.5 per cent increase backdated to April 2023 and April 2024. Additionally, an amount of R30.540 million was rolled over from 2023/24 to 2024/25 in respect of the equitable share allocation. This relates to the back pay to 205 Izinduna allocated under the sub-programme: Traditional Institutional Administration, against Goods and services.

VIREMENTS/ROLL OVERS

VIREMENTS WITHIN PROGRAMME: ADMINISTRATION

Saving of R304 000 was identified within Programme: Sub-Programme: Office of the MEC: Compensation of Employees due to the delays with the filling of vacant posts.

Savings of R328 000 was identified within Programme 1: Sub-Programme Corporate: Services: Provinces and Municipalities is mainly due to saving resulting from implementation of the number plate migration process.

Savings of R91 000 was identified within Programme 1: Sub-Programme Corporate: Services: Software and other intangible assets is mainly due to the payment of Bandwidth and SSL (secure sockets layer) Certificate under current expenditure whilst the allocation was made under Capital.

The total identified savings of R 723 000 was moved as follows:

R304 000 was moved within Sub-Programme: Corporate Services to cover the increased expenditure incurred due to the under provision made for the salary increase.

R328 000 was moved within Sub-Programme: Corporate: Services: Households for the payment of leave gratuities.

R 91 000 was moved within Sub-Programme Corporate: Services: Machinery and equipment for the procurement of IT equipment and previous year invoices for the Departmental fleet.

VIREMENTS WITHIN PROGRAMME: LOCAL GOVERNANCE

- Savings of R21 000 were identified within the sub programme: Municipal Administration: Household payment of leave gratuity which was less than projected.
- Savings of R115 000 were identified within the sub-programme: Municipal Administration: Machinery and Equipment due to the over provision made for Vodacom invoices in relation to finance leases.
- R94 000 savings were identified within Sub-Programme: Public Participation: Household mainly the payment of leave gratuity which was less than anticipated.
- Savings of R275 000 were identified as savings within Sub-programme: Municipal Performance: Compensation of Employees due to delays in the filling of vacant posts.
- R213 000 savings were identified within Sub-programme: Municipal Performance: Machinery and equipment due to the delays in procuring tools of trade.

The total savings of R718 000 was moved as follows:

- R318 000 was moved to Machinery and equipment: Municipal Finance to cover the increased expenditure incurred due to cover the increased expenditure incurred due to the higher than anticipated payments made to Vodacom in respect of Finance leases.



- R10 000 was moved to Machinery and equipment: Capacity Development to cover the increased expenditure incurred due to the higher than anticipated payments made to Vodacom in respect of finance leases.
- R390 000 was moved within Sub-Programme: Municipal Performance: Households for the payment of leave gratuities.

VIREMENTS WITHIN PROGRAMME: DEVELOPMENT AND PLANNING

- Savings of R179 000 were identified within Sub-programme: Land Use Management: Compensation of Employees due to the retirement of staff.
- Savings of R3 000 were identified within the sub-programme: Land Use Management: Household mainly the payment of leave gratuity which was less than anticipated.
- Savings of R673 000 were identified within Sub-programme: Local Economic Development: Compensation of Employees due to delays in the filling of vacant posts.
- R602 000 savings were identified within Sub-Programme: Local Economic Development: Building and other fixed structures was due to the postponement of rehabilitation of some TACs that were in preliminary stage to contain spending within the department.
- Savings of R998 000 were identified within Sub-programme: Municipal Infrastructure: Compensation of Employees due to delays in the filling of vacant posts.
- Savings of R4 000 were identified within the Sub-programme: Municipal Infrastructure: Goods and Services because of the S&T expenditure due to implemented cost cutting measures.
- Savings of R319 000 were identified within the sub-programme: Municipal Infrastructure: Machinery and Equipment due to the delays in procuring tools of trade as result of cost-cutting measures implemented to mitigate the risk of overspending.
- Savings of R1 000 were identified within the sub-programme: Disaster Management: Household mainly due to the rounding off to the nearest thousands in balancing.

The total savings of R2 779 million was moved as follows:

R233 000 was moved to Compensation of Employees: Sub-programme: Spatial Planning relates to the appointment of Director Spatial Planning which was earlier than anticipated.

R4 000 was moved to Goods and Services Sub-programme Land Use Management: to cover the increase of expenditure on operating costs to items such as operating lease and data costs under communication items among others.

- R61 000 was moved to Machinery and Equipment Sub-programme Land Use Management: to cover the increase of expenditure on finance leases due to Vodacom payments backlog.
- R530 000 was moved to Sub-Programme: Local Economic Development: Households for the payment of leave gratuities.
- R43 000 was moved to Sub-Programme: Local Economic Development: Machinery and Equipment for the payment finance leases in respect of cell phones and tablets.
- R800 000 was moved to Sub-Programme: Municipal Infrastructure: Building and other fixed structures for payment of borehole retention fees for Harry Gwala.
- R1 091 million was moved to Compensation of Employees Sub-programme: Disaster Management: relates to the expenditure to cover overtime payments for officials who were deployed to assist communities affected by flooding in the province. o R 17 000 was moved to Machinery and Equipment: Disaster Management for the payment finance leases in respect of cell phones and tablets.

VIREMENTS WITHIN PROGRAMME: TRADITIONAL INSTITUTIONAL MANAGEMENT

- R5 375 million was identified as saving within Sub-programme: Traditional Institutional Administration: Compensation of Employees emanates from the absorption of 11 EXCO members instead of filling of Amakhosi vacancies and the provision for medical aid which did not materialize.
- R1 429 million was identified as savings within Sub-programme: Traditional Resource Administration: Compensation of Employees due to delays in the filling of vacant posts.



- Savings of R200 000 was identified within Sub-programme: Traditional Institutional Administration: Household mainly due to an overestimation of the payment of leave gratuity which was less than projected.

The total savings of R7.004 million was moved as follows:

- R3 742 million was moved to Sub-Programme: Traditional Institutional Administration: Goods and Services to cover the expenditure for the increase of salary for Izinduna.
- R416 000 was moved to Sub-Programme: Traditional Resource Administration to cover the expenditure on travel and subsistence costs which were higher than anticipated.
- R1 076 million was moved to Sub-Programme: Traditional Institutional Administration: Payments for financial assets to cover the expenditure relates to write-off balances brought forward from versions of BAS which are irrecoverable, untraceable, deceased debts up to and including the date the process is finalized on BAS.
- R1 780 million was moved to Sub-Programme: Traditional Resource Administration: Households for the payment of leave gratuities

VIREMENTS: INFRASTRUCTURE

- Maintenance and Repair: Programme 1: Sub-Programme: Corporate Services: Maintenance and Repair was decreased by R1 130 million due to the non-receipt of some outstanding invoices from the Department of Public Works, this included work at the Mayville building, specifically the renovation of the canteen roofing, as well as all renovations carried out at the Wadley building.
- Rehabilitation and refurbishment- Programme 3: Sub- Programme: Local Economic Development was decreased by R1 574 million due to the postponement of rehabilitation of some TACs that were in a preliminary stage to contain spending within the department.
- New infrastructure Assets within Programme 3: Sub- Programme: Local Economic Development

was increased by R 2 777 million relates to the payment of invoices for the professional fee and design for Ixopo COGTA offices, also contributed to the over expenditure on this item is payment of borehole retention fees for Harry Gwala.

- Infrastructure: Leases within Programme 1: Sub-Programme: Corporate Services was decreased by R888 000 due to the late invoice submission for building leases.

ROLL-OVER UNSPENT EQUITABLE SHARE INTO THE 2024/25 FINANCIAL YEAR: R35 118 M

In the 2024/25 financial year, the department underspent its Final Appropriation by R3.471 million, with preliminary expenditure reaching 99.8% of the allocated budget.

The underspending is primarily attributed to lower-than-anticipated payments related to the roll-over of backpay for the remuneration of Izinduna.

An amount of R30.540 million was rolled over from 2023/24 to 2024/25 under the equitable share allocation, specifically for backpay to 205 Izinduna. This was allocated under Programme 4, within the sub-programme: Traditional Institutional Administration, and charged against Goods and Services.

Of the R30.540 million, R27.069 million was spent, resulting in an under-expenditure of R3.471 million. This shortfall is mainly due to administrative delays associated with the processing of deceased estates.

AUDIT OUTCOME ADJUSTMENTS

Electrification infrastructure assets costs are currently misclassified under Goods and services _ property payments but would be appropriately classified under Goods and services Inventories. However, SCOA accounts to recognise immovable assets inventories are not activated by National Treasury (therefore not available for use). Hence, the above AMD decision to record them in accordance with MCS Chapter 11 on Capital Assets requirements in the interim until Inventories chapter Is Effective.

Following further audit procedures including inspection of the proposed journal entry provided, the adjusted asset registers, and the proposed financial statements



it is concluded that management has taken appropriate corrective action to address the misclassification of capital expenditure relating to the Electrification Project.

The total amount of R34 613 218,29 has been correctly reclassified from Goods and Services to Capital Expenditure (Work-in-Progress) for the 2024/25 financial year. This adjustment is accurately reflected in both the accounting records and the proposed annual financial statements

A shift of an amount of R34,613,218.29 from Goods and Services to Capital Assets has been effected.

SUPPLY CHAIN MANAGEMENT

List all unsolicited bid proposals concluded for the year under review:

Nil

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

Yes

Challenges experienced in SCM and how they were resolved:

Lack of compliance with applicable timeframes when submitting requests causes excessive pressure in finalising procurement processes efficiently. Strict compliance will be enforced.

The Department remains committed to ensuring that the constitutional and legislative mandates of the Department are fulfilled. The municipalities and the institutions of traditional leadership are central within these mandates. I wish to thank the Executive Authority for the trust that is placed upon me as the Accounting Officer of the Department. In addition, I wish to reiterate that the management and all officials of the Department remain the driving force behind all the achievements in the 2024/25 financial year and therefore wish to express my sincere gratitude.

Dr H.B Krishnan

Accounting Officer

Cooperative Governance and Traditional Affairs



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 H.B Krishnan

Accounting Officer



6. STRATEGIC OVERVIEW

6.1. Vision

Capable and Cooperative Governance for Sustainable Service Delivery.

6.2. Mission

"KZN COGTA will coordinate and foster cooperation amongst governance institutions and build capacity to accelerate delivery of high-quality services to communities"

6.3. Values

VALUE	DEFINITION
Transparency, integrity, professionalism and objectivity	Allowing service beneficiaries and staff to ask questions and responding to their enquiries honestly, frankly and timeously.
A high standard of fiscal discipline and accountability	All expenditure be accounted for and be aligned to departmental objectives.
Value for money	Adding value to the lives of service beneficiaries.
Open communication and consultation	Listening to, taking account of the views and paying heed to the needs of service beneficiaries, when deciding what services should be provided.
Respect for staff and investment in them as a valued asset	Treating staff with consideration and respect and assigning development programmes in line with the Department's objectives and providing a wellness programme.
Recognition of performance excellence	Rewarding and recognising staff for good performance.
Service excellence through teamwork, sound planning and committed implementation	Support programmes developed by the Department are designed and monitored to impact on service beneficiaries.

7. LEGISLATIVE AND OTHER MANDATES

The following legislation is administered by the Department:

- Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Local Government: Municipal Financial Management Act, 2003 (Act No. 53 of 2003)
- Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
- Local Government Demarcation Act, 1998 (Act No. 6 of 2004)
- Local Government Municipal Electoral Act, 2000 (Act No. 27 of 2000)
- Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)
- The National House of Traditional Leaders Act 2009 (Act No. 22 of 2009)
- The KwaZulu-Natal Traditional Leadership and Governance Act 2005 (Act Np. 5 of 2005)



- The White Paper on Traditional Leadership
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Spatial Planning and Land Use Management Act, 2013: (Act No. 16 of 2013)
- Infrastructure Development Act, 2014 (Act No. 23 of 2014)
- Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007)
- Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- KwaZulu-Natal Planning and Development Act, 2008 (Act No. 6 of 2008)
- KwaZulu-Natal Pounds Act, 2006 (Act No. 3 of 2006)
- KwaZulu-Natal Cemeteries and Crematoria Act, 1996 (Act No. 32 of 2000)
- KwaZulu-Natal Determination of Types of Municipalities Act, 2000 (Act No. 7 of 2000)
- KwaZulu-Natal Traditional Leadership and Governance Act, 2005 (Act No. 5 of 2005)
- Fire Brigade Services Act, 1987 (Act No. 99 of 1987)
- Intergovernmental Relations Framework Act 13 of 2005

INSTITUTIONAL POLICIES AND STRATEGIES OVER THE 2025-2030 PLANNING PERIOD

The National Development Plan remains the strategic policy vision for the country and the provinces from which the Medium-Term Development plan is developed. The 20230 Vision is well aligned international development blueprint. The following are long-term plans that continue guide development goals for the South African Government and the Province of KwaZulu-Natal.

- National Development Plan, 2030 Vision
- Arican Union Agenda 2063
- Sustainable Development Goals
- Medium-Term Development Plan 2025-2030
- Provincial Growth and Development Strategy/Plan 2035

Sustainable Development Goals (SDG)

Department contributes to the following SDGS:

SDG 1: End Poverty,

SDG 5: Gender Equality,

SDG 6: Clean water and sanitation,

SDG 7: Affordable and clean energy,

SDG 8: Decent work and economic growth,

SDG 9: Infrastructure, industrialization and innovation,

SDG 10: Reduce Inequality,

SDG 11: Sustainable cities and communities,

SDG 13: Climate action,

SDG 16: Peace, justice and strong institutions and

SDG 17: Strengthened partnerships for goals.



African Union Agenda 2063

The African Union Agenda is a "global strategy to optimise the use of Africa's resources for the benefits of all Africans" (African Union Agenda 2063, 2015:1) It is a robust plan based on Pan Africanism and Renaissance with the intentions of addressing past injustice, learning from the lessons of the past at the same time build a bright future for the continent. AU commits itself to the Pan African vision of "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic in the international arena" (African Union Agenda 2063, 2015:1). COGTA has an obligation toward goal 7 of the AU 2063, environmentally sustainable and climate resilient economies and communities and its Priority Areas, that is, Water security, Climate resilience and natural disasters preparedness and prevention.

National Development Plan

The National Development Plan is a plan for South Africa and provides a broad strategic framework to guide key choices and actions in order to eliminate poverty, reduce inequality and unemployment by 2030. COGTA contributes to the delivery of chapters 4, 5, 6, 8, 13, 14 and 15 of the NDP.

Medium Term Strategic Framework (MTSF 2019-2024)

The 2019-2024 MTSF represent priorities derived from the Manifesto of the ruling party.

The MTSF identifies key areas, priorities, or goals for implementation by the 6th Administration. The goals are as follows:

1. Capable, Developmental & Honest Government
2. Economy and Jobs
3. Education, Skills and Health
4. Social Wage
5. Spatial Development & Human Settlements, Local Government
6. Social Cohesion and Safe Communities
7. Africa & The World

Provincial Growth and Development Strategy 2021 (PGDS)

The PGDS espouses the Provincial vision that: KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World.

The PGDS is aligned to the National Development Plan and the Medium-Term Strategic Framework. The Department's operations are guided by the National Development Plan, 2030 also expressed in the Provincial Growth and Development Strategy as follows.



PRIORITY	OUTCOMES
Priority 1: A Capable, Ethical and Developmental state	• A capable and ethical government • Improved leadership, governance and accountability • Functional, efficient and integrated government • Social compact and engagement with key stakeholders • Mainstreaming of gender, youth and persons with Disabilities, empowerment and development institutionalised
Priority 2: Economic Growth and Job Creation	• More decent jobs sustained and created, with youth, women and persons with disabilities prioritised • Investing for accelerated inclusive growth • Industrialisation, localisation and exports • Improve competitiveness through ICT adoption, research and innovation • Reduced concentration and monopolies and expanded small business sector • Quality and quantum of infrastructure investment to support growth and job creation improved • Supply of energy secured • Water security secured • Increase access to affordable and reliable transport systems • Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities
Priority 3: Education, Skills and Health	• Improved school- readiness of children • 10-year-old learners enrolled in publicly funded schools read for meaning • Youths better prepared for further studies and the world of work beyond Grade 9 • Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa • School physical infrastructure and environment that inspires learners to learn and teachers to teach • Expanded access to PSET opportunities • Improved quality of PSET provisioning • A responsive PSET system Improved skilled resources to support the economic growth and development needs of the Province • Improved educational and health outcomes and skills development for all women, girls, youth and persons with disabilities



PRIORITY	OUTCOMES
Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services	- Transformed social welfare - Increased access to quality ECD services and support - Comprehensive social security system - Sustainable community development interventions - National Integrated social protection information system (NISPIS) - Menstrual health and hygiene management for all women and girls achieved - Increased access to development opportunities for children, youth and parents/guardians
Priority 5: Spatial Integration, Human Settlements And Local Government	- Coordinated, integrated and cohesive national spatial development to enable economic growth and spatial transformation - Functional sub-national regional development in urban and rural spaces - Integrated service delivery, settlement transformation and inclusive growth in urban and rural places - GHG reduction (mitigation) - Municipal preparedness to deal with climate change (adaptation) - Just transition to low carbon economy (mitigation) - State of ecological infrastructure improved - Sustainable land reform - Agrarian transformation - Spatial transformation through multi- programme integration in priority development Areas. - Adequate housing and improved quality living environments. - Eradicate backlog and issuing of title deeds - Increased access to land reform, housing, safe living environment, universal access and design and safe and affordable transport and ICT services - Improved capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services. - Effective water management system for the benefit of all - Affordable, safe and reliable public transport - Increased access to land reform, housing, safe living environment, universal access and design and safe and affordable transport and ICT services



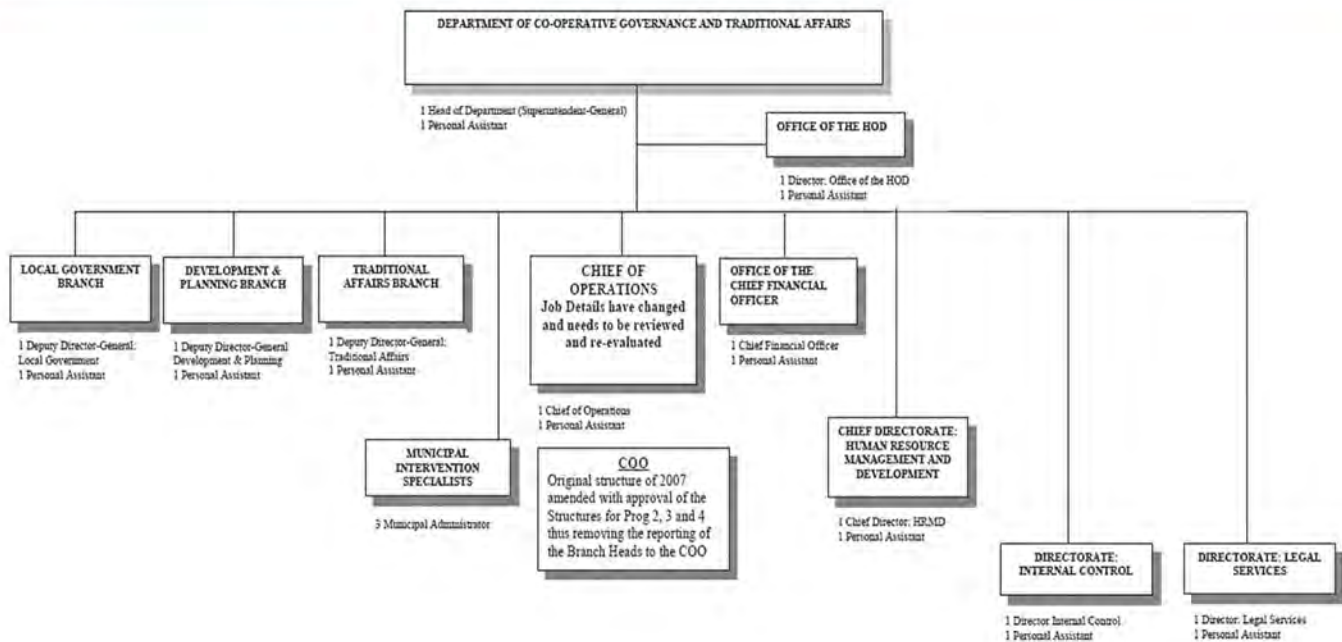
PRIORITY	OUTCOMES
Priority 6: Social Cohesion and Safer Communities	• Fostering constitutional values • Equal opportunities, inclusion and redress • Promoting social cohesion through increased interaction across space and class • Promoting active citizenry and leadership • Fostering a social compact KZN: An inclusive social compact with keys social sectors • Improvement in corruption perception index rating • Reduced organised crime • Increased feelings of safety in communities • Secured cyber space • Effectively defended, protected, safeguarded and secured communities • Social reintegration of offenders through Increase the number of victims participating in Restorative Justice Programme • Levels of marginalisation, stigmatisation and discrimination and violence against women, children, senior citizens, and persons with disabilities, and LGBTQIA+ persons reduced
Priority 7: Better Africa and World	• Increased FDI • Increased and diversified exports contributed to an export orientated Economy • Increased regional integration and trade • Increased intra- Africa trade • Agenda 2030 and Agenda 2063 implemented • Equitable multilateral institutions and enhanced global governance (KZN contribution) • International protocols and commitments achieved • Women, youth and disability empowerment and gender equality advanced through multilateral forums and engagements and compliance

KZN Poverty Eradication Master Plan

KZN Poverty Eradication Master Plan is a programme adopted by KZN to ensure that government in partnership with all non-governmental partners work together to eradicate poverty through Operation Sukuma (bottom-up approach).



8. ORGANISATIONAL STRUCTURE





9. ENTITIES REPORTING TO THE MEC

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

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Nil	Nil	Nil	Nil



PART B:

PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 156-157 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

PERFORMANCE ENVIRONMENT

The 2024/2025 Annual Performance Plan contained 126 performance indicators. 117 (93%) of the Performance Indicators were achieved during the financial year with 9 indicators not achieved. Remedial Actions will be implemented to ensure that these indicators are achieved during the 2025/2026 financial year. Programme One achieved 27 of their 34 performance indicators. Programme 2 achieved all 40 of their indicators. Programme 3 achieved 37 of their 38 indicators and Programme 4 achieved 13 of their 14 indicators. The performance of the Department has been satisfactory but the lack of impact emanating from the interventions is also a concern. In the 7th Administration the Department will track impact more of performance achieved on predetermined objectives.

In execution of priorities and pursuit of targets set the Department recorded key milestones noteworthy in the provision of basic services, infrastructure development and job creation through the support provided to municipalities to increase access to basic services.

Issues of vulnerable groups remained a cross-cutting issue underpinning delivery strategic interventions. Even though there has been remarkable advances in gender equality and women's empowerment since the inception of democracy in South Africa, the majority of women and girls still suffer from multi-dimensional poverty, inequality, and discrimination on the basis of gender. This is compounded by multiple deprivations and deep-seated social problems such as gender-based violence, discrimination and exclusion from mainstream economy. In line with the Framework on Gender Responsive Planning, Budgeting, Monitoring Evaluation and Auditing as well as the White Paper on the Rights of Persons with Disabilities, the Department has embarked on various programmes to ensure the upliftment of these vulnerable groups.

The Department drives gender programmes through the established Women in Management Forum which has been instrumental in the roll out of various transformative programmes for the benefit of female employees within the Department. Furthermore, the Department continues to ensure that it maintains a threshold of above fifty percent women representation in Senior Management positions. The Department also ensures that Vulnerable Groups Staff (Women, Youth, Staff with Disabilities) within the Department are capacitated in line with the Workplace Skills Plan.

In addition to this, the Department contributes towards the objectives of Radical Economic Transformation by awarding 47% of bids to Africans subdivided to 26% Women, 1.4% Military Veterans, 0.34% people with disabilities and 19% Youth. 52% (R172 million/R333 million) of procurement awarded to designated groups.

The breakdown of awards to designated groups is as follows:

Women = R105,432,012.75

Youth = R 47,948,086.53

People living with disabilities = R 29,815,889.82

Military veterans = R 3,649,026.80

Township based enterprises = R 9,873,425.39



Rural based enterprises = R 7,401,140.20

Cooperatives = R 992,355.12

The Expanded Public Works and Community Works Programmes also prioritises the employment of these vulnerable groups specifically women and youth. As highlighted under the section: Internal Environment, the Department also maintains a minimum of 50% female personnel at SMS level and 2% of personnel are people living with disabilities. CWP beneficiaries are as follows: Women 40 891, Youth, 10 185, People with Disability 658. EPWP disaggregated data is 435 Women, 560 Youth, 2 People with Disability, this data is for the current financial year.

The Department had the interests of the one vulnerable groups which required the attention of government, The farm dwellers are the members of the community who have faced suffering and injustice in farms, which also includes non-provision of basic services. To assist municipalities in addressing the challenges associated with rolling-out services to Farm dwellers, the Department collaborated with a range of stakeholders including municipalities, sector departments, landowner representative organizations, and farm dweller representative organisations, to develop Farm Dweller Servicing Guidelines. These guidelines are intended to assist municipalities and other service delivery agencies to develop their basic services policy and regulatory mechanisms, which are geared towards the provision of basic services for farm dwellers for equitable communities envisage by spatial integration.

PSDF - the assessment of Municipal SDFs alignment to the PSDF has been undertaken focusing on the alignment of spatial priorities and outcomes. The alignment of expenditure by Sector Departments to the PSDF priorities has also been undertaken to ensure that the investment by sectors is aligned to the PSDF priorities and outcomes.

Spatial Integration framework –During the past year, the department has focused on addressing the achievement of spatial integration through the Municipal Spatial Development Frameworks. This has involved the review of the municipal plans and how they are guiding the achievement of equitable communities. The Department has also reviewed the draft Provincial Annual Performance Plans (APPs) for the new provincial administration and identified practical areas for refinement to imbed the achievement of elements of spatial integration in their plans.

Integrated Land Information Services – A provincial GIS system is now fully operational and open to access on the COGTA website. It enables municipalities, who don't have resources to access and use the tool and system for improved planning, monitoring and reporting, and it brings all of government planning and reporting closer through the use of a common set of data on land development matters.

Spatial referencing – COGTA has supported municipalities to improve their data on the spatial location of the Infrastructure projects guided by the DPME geo referencing guidelines.

Eastern Seaboard Development is also under implementation for regional spatial development, supported by MISA and National DCOG to finalize the Regional SDF and moving towards finalizing the first generation of regional projects.

Currently working on setting up an finalizing the institutional arrangement to support the strategic implementation of provincial priority interventions within the Eastern Seaboard region.

Disaster management was not ignored emphasis was on **Disaster Risk Reduction Programme through improved land use management practices** – Through a partnership with UKZN developed a guide and tool for assessing municipal and traditional authority land use systems and practices to improve settlement planning and management and reduce vulnerability to flood risks

The Department Co-ordinated an inter-governmental review of **Alfred Duma flood mitigation plans** and proposed additional intervention plan.

Local Economic Development remained at the core of operations of the Department in financial year 2024/2025. R10 Million was approved to assist with the installation of Nquthu solar powered Street light and high mast and 203 solar streetlights were successfully installed and high mast lights on the 2 identified locations around Nquthu area. The project was officially handed over to the Municipality in November 2024.

The Department spent an amount of **R 6 million** for the Refurbishment of Zamimpilo Market in uMkhanyakude District. The project was completed and handed over to the beneficiaries on 20 December 2024.

Local economic development support to rural small-scale farmers under amakhosi was implemented. The programme was aimed at creating sustainable livelihoods, reduce poverty, and promote rural development in a way that respects and builds upon our cultural heritage.



The department is supporting the local farmers with broiler chicks, chicken feed and white maize. Beneficiaries are located at Nquthu (Nondweni, Hlathi Dam, Empumelelweni, Nkalankala, Ezintabeni Ezibomvu), Abaqulusi (KwaMakhukhula, Nyon'ende, Esigangeni) and Jozini (Nkungwini, Ngonyameni, Ingwavuma, Ntabayengwe).

EXTERNAL ENVIRONMENT ANALYSIS

The Country in May 2024 went to the polls to vote for the government of the 7TH Administration. The results put a country on a new political path as no single party won with utmost majority to govern both at National and KwaZulu-Natal Province. Government of National Unity and Provincial Unity was formed and statement of intent signed. The priorities of the government of unity are as follows:

- To drive inclusive growth and job creation
- Reduce poverty and tackle the high cost of living
- To build a capable, ethical and developmental state

The Department pursues alignment to the priorities of the GNU led administration through its focus on its mandate to coordinate the delivery of services through support on infrastructure delivery to carry the basic service demands of the population of the province. It is also through interventions aimed at building capacity of local government to be capable to manage own development affairs and goals.

Statistics South Africa (Stats SA) 2022 census has revealed that KwaZulu-Natal is still the second most populated province in South Africa with a population of about 12,4 million. The province has eleven (11) district municipalities, and 44 local municipalities more than any province in South Africa. Furthermore, it indicates that the province contributes about 16% to the GDP of the country. The population trends have a direct relationship with the demand for services and the ability of the state to supply services in correlation to the demands of the citizens.

Municipal services (water, electricity, sanitation and waste removal) were intended to be a tool to reduce poverty and inequality, raise living standards and facilitate economic opportunities and growth. The social wage increase commitment by government through, amongst other things provision of subsidies for poor indigent households accessing services, is intended for reducing expenditure burden for citizens and remains key intervention for implementation by local government and for monitoring by the Provincial Government through the Department of COGTA.

BASIC SERVICES

WATER

Furthermore, Census 2022 results reveal that access to basic services has shown an upward trend from 2001 to 2022. Over 80% of households in the country had access to piped water, either inside their dwellings or inside their yards. The proportion of households relying on piped water sources outside of yards or community stands has decreased over time. The report indicates that 12.4 of KwaZulu-Natal households still do not have access to piped water, with 57% of those with access reporting water supply interruptions, this affects economic activities, public trust, the environment, and public health. The table below illustrates the level of household to water across provinces.

As part of implementing the KZN Provincial Water Master Plan, the Department pursues its priority of water provision by ensuring that it supports and monitors municipalities on the implementation of infrastructure projects through MIG, WSIG, and RBIG grants. While there are serious service delivery challenges in most municipalities, it was noted with concern as the department played its oversight role to address the failure of municipalities to spend their grants for accelerated water provision as envisioned in the WMP resulting in funding being taken back to the national fiscus.

The Department endeavours to prioritize oversight on the implementation of the KZN Provincial Water Master Plan, support with bulk infrastructure delivery and provision of technical support through the establishment of Provincial Project Monitoring Unit which will also assist with grant spending and improved. Water crisis has effects on the ability to provide another key basic service of safe and dignified sanitation services to communities.



SANITATION

According to Census 2022 1.9% of the province's households do not have access to sanitation solution. In line with the universal target of eliminating bucket system and improving the quality of life for all in KwaZuluNatal this remains unachieved and will require concerted effort to ensure delivery and preservation of human dignity in the province through provision of sanitation services to all equitably. This requires collaboration of municipalities, Department of Water and Sanitation and COGTA. The decline of the quality of sanitation in the Blue drop report also will receive the attention of the department.

ELECTRICITY

Electricity was the main source of energy for lighting across all provinces and KwaZulu-Natal reliance electricity is (96,7%). To reduce the pressure on grid alternative power supply are pursued for government buildings, business and households such as solar system, hydroelectric power generation, green energy and windturbines. The over reliance on alternative energy will have a long-term impact on the revenue generation of municipalities and this ought to be investigated.

RENEWABLE/GREEN ENERGY

KwaZulu-Natal is an energy-hungry province and consumes in excess of 6 700 MW of electricity and to maintain predicted economic growth rates of between 6% and 7%, the province requires between 400MW and 470MW more electricity every year.

As part of government's intention to move from the grid and expanding on off-grid options for the supply of energy in rural and urban areas, there is a move towards implementation of green energy. Green energy sources are mostly naturally, constantly renewed and not harmful to the climate. The Department is pursuing the feasibility of hydroelectric power source, wind power in addition to solar power as reliable alternative power supply sources. The intention is also to ensure little or no greenhouse gas emissions and little harm to the environment which exacerbates climate change and most often lead to destructive natural disaster incidents which the province of KwaZulu-Natal is more susceptible to.

WASTE MANAGEMENT

Census report indicates 57,7% of households reported to have their refuse removed at least once a week, this means 43,3% including those in rural areas using other methods to dispose of their refuse and may not have reliable waste collection service. The effect is waste re-integration into communal spaces, decline in investment attraction much needed for economic development and growth and also leads health problems/disease outbreaks which could be avoided through creation of clean cities and spaces. Through the Green economy initiative championed by Department of Economic Development and Environmental Affairs, COGTA continues to support municipalities on sustainable waste management practices.

VULNERABLE GROUPS

Census 2022 reveal to the consumers of the report that the household headship status in the country leans more on females than men. In KwaZulu-Natal alone 53,1% of households are headed by women. This in line with the above narration of the state of basic service delivery in municipalities proves that dynamics are more at the advantage or disadvantage of women depending on the performance of each key service area. The inability of the economy to create jobs, end poverty and inequality is influenced to a large extent by the ability or inability of local government to sustainably deliver basic services and local economic development. The women become more affected by dynamics of the spaces they occupy including unemployment.

Furthermore, Quarterly Labour Force Survey reveals that 34,5% of young females aged 15-24 years were not in employment, education or training in Quarter 4 of 2024. The situation obliges the Department and the sector to plan for sustainable, equitable service delivery in urban and rural areas, to also implement skills development programmes to empower women and youth with skills and employment opportunities.



JOB CREATION

Job creation still is Government's top priority of the 7th Administration for all government departments to contribute towards. The official unemployment rate decreased by 0,2 of a percentage point to 31,9% in Q4:2024 compared to Q3:2024. The absorption rate and participation rate increased by 0,2 and 0,1 of a percentage point to 41,1% and 60,3% respectively in Q4:2024. The expanded unemployment rate remained unchanged from Q3:2024 and Q4:2024. KwaZulu-Natal recorded 44.7% of expanded unemployment rate and 28.6% official unemployment rate which is below the official unemployment rate in the country. This is a significant drop from Q3 2024 unemployment rate of 31.2%.

As reported Western Cape, KZN and Gauteng Provinces recorded the largest increases in employment in Q4:2024. The Department continues to generate work opportunities through Expanded Works Programme implemented as well as coordination of the CWP programmes. Budget constraints however resulted in shrinking targets on EPWP.

DISASTER MANAGEMENT

At the beginning of the 2024/25 financial year the province yet again experienced devastating disaster incident in Tongaat North of Durban with Tornado blowing away houses leaving residents destitute. eThekweni municipality quantified loss to the value of R490 million to repair infrastructure. Spending of disaster grants continues to receive attention of the Department to ensure rapid recovery of cities post disasters. Efforts to strengthen awareness and preparedness continued throughout.

The disaster integrated communication system has been installed and efforts to roll-out the system continue and started with the pilot and selected municipalities. Preventing future disasters requires rapid and inclusive adaptation that takes into account changes in both extreme weather patterns, and existing vulnerability, exposure and early warning.

It must be noted that organs of state are required to submit their Disaster Management Plans to the PDMC as per section 38 of the Act. The role of the Department is therefore to support them in complying with the Act through workshops on the national guidelines for the development of plans, and bilateral engagements with organs of state that need assistance. The PDMC also evaluates disaster plans received from the organs of state, and issue feedback letters as well as engagement session at least once a year. Focus in the year will also be on the development of the storm water management plans.

LOCAL GOVERNMENT PERFORMANCE

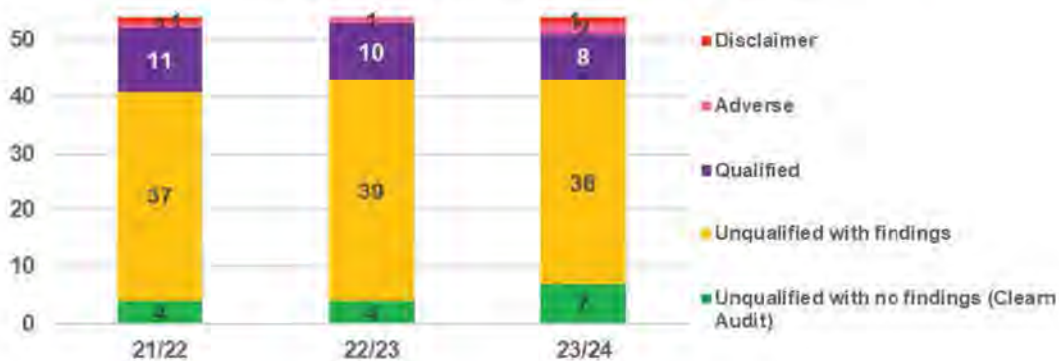
COGTA 2023-2024 Annual Performance Report for Districts' family of municipalities indicates a high level of inability of municipalities to meet targets under the key performance area of Basic Service Delivery, an average of 35% of targets were not met provincially. This adds to the backlog of services in the province and further shifts the universal access to quality services target further away.

The snapshot below shows the percentage of the non-achievement of targets per Key Performance Area per district in the 2023-24 Financial Year.

Average non- achievement of targets per Key Performance Area					
Municipal Transformation and Institutional Development	Basic Service Delivery	Local Economic Development	Good Governance and Public Participation	Municipal Financial Viability and Management	Cross Cutting Interventions
11%	35%	9%	17%	20%	8%



MFMA Audit Outcomes by Auditor-General of South Africa



The number of municipalities which achieved unqualified audit outcome with no matters (clean) has improved from 4 municipalities in 21/22 and 22/23 FYs to 7 municipalities in 23/24 FY.

The number of Qualified audit outcomes has been reducing from 11 in 21/22 FY to 10 in 22/23 FY and to 8 in 23/24 FY which is a consistent improvement. 8 Municipalities (**Uthukela DM, Amajuba DM, Umdoni LM, Umkhanyakude DM, Inkosi uMtubatuba LM, Inkosi Langalibalele LM, Nongoma LM and Msunduzi**) achieved qualified in 2023/2024 FY. 2 municipalities (**uMzinyathi DM and Umzumbe LM**) achieved adverse audit outcome in 2023/2024 FY. 1 municipality (**Endumeni LM**) achieved a disclaimer audit outcome in 2023/2024 FY.

Some of the challenges are poor audit improvement plans not addressing audit findings and Non-implementation of the Audit Improvement Plan resulting in Material findings by the Auditor General. The department is to check the credibility of audit action plans. Audit improvement plans to be endorsed by the Audit General and implementation of the Audit Improvement Strategy and progress provided to the Auditor General.

Through the Operation Clean Audit Steering committee, the Department continues to provide support and coordination 4 key stakeholders to address crosscutting triggers. Intensified support with the development and implementation of audit improvement plans is key to efforts of improving MFMA audit outcomes and collaboration with Provincial Treasury. The Department will continue to cultivate a culture of accountability, enforce effective consequences for violations and strengthen governance structures as well as ensure timely implementation of action plans.

2.2 Service Delivery Improvement Plan

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

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Capacitate on municipalities integrated complaints management system	Municipalities	The Department developed an Integrated Complaints Management System to provide support to municipalities on the development of complaints management processes and procedure.	54 municipalities with a complaints management policy.	All 54 municipalities have the Complaints Management Policy in place. ICMS Policies are incorporated into the Customer Care Policy. 44 Local Municipalities were supported and monitored to respond to community concerns through the collation of issues using the service referral registers. Quarterly reports were compiled on Municipal responses to community concerns.



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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	Rapid Response and Integrated Complaints Management forums held	There were four Provincial Municipal Rapid Response Team and Integrated Complaints Management System forums convened during 2024/25 financial year. All 54 municipalities across the province including the district municipalities were supported through the Provincial Municipal Rapid Response Team and Integrated Complaints Management System forum. The notice of the meetings was circulated 14 days prior to the forums through the office of the Municipal Managers.
Courtesy	Respond and acknowledgement of municipal queries and requests	The Department has established a Nerve Centre which is also utilised for the coordination and monitoring of the resolution of complaints received by the Department. Complaints are received via the Offices of the MEC and Office of the Head of Department. The Nerve Centre records the complaints with all the relevant details and assigns them to a relevant Business Unit. The progress towards resolution of the complaint is monitored and reported on at weekly Nerve Centre meetings. Most of the complaints are resolved during meetings with the relevant parties present.
Access	Support municipalities at the RR and ICMS/ Complaints Forum	The Department continues to provide support to Municipalities at the Rapid Response and Integrated Complaints Management Forum.
Information	Information should be shared with municipalities 7 days before meetings via e-mails	There were four Provincial Municipal Rapid Response Team and Integrated Complaints Management System forums convened during 2024/25 financial year. All 54 municipalities across the province including the district municipalities were supported through the Provincial Municipal Rapid Response Team and Integrated Complaints Management System forum. The notice of the meetings was circulated 14 days prior to the forums through the office of the Municipal Managers.
Openness & Transparency	Provide progress and feedback to complainants, stakeholders and beneficiaries	The Nerve Centre records the complaints with all the relevant details and assigns them to a relevant Business Unit. The progress towards resolution of the complaint is monitored and reported on at weekly Nerve Centre meetings.
Redress	100% of complainants provided with feedback	100% of feedback have been provided to complainants however, actual implementation have been lacking from the responsible business units and municipalities.
Value money for	100% of complaints received, resolved within stipulated time-frame	100% of requests and complaints received are attended to within 5 working days of receipt, however the finalisation of cases takes longer from respective business units and municipalities.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
The department utilises various sources of complaints mechanism as established by the policy, mainly through complaints receive telephonically, via suggestion boxes and Presidential hotline.	Electronic complaints system	The electronic complaints system has not been implemented; however, the department is utilising a manual system of recording complaints that are received through e-mail, telephone, social media sites of the department and walk-ins. These are recorded on a register. The department received 226 service delivery complaints in 2024/25, 113 were resolved.



2.3 ORGANISATIONAL ENVIRONMENT

KZNCOGTA has a budget structure which is classified into four programmes. The Annual Performance Plan has been aligned to the budget structure. The four programmes of the Department are as follows:

Programme 1: Administration which is the support service for the other three programmes and ensures that they are capacitated to perform their functions.

Programme 2: Local Governance is responsible for supporting Local Government structures in municipalities on governance, administration, financial management, legislative mandates, public participation, capacity building and monitoring the performance of the municipalities.

Programme 3: Development and Planning is responsible to provide planning and development support to the municipalities in KwaZulu-Natal through implementing programmes to accelerate service delivery in the communities. This include providing support related to disaster management, infrastructure for basic services, spatial planning and enhancing Local Economic Development.

Programme 4: Traditional Affairs supports the Institutions of Traditional leadership on governance, conflict management, partnerships and participation on Municipal Councils in terms of Section 81 of the Municipal Structures Act 1998 (Act No.117 of 1998).

As at 28 February 2025, the staff establishment of the Department consists of 1227 posts with 1209 posts being filled. 59.5% of posts on the staff establishment are filled by females. 39.5% of posts on the staff establishment are filled by males. 64% of SMS posts have been filled with females. 36% SMS posts have been filled with males. 2.4% of the filled posts on the staff establishment have been filled with people with disabilities. As of 28 February 2025, the staff establishment reflects a total of 17 vacant posts. The Department will continue to focus on the drive to achieve employment equity targets as stipulated in the Employment Equity Plan.

RACE/GENDER PER SALARY LEVEL AS AT 28 FEBRUARY 2025										POST STATUS INFORMATION			
Salary Level	African		Coloured		Indian		White		Grand Total	Active Filled	Active Vacant	Total Posts	Disabled Employees
	Female	Male	Female	Male	Female	Male	Female	Male					
1	0	0	0	0	0	0	0	0	0	0	0	0	0
2	13	3	0	0	0	0	0	0	16	16	0	16	0
3	1	15	0	0	0	0	0	0	16	16	0	16	0
4	3	24	0	0	0	0	0	0	27	27	1	28	1
5	78	41	1	0	2	2	3	1	128	128	1	129	10
6	296	138	0	0	0	0	0	0	434	434	0	434	1
7	85	40	4	1	9	3	7	1	150	150	0	150	8
8	35	32	4	1	3	4	1	0	80	80	2	82	0
9	57	32	3	0	5	6	2	0	105	105	2	107	3
10	15	8	0	0	7	1	2	1	34	34	2	36	2
11	36	30	0	0	2	3	3	3	77	77	5	82	1
12	23	44	0	0	6	8	0	3	84	84	3	87	2
13	16	13	1	0	5	1	2	0	38	38	2	40	0
14	8	5	0	0	1	1	1	0	16	16	0	16	1
15	1	2	0	0	0	0	0	0	3	3	0	3	0
16	0	1	0	0	0	0	0	0	1	1	0	1	0
TOTAL	667	428	13	2	40	29	21	9	1 209	1209	18	1 227	29

Employment Equity Targets Per Salary Level as at 28 FEBRUARY 2025

Disability Target	: 3%
SMS Target for Female	: 50%
All level Target for Female	: 54%

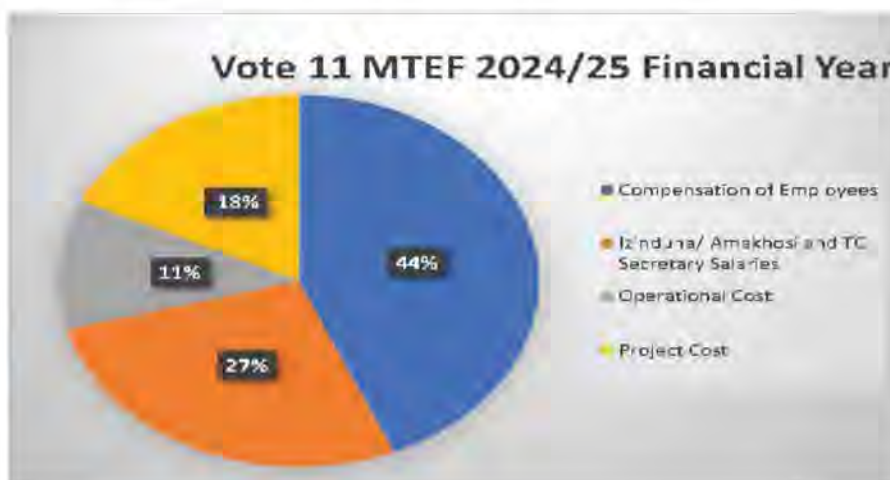
The organogram for the Department is under review and the approval still to be sought by the Minister for Public Service and Administration in due course. The organogram below illustrates the configuration of the organisation.

The Department has to make amendments to the structure to align with the strategy of the Department. The current problems around the structure are around some units not being catered for as proving necessary this includes issues on inadequate planning for projects, inadequate management of scope change which at time carry cost implications, and also incoherent monitoring throughout implementation. The sustainable, proposed solution is the establishment of a new structure which should align to the Service Delivery Model which will seek to decentralise the operations to be cluster based, Northern Cluster, Coastal Cluster, Inland Cluster and Eastern Cluster.

FINANCIAL ENVIRONMENT

From the fiscal consolidation by National Treasury the budget allocation was reduced by R69,522 million in 2024/25, R68,697 million in 2025/26 and R73,527 million in 2026/27 financial years. National Treasury did not allocate any additional funding for the 2023/2024 Cost of Living Adjustment (COLA) to the Department, therefore the R34 million deficit was carried over to the MTEF years and further increased the constraints within the budget.

The Department receives a provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces. The Department uses the conditional grant funding towards the EPWP learnership programme. In 2024/25 the Department received R 2 000 million.



Major Cost drivers for the Department Depicted graphically below.

Budget allocation for the MTEF years inclusive of budget cuts are as follows per Programme:

2024/2025 2025/2026 2026/2027

Programme 1 – 502 294m / 512 130m / 571 087m

Programme 2 – 369 642m / 391 869m / 395 422m

Programme 3 – 362 605m / 347 251m / 351 469m

Programme 4 - 684 847m / 674 463m / 696 740m



The following are the top priorities over the MTEF

- Development of the Electricity Master Plan for the Province
- Accelerated Water Intervention Programme
- Reduction of non-revenue Water
- Indigent households access to free basic service
- Implementation of alternative energy and the installation of solar PV rooftops on government buildings and residential areas.
- Implementation of the small-town revitalisation programme
- Accelerated Bulk infrastructure development and ring-fencing funding for operations and maintenance
- Partner with Licensed Electricity Distributors to reduce electricity losses conduct Public Outreach campaign focusing on illegal connections, meter bypass
- Monitoring infrastructure Grants in all WSAs: Monitoring MIG, WSIG & RBIG with prioritization on refurbishment projects and completion of long existing projects.
- Monitoring municipalities on the implementation of Operations and Maintenance Plans.
- Implementation of the Water and Electricity Master Plans.
- Monitoring of regional bulk infrastructure projects for implementation.
- Development of decentralized sanitation system for rural areas and new developments: Increase sanitation coverage through VIP systems and sanitation systems. Upscale development and testing of new sanitation technologies. Support research & development on alternative and water-less sanitation solutions for new housing developments and areas where service delivery is sub-optimal.
- Implement Water Conservation and Demands Management programmes to reduce High Percentage of Non-revenue water, monitor and Support implementation in all Municipalities (WSA).
- Reduction of both Consumer and Government Debt owed to municipalities.
- Reduction of Eskom Debt owed by municipalities.
- Improvement of the audit outcomes of municipalities which include the deployment of skilled professionals.
- Reduction in the number of municipalities under intervention and implementation of intervention framework.
- Reduction in municipal Unauthorised, Irregular, Wasteful and Fruitless expenditure.
- Support to municipalities in providing a conducive environment for the private sector to participate and increase opportunities for investment through effective implementation of Municipal.
- Revenue Enhancement Strategies and Municipal Development Incentive Strategies.
- African Smart City on the Eastern Seaboard - Detailed plan developments for the area comprising the Ugu and Harry Gwala Districts.
- District Development Agencies supported towards functionality.
- Creation of work opportunities through Community Works Programme.
- Monitoring the implementation of One Plans.
- Supporting municipalities to maintain functional Disaster Management Centres.
- Early disaster warning system for the province - Installation of an integrated Disaster Communications Systems.
- Fire safety programme focused on informal settlements and rural areas – installation of smoke alarms in informal residential areas historically most prone to fires.



- Resolution of succession claims/disputes - hereditary successions to be concluded within 90 days after the need arises for the positions to be filled in line with customary law in alignment with the KZN Traditional and Khoi-San Leadership and Governance Bill.
- Supporting Traditional Councils to perform their functions.

2.4 Key policy developments and legislative changes

There were no policy development and legislative changes.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

COGTA is committed ensure that Local Government and Traditional Institutions improve their functionality. The main aim is to achieve the impact of "Sustainable, responsive and accountable Local Government and Traditional Institutions".

COGTA aims to realize this impact over five years through achieving the following outcomes:

- Improved municipal and traditional institutional capacity
- Improved coordination of service delivery
- Improved institutional capacity.

Impact Statement	Outcomes	Outcome Indicators	Base-line	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	5 Year Target	Comments
Sustainable, responsive and accountable Local Government and Traditional Institutions	1. Improved municipal and traditional institutional capacity	1. Number of municipalities with improved audit outcomes	9	9	10	13	9	9	54	Improved audit outcomes noted in 6 municipalities. 4 of the 6 municipalities had improved an unqualified opinion to clean. These include (1) uMshwathi LM, (2) Richmond LM, (3) Umvoti LM and (4) uMsinga LM. The remaining 2 municipalities being Mpofana LM and Jozini LM improved from a Qualified to an Unqualified opinion. The 6 municipalities join Umlalazi LM, The City of uMhlathuze LM and King Cetshwayo DM, which have maintained their Clean audit opinions.



Impact Statement	Outcomes	Outcome Indicators	Base-line	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	5 Year Target	Comments
		2. Number of municipalities under statutory interventions	9	10	8	8	7	4	0	Interventions were terminated for 3 municipalities, being Inkosi Langalibalele LM, Msunduzi LM and Umzumbe LM. 4 municipalities were still under Intervention as of the 31 st of March 2025 include Umkhanyakude DM, Umzinyathi DM, Uthukela DM and Mpopana LM.
		3. Number of Traditional Institutions with improved functionality	New	-*	-*	-*	-*	249	307	A functionality assessment was conducted on 307 traditional councils assessing the status of infrastructure, equipment, human resources and operations. It was found that 249 of the 307 Traditional councils were found to be functional
Sustainable, responsive and accountable Local Government and Traditional Institutions	2. Improved coordination of service delivery	4. Number of municipalities increasing households with access to basic services	New	-*	-*	-	-	41	44	Whilst a number of interventions have been implemented to contribute towards improving access to basic services, data had not been collated to effectively assess whether there have been any improvements
	3. Improved institutional capacity	5. Number of Departmental Clean Audit outcomes achieved	0	1	1	1	1	1 (for FY 2023/24)	5	Department achieved clean audit outcomes on the Audit of the 2023/24 AFS, Performance Information and Trust and Levies Account. The audit opinion reported is not for financial year 2024/2025



4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Programme Purpose: This programme is dedicated to supporting all sub-programmes within the Department to be able to render quality services to the municipalities under the umbrella of Corporate Services. This programme covers Office of the MEC, Office of the Head of Department (OHOD), Human Resource Management (Human Resource Administration, Organisational Development and Efficiency Services and Human Capital Development), Information Technology, Auxiliary Services, Financial Management (including Traditional Finance), Internal Control, Policy and Research, Legal Services, Corporate Communication, Strategic Planning, Monitoring and Evaluation as well as Policy and Research.

The list of sub-programmes and purpose is listed below based on Chief Directorate classification:

No	Sub-programme	Purpose of the Sub-programme and its composition
1	Office of the MEC	To manage the Office of the MEC.
2	Office of the Head of Department	To manage and provide strategic and administrative support to the office of the HOD. The Internal Audit and Legal Service are directly situated within this office being responsible to provide internal audit and risk management services and legal services, respectively.
3	Financial management	To provide strategic financial leadership in support of the Department's service delivery through Financial Accounting; Budget Control and Planning; and Supply Chain Management services.
4	Human Resources Management and Development	To manage a strategic Human Resources function within the Department. This covers the provision of the recruitment and selection services, performance management and job evaluation through Human Resource Administration, Human Capital Development and Organisation Development and Efficiency Services.
5	Strategic Planning, Monitoring, Evaluation, Policy and Research	To manage the Monitoring, Evaluation and assessment of the performance, manage the Strategic Planning, Policy and Research for the Department.
6	Corporate Services	To render corporate service through the provision of auxiliary services and information management systems in the Department through Auxiliary Services and Information Communication Technology services.
7	Corporate Communications	To provide communication and media liaison services for the Department. This relates to managing communication outreach; publications, translations and multimedia services; and public relation, marketing and advertising services.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Improved institutional capacity



Table 2.4.4.2:

Programme: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/ 2023	Audited Actual Performance 2023/ 2024	Planned Annual Target 2024/ 2025	Actual Achievement 2024/ 2025	De- viation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations
Office of the MEC								
Improved institutional capacity	Site inspections conducted	Number of site inspections conducted	2	2	2	2	0	None
Office of the HOD								
Improved institutional capacity	Clean Audit Opinion achieved	Number of Departmental clean audit opinions achieved	1	1	1	1	0	Note: The Clean audit reported hereon is for 2023/24 Audit Cycle which was concluded in 2024/ 25 financial year and reported on in quarter two of 2024/ 2025.
Improved institutional capacity	Payment of suppliers within 30 days	Percentage of suppliers/ invoices paid within thirty days period	98%	99%	100%	86%	-14%	Payments were captured timeously, but due insufficient funds received on the day of the Run, payments could not be disbursed.



Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved institutional capacity	Performance Assessment Engagements held with Ministerial Representatives	Number of Performance Assessment engagements held with Ministerial Representatives	-	-	6	7	+1	Target exceeded in Quarter 2, two engagements took place with Ministerial representatives, one in August and second one in September. There was a need to hold two sessions in order to establish progress made in the implementation of turn-around plans of municipalities that had been placed under administration within the reporting period.

Organisational Development and Efficiency Services

Improved institutional capacity	Standard Operating Procedures developed	Number of Standard Operating Procedures developed	15	13	12	12	0	None
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Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Human Resource Administration								
Improved institutional capacity	Employment opportunities for people with disabilities	Percentage of people with disabilities employed	-	2,4	3%	2,3%	-0,7%	Target not achieved. The Department has only managed to appoint 2.3% (28/1186) people with disabilities. People with disabilities do not apply for posts. OWD do not qualify for posts. Stigma attached to PWD.
Improved institutional capacity	Employment opportunities at entry level for youth	Percentage of entry- level posts filled with youth	-	-	30%	22%	-8%	13/59 of entry-level posts were filled with youth. The department did not achieve 30% target as key Management posts had to be filled before entry level posts.



Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	De- vi- ation from planned target to Actual Achieve- ment 2024/ 2025	Reasons for devia- tions
Human Capital Development								
Improved institutional capacity	All employees disclosing financial interests	Percentage of employees compliant with financial disclosure submission	100%	100%	100%	100%	0%	None
Improved institutional capacity	Consequence management for underperforming staff	Percentage of under-performing staff Performance Improvement Plans monitored	100%	100%	100%	100%	0%	None
Improved institutional capacity	Capacitation of Vulnerable Groups Staff within the Department as per the Workplace Skills Plan (Women, Youth, Staff with Disabilities)	Percentage of Vulnerable Groups Staff capacitated as per the WSP	-	100%	100%	100%	0%	None



Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved institutional capacity	Graduate Interns recruited	Number of graduate interns recruited	-	100	15	100	+85	Target exceeded, 100 Graduate Interns recruited and placed within the department on 01 April 2024. Accounting Officer approved the appointment of 100 graduates and a budget was allocated to that effect.
Auxiliary Services								
Improved institutional capacity	Departmental Buildings compliant with the occupational Health and Safety Act	Number of Departmental Buildings compliant with the Occupational Health and Safety Act	-	-	17	17	0	None
Information Communication Technology								
Improved institutional capacity	Provision of ICT Systems in relation to departmental needs	Percentage of compliance with ICT governance framework	100%	100%	100%	100%	0%	None
Improved institutional capacity	End Point Cyber-Security initiatives implemented	Percentage of End- Point Cyber security initiatives implemented	-	-	100%	100%	0%	None



Programme: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Financial Management								
Improved institutional capacity	Mitigation for Financial mismanagement	Percentage reduction of UIFW	17%	9%	50%	1%	-49%	The slow movement in the reduction of Historical Irregular expenditure of R181 million and Fruitless and Wasteful expenditure of R4.9 million. This is mainly due to the delayed commencement of investigations, which will be concluded in the 2025/2026 financial year.
Improved institutional capacity	Departmental Programmes spending in line with approved budget	Number of programme budgets spent in accordance with approved budget	4	4	4	3	-1	The slight under expenditure of R3.3 million is due to the slow payment of the back pay of Izinduna stipends



Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved institutional capacity	Procurement awarded to designated groups	Percentage of procurement awarded to designated groups	52%	48%	60%	77%	+17%	The target of awarding procurement to designated groups with objective criteria of BEE Level 1 was exceeded because the department successfully implemented SCM Procurement Strategy.
Improved institutional capacity	Implementation of Procurement Plan	Percentage compliance with the procurement Plan	100%	100%	100%	91%	-9%	Certain planned projects were not undertaken due to budget constraints.
Improved institutional capacity	Financial transactions assessed to identify irregular expenditure	Percentage of transactions assessed to identify irregular expenditure	100%	100%	100%	100%	0%	None
Internal Control								
Improved institutional capacity	Determination testing conducted on UIFW	Percentage of transactions subjected to determination tests for UIFW	100%	100%	100%	100%	0%	None



Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2022/ 2023	Audited Actual Performance 2023/ 2024	Planned Annual Target 2024/ 2025	Actual Achievement 2024/ 2025	De- viation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations
Improved institutional capacity	Audits conducted on Bids Processed	Percentage of bid compliance audits conducted	100%	100%	100%	100%	0%	None
Improved institutional capacity	Implement and enforce a zero- tolerance policy towards corruption	Percentage of Fraud and Corruption cases monitored for finalisation	-	-	100%	100%	0%	None
Strategic Planning and Service Delivery								
Improved institutional capacity	Annual Performance Plan developed in line with National and Provincial Imperatives	Number of Annual Performance Plans developed	1	1	1	1	0	None
Improved institutional capacity	Annual Operational Plans Developed	Number Annual Operational Plans developed	1	1	1	1	0	None
Improved institutional capacity	SDIP Implementation Monitored	Number of SDIPs monitored	1	1	1	1	0	None
Improved institutional capacity	Implement and enforce a zero- tolerance policy towards corruption	Percentage of Fraud and Corruption cases monitored for finalisation	-	-	100%	100%	0%	None
Monitoring								
Improved institutional capacity	Performance of the Department compliant with Annual Performance Plan requirements	Number of Performance reviews conducted	4	4	4	4	0	None
Evaluation								
Improved Institutional capacity	Evaluation of performance of departmental programmes	Number of evaluation studies conducted on Departmental programmes	2	1	1	1	0	None



Programme: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Policy and Research								
Improved institutional capacity	Review of Departmental Policies	Number of Policies reviewed	16	10	8	20	+12	The target was exceeded as more requests to review policies from Business Units were received. Additional ICT policies were reviewed.
Improved institutional capacity	Implementation of departmental policies monitored	Number of policies monitored	12	19	9	9	0	None
Legal Services								
Improved institutional capacity	Department compliant with legislation, policies and prescripts	Percentage compliance with legislation	100%	100%	100%	100%	0%	None



Programme: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/ 2023	Audited Actual Performance 2023/ 2024	Planned Annual Target 2024/ 2025	Actual Achievement 2024/ 2025	De- viation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations
Improved institutional capacity	Policies certified within 30 days of receipt	Percentage of Policies certified within 30 days of receipt	-	100%	100%	58%	-42%	Statutory processes required for the certification of some received policies could not be concluded within the time-frames of 30 days, due to more time needed to attend and address intricate requirements for specific
Corporate Communications								
Improved institutional capacity	Internal Communication Strategy implemented	Number of Internal Communication strategies Implemented	1	1	1	1	0	None
Improved institutional capacity	Local Government Communication Plan implemented	Number of Local Government Communication Plans implemented.	1	1	1	1	0	None

*Linking performance with budgets**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
Administration	521 949	521 949	-	441 384	441 384	-
Total	521 949	521 949	-	441 384	441 384	-

Strategy to overcome areas of under performance

No	Areas of under performance	Strategy to overcome under performance
1	Specific targets not achieved: Payments of suppliers within 30 days could not be processed due to budget constraints	Arrangements were made for invoices to be honoured and when funds are made available in the new financial year.
2	Percentage of people with disabilities employed.	The department will prioritise filling of posts with PWD in line with the departmental strategy on the recruitment of people with disabilities.
3	Percentage of entry-level posts filled with youth.	The department will fill posts in the next financial year.
4.	Percentage reduction of UIFW	The department aims to complete the following to address irregular expenditure: - Follow up on the Umhlathuze Water Forensic investigation conducted by the Office of the Premier which is scheduled to be finalised by June 2025. - Ensure the finalisation of investigation for the Mtubatuba upgrade, where further information is requested by the Auditor-General on the status of the alleged Irregular expenditure. - The department will submit condonation requests to Provincial Treasury
5.	Number of programme budgets spent in accordance with approved budget	Payment will be processed in 2025-26 financial year once all legal processes have been concluded.
6.	Percentage compliance with the Procurement Plan	The department will strengthen monitoring and compliance to procurement plan in line with allocated budget.
7.	Percentage of Policies certified within 30 days of receipt.	The department will review internal processes.

*Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions***4.2 Programme 2: Local Governance**

Programme Purpose: The purpose of the programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government. The programme consists of the following sub-programmes which are detailed below, namely Local Government Champions, Inter- Governmental Relations, IDP Coordination, Municipal Performance Monitoring, Reporting and Evaluation, Municipal Governance and Administration, Municipal Forensics, Synergistic Partnerships, Municipal Finance, Public Participation and Capacity Building.



No	Sub-programme	Purpose of the Sub-programme and its composition
1	Municipal Administration and Governance	To promote sound municipal administration and good governance through Municipal Administration; Municipal Governance; Municipal Investigations for fighting against maladministration, fraud and corruption; and Synergistic Partnerships.
2	Municipal Finance	To monitor and support municipalities towards enhanced financial governance, management and sustainability through Municipal Finance Support; and Municipal Financial Compliance and Monitoring.
3	Capacity Development	To coordinate and provide capacity building initiatives through Capacity Building Strategy; Capacity Operations and Implementation.
4	Municipal Service Delivery Support	To coordinate support within the Department and municipalities through Intergovernmental Relations; Local Government Champions; Municipal Performance; and Integrated Development Planning.
5	Community Development Workers and Public participation	To enhance governance through public participation and community development through Community Development Workers and Rapid Response and Public Participation.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Improved municipal and traditional institutional capacity Improved coordination of service delivery

Table 2.4.4.1:

Programme :Local Governance									
Sub-programme: Public Participation									
Outcome	Output	Output Indicator	Audited Actual Performance 2022/ 2023	Audited Actual Performance 2023/ 2024	Planned Annual Target 2024/ 2025	*Actual Achievement 2024/ 2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations	Reasons for Revisions to the Outputs Output indicators / Annual Targets
Improved coordination of service delivery	War rooms functional	Number of functional War rooms	320	355	370	92	278	Q1 target achieved.	APP revised.



Table 2.4.4.2:

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	De- viation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations
Local Government Champions								
Improved municipal and traditional institutional capacity	Municipalities supported with Implementation of the Municipal Support and Intervention Plans	Number of municipalities supported with implementation of the Municipal Support and Intervention Plans	29	54	54	54	0	None
Improved municipal and traditional institutional capacity	Municipalities supported to implement the Back to Basics Programme	Number of municipalities supported to implement the Back to Basics Programme	-	40	10	10	0	None
Intergovernmental Relations								
Improved coordination of service delivery	Districts and Metro Development Hubs supported towards functionality	Number of Districts and Metro Development Hubs supported towards functionality	11	11	11	11	0	None
Improved coordination of service delivery	Districts/ Metro monitored on the implementation of One Plans	Number of Districts/ Metro monitored on the implementation of One Plans	11	11	11	11	0	None
Integrated Development Planning								
Improved coordination of service delivery	Municipalities supported to align their IDPs to National, Provincial and District Priorities	Number of Municipalities supported to align their IDPs to National, Provincial and District Priorities	54	54	54	54	0	None



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	De- viation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations
Improved coordination of service delivery	Municipalities supported to ensure participation of Traditional Authorities into the IDP process	Number of municipalities supported to ensure participation of Traditional Authorities in the IDP process	-	11	11	11	0	None
Improved coordination of service delivery	All municipalities with IDPs addressing service delivery and development challenges	Number of municipalities with legally compliant IDPs	54	54	54	54	0	None
Improved coordination of service delivery	Municipalities supported to monitor implementation of service delivery commitments made in the IDPs	Number of Municipalities Supported to monitor Implementation of service delivery commitments made in the IDPs	54	54	54	54	0	None
Municipal Performance, Monitoring, Reporting and Evaluation								
Improved coordination of service delivery	Municipalities supported with Performance Management Systems	Number of municipalities supported to institutionalise performance management systems	54	54	54	54	0	None
Improve d coordination of service delivery	Municipal Performance Report Compiled	Number of section 47 reports compiled as prescribed by the MSA	1	1	1	1	0	None
Improved coordination of service delivery	Municipal Evaluations conducted.	Number of evaluation studies conducted on municipal programmes.	-	-	1	1	0	None



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	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improve d coordination of service delivery	Quarterly Municipal Performance Assessments conducted	Number of municipalities assessed on municipal performance	54	54	54	54	0	None
Improve d coordination of service delivery	Municipal Support and Intervention on plans monitored	Number of Municipal Support and Intervention plans monitored	54	54	54	54	0	None

Municipal Governance and Administration

Improved municipal and traditional institutional capacity	Municipal Administration support provided to municipalities	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers	54	54	54	54	0	None
Improved municipal and traditional institutional capacity	Oversight Structures Functional	Number of Municipalities supported to maintain functional oversight structures	54	54	54	54	0	None
Improved municipal and traditional institutional capacity	Municipalities under intervention monitored in line with the municipal turn around plans	Percentage of municipalities under intervention monitored in line with recovery plan	100%	100%	100 %	100%	0	None
Improve d municipal and traditional institutional capacity	Performance Assessment of Ministerial Representatives	Percentage of Ministerial Reps assessed on Performance	-	100%	100 %	100%	0	None



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	De- viation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations
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Municipal Forensics

Improve d municipal and traditional institutional capacity	Municipal accountability, consequence management, legislation and policies implemented	Percentage of fraud, corruption and maladministra- tion cases investigated	100%	100%	100 %	100%	0%	None
Improved municipal and traditional institutional capacity	Municipal accountability, Consequence management, legislation and policies implemented	Percentage of forensic investigation findings monitored for implementation	100%	100%	100 %	100%	0%	None
Improved municipal and traditional institutional capacity	Municipal accountability, consequence management, legislation and policies implemented	Number of municipalities monitored on the extent to which Anti-corruption measures are implemented	54	54	54	54	0	None
Improved municipal and traditional institutional capacity	Section 106 Backlog recom- mendations monitored for Implementation	Percentage of Section 106 Backlog recommenda- tions monitored for Implementation	-	-	100%	100%	0	None

Synergistic Partnerships

Improved municipal and traditional institutional capacity	Participation of Traditional Leaders in municipal councils	Number of municipalities with the participation of traditional leaders	52	52	52	52	0	None
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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	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
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Municipal Finance

Improved municipal and traditional institutional capacity	Reduction of UIFW in municipalities	Number of municipalities supported to reduce Unauthorised, Irregular, Wasteful and Fruitless expenditure	54	54	54	54	0	None
Improved municipal and traditional institutional capacity	Municipalities achieving unqualified audit outcomes with no findings	Number of municipalities supported to achieve unqualified audit outcomes with no findings	-	-	54	54	0	None
Improved municipal and traditional institutional capacity	Support municipalities with the reduction of Eskom debt	Number of municipalities supported with the Reduction of Eskom Debt	-	8	3	7	+4	More municipalities than planned were identified to be in arrears and needed support.
Improved municipal and traditional institutional capacity	Support municipalities with the reduction in consumer debt through active citizen participation	Number of Municipalities supported with the reduction of consumer debt	54	54	54	54	0	None
Improve d municipal and traditional institutional capacity	Reduction in Government Debt	Number of municipalities supported to reduce government debt	54	54	54	54	0	None



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	De- viation from planned target to Actual Achievement 2024/ 2025	Reasons for deviations
Improve d municipal and traditional institutional capacity	Section 131 of the MFMA submitted	Number of Reports submitted on state of municipal finance in terms of section 131 of the MFMA	1	1	1	1	0	None
Improve d municipal and traditional institutional capacity	Municipalities guided to comply with MPRA	Number of municipalities guided to comply with the MPRA	44	44	44	44	0	None
Improved municipal and traditional institutional capacity	Municipalities monitored on the implementation of indigent policies	Number of municipalities monitored on the implementation of indigent policies	54	54	54	54	0	None
Improve d municipal and traditional institutional	Identified municipalities supported to resolve unfunded budgets	Percentage of Identified municipalities supported to resolve unfunded budgets	-	100%	100%	100%	0%	None

Capacity Building

Improved municipal and traditional institutional capacity	Capacity Building strategy Developed and implemented	Number of integrated capacity building strategy for local government implement ed	1	1	1	1	0	None
Improve d municipal and traditional institutional capacity	Capacity Building interventions conducted in municipalities	Number of capacity building interventions conducted in municipalities	16	16	16	16	0	None



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	De-viation from planned target to Actual Achievement 2024/2025	Reasons for deviations
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Public Participation

Improved coordination of service delivery	Ward Committees Functional	Number of municipalities supported to maintain functional ward committees	44	44	44	44	0	None
Improved coordination of service delivery	War Rooms Functional	Number of functional War Rooms with CDWs	-	-	320	320	0	None
Improved coordination of service delivery	Municipal Rapid Response Teams functional	Number of municipal Rapid Response Teams functional	44	44	44	44	0	None
Improved coordination of service delivery	Municipalities monitored on the implementation of GBVF responsive Programmes	Number of Municipalities monitored on the Implementation of GBVF responsive programmes	54	54	54	54	0	None
Improved coordination of service delivery	Municipalities Supported to promote Participation in community based local governance processes	Number of municipalities supported to promote participation in community based local governance processes	54	54	54	54	0	None
Improved coordination of service delivery	Municipalities supported to resolve community concerns	Number of municipalities supported to resolve community concerns	44	44	44	44	0	None
Improved coordination of service delivery	Municipalities monitored on the functionality of Youth Units	Number municipalities monitored on the functionality of Youth Units	54	54	54	54	0	None



Linking performance with budgets

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
Local Government	360 154	360 154	-	336 706	336 706	-
Total	360 154	360 154	-	336 706	336 706	-

Strategy to overcome areas of under performance

All targets for programme 2 were achieved as planned in FY 2024/25.

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

4.3 Programme 3: Development and Planning

Programme Purpose: The purpose of this programme is to accelerated sustainable development can be achieved through effective integrated planning, local economic development and implementation of schemes and provision of basic services. The purpose of this programme is to promote informed integrated planning and development in the Province. This Programme consists of the following sub-programmes, namely Spatial

Planning, Geospatial Information Services, Land Use Management, Local Economic Development, Municipal Infrastructure and Disaster Management.

No	Sub-programme	Purpose of the Sub-programme and its composition
1	Disaster Management	To manage, coordinate and support disaster prevention and mitigation through Planning and Disaster Risk Reduction and Disaster Management Operations.
2	Municipal Infrastructure	To facilitate and monitor infrastructure development within municipalities to ensure sustainable municipal services through Infrastructure Development and Sector Coordination and Planning.
3	Municipal Economic Development Support Local	To support and implement programmes that strengthens local economic development through Projects Implementation and Institutional Support, Expanded Public Works Programme (EPWP) and Community Services Centres.
4	Municipal Planning	To facilitate and coordinate support municipal planning, geospatial information services, survey services and land development management through Spatial Planning.

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

Improved coordination of service delivery

Table 2.4.4.2

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
Local Economic Development: Special Initiatives								
Improved coordination of service delivery	Support functionality of DDAs	Number of District Development Agencies supported towards functionality	7	7	7	7	0	None
Improved coordination of service delivery	Monitor implementation of Municipal LED Strategies	Number of Municipal LED Strategies monitored for implementation	54	54	54	54	0	None
Improved coordination of service delivery	Municipalities supported to implement the Provincial Small Town Revitalisation Strategy	Number of Municipalities supported to implement the Provincial Small Town Revitalisation Strategy	3	4	3	3	0	None
Improved coordination of service delivery	Municipalities supported to package partnership opportunities that will create economic growth	Number of Municipalities supported to package development partnerships	4	6	3	3	0	None



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
Improved coordination of service delivery	Municipalities supported to package partnership opportunities that will create economic growth	Number of Municipalities supported to package development partnerships	4	6	3	3	0	None
Improved coordination of service delivery	a) Revamp Local Economic Development b) Local Economic Development Grant	Percentage of identified SMMEs supported in line with the Funding Approach (inclusive of LED programmes)	-	-	100%	100%	0	None
Local Economic Development: Community Works Programme								
Improved coordination of service delivery	Work opportunities reported through Community Works Programmes	Number of work opportunities reported through Community Works Programme	51 696	48 721	45 000	47 120	+2120	Over-achievement was due to allowance to over recruit by 10% to compensate for a high rate of dropouts.
Local Economic Development: Expanded Public Works Programme								
Improved coordination of service delivery	Increase participation in public employment programmes	Number of EPWP work opportunities created	1270	691	1000	1382	+382	New intakes of participants had to be undertaken during the financial year, as contracts of some participants ended during the year



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
Improved coordination of service delivery	Economic opportunities to designated groups to optimise economic empowerment	Percentage of LED initiatives benefitting designated groups	-	-	100%	100%	0%	None
Local Economic Development: Community Services Centres								
Improved coordination of service delivery	CSCs rehabilitate d/ maintained	Number of identified CSCs Rehabilitated/ maintained	8	8	5	5	0	None
Improved coordination of service delivery	CSCs constructed	Number of CSCs Constructed	-	-	1	1	0	None
Improved coordination of service delivery	Municipalities and TCs supported with functionality	Number of Municipalities supported with Grade 1 CSCs Functionality	23	23	24	24	0	None
Improved coordination of service delivery	Municipalities and TCs supported with functionality	Number of Traditional Councils supported with Grade 2 CSCs Functionality	30	30	30	30	0	None



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
Improved coordination of service delivery	Prioritise the protection and safety of traditional leaders	Number of TAC sites connected with WIFI	-	-	90	0	-90	No TAC sites were connected with WIFI as the service provider appointment was not finalised because changes were requested on the programme implementation approach which impacted on progress.
Spatial Planning								
Improved coordination	Provincial SDF monitored for implementation	Number Provincial SDFs monitored for implementation	1	1	1	1	0	None
Improved coordination of service delivery	Municipalities supported with the implementation of SDFS	Number of municipalities supported with the implementation of SDFS	54	54	54	54	0	None
Improved coordination of service delivery	Municipalities supported with the implementation of Land Use Schemes	Number of Municipalities supported with the implementation of Land Use Schemes	44	44	44	44	0	None



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
Geospatial Information Services								
Improved coordination of service delivery	Provincial Integrated Land Information System implemented	Number of functional Integrated Land Information Systems Implemented	1	1	1	1	0	None
Improved coordination of service delivery	Institutional GIS capacity strengthened	Number of institutional GIS capacity strengthening programmes implemented	4	4	4	4	0	None
Land Use Management								
Improved coordination of service delivery	Coordinated awareness programmes on the importance of land use management systems	Number of awareness programmes on the importance of land use management systems conducted	4	4	4	4	0	None
Improved coordination of service delivery	Municipalities supported to implement an effective Land Use Management system	Number of Municipalities supported to implement effective Land Use Management system	44	44	44	44	0	None
Municipal Infrastructure								
Improved coordination of service delivery	Infrastructure coordinating structures functional (Water, Sanitation Task Team, Electricity Task Team)	Number of Infrastructure coordinating structures achieving 80% functionality	2	2	2	2	0	None
Improved coordination of service delivery	Water Service Authorities monitored on implementation of the Operation and Maintenance	Number of WSAs monitored on the implementation of Operations and Maintenance	14	14	14	14	0	None



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
Improved coordination of service delivery	Reduction in delays in water use	Percentage of water use licence applications monitored for approval	100%	100%	100%	100%	0%	None
Improved coordination of service delivery	Bulk water supply projects monitored for Implementation	Percentage of regional bulk infrastructure projects monitored for implementation	100%	100%	100%	100%	0%	None
Improved coordination of service delivery	Alternative water resource supplies provided to municipalities	Number of alternative water resource supply programmes implemented in Municipalities	2	2	2	2	0	None
Improved coordination of service delivery	Districts monitored on the spending of National Grants	Number of Districts monitored on the spending of National Grants	10	10	10	10	0	None
Improved coordination of service delivery	Municipalities monitored on the implementation of infrastructure delivery programmes	Number of municipalities monitored on the implementation of infrastructure delivery programmes	53	53	53	53	0	None
Improved coordination of service delivery	Water Master Plan Intervention Programmes implemented	Number of municipalities monitored for Water Master Plan Intervention Programmes implementation	-	11	11	11	0	None
Improved coordination of service delivery	Municipalities monitored on the review of Water Service Development Plans	Number of municipalities monitored on the Review of Water Service Development Plans	13	14	14	14	0	None



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
Improved coordination of service delivery	Municipalities supported with the implementation of the Electricity Master Plan	Number of municipalities supported with the implementation of the Electricity Master Plan	18	24	24	24	0	None
Disaster Management								
Improved coordination of service delivery	Municipalities supported to maintain functional Disaster Management Centres	Number of municipalities supported to maintain functional Disaster Management Centres	11	11	11	11	0	None
Improved coordination of service delivery	Disaster Management Advisory Forums held	Number Provincial Disaster Management Advisory Forums held	4	4	4	4	0	None
Improved coordination of service delivery	Municipalities supported on Fire Brigade Services	Number of municipalities supported on Fire Brigade Services	11	11	11	11	11	None
Improved coordination of service delivery	Municipalities monitored on the implement action of Disaster Management Policy Frameworks	Number of municipalities monitored on the implementation of Disaster Management Policy Frameworks	-	-	11	11	0	None
Improved coordination of service delivery	Municipalities supported with disaster management planning to incorporate climate change adaptation programmes	Number of municipalities supported with disaster management planning to incorporate climate change adaptation programmes	11	11	11	11	0	None



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
Improved coordination of service delivery	Post Disaster grants monitored	Percentage of post Disaster grants monitored	100%	100%	100%	100%	0%	None
Improved coordination of service delivery	Contingency Plan developed to manage seasonal disasters	Number of Contingency plans Developed to manage seasonal disasters	-	2	2	2	0	None
Improved coordination of service delivery	Integrated Communication Systems implemented	Number of Integrated Communication System implemented	-	-	1	1	0	None

Linking performance with budgets

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
Development and Planning	346 735	346 735	-	383 430	383 430	-
Total	346 735	346 735	-	383 430	383 430	-

Strategy to overcome areas of under performance

No	Areas of under performance	Strategy to overcome under performance
1	Number of TACs sites connected with WIFI.	Vodacom has been appointed. Project Proposal has been signed by AHOD. Legal Services finalizing MOA. Delivery of broadband routers to be finalized in the 1st Quarter



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

4.4 Programme 4: Traditional Affairs

Programme Purpose: The purpose of this programme is to provide good governance, good governance is critical for the Institutions of Traditional Leadership to provide effective support to the communities. The purpose of this programme is to support and enhance the capacity of traditional councils. This programme consists of the following sub-programmes, namely; Traditional Institutional Administration and Traditional Resource Administration.

No	Sub-programme	Purpose of the Sub-programme and its composition
1	Traditional Institutional Administration	To provide good governance and facilitate conflict management and support to Traditional Leadership.
2	Traditional Resource Administration	To provide support to Traditional Leadership Institutions through the Provincial House Secretariat Support and Traditional Institutional Support with its related clusters.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Improved municipal and traditional institutional capacity.

Table 2.4.4.2:

Programme: Traditional Affairs

Traditional Institutional Support								
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
Improved Municipal and Traditional Institutional capacity	Implementation of guidelines by institutions of traditional leadership monitored	Number of guidelines monitored for implementation	7	5	5	5	0	None
Improved Municipal and Traditional Institutional capacity	Resolution of succession claims/disputes	Percentage of Traditional Leadership succession disputes processed	95%	90%	100%	100%	0%	None
Improved Municipal and Traditional Institutional capacity	Information sharing sessions on conflict management conducted with Amakhosi	Number of information sharing sessions on conflict management conducted with Amakhosi	12	11	12	12	0	None



Traditional Institutional Support

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
Improved Municipal and Traditional Institutional capacity	Functionality of the Provincial and Local House(s) and its subcommittee monitored	Number of Provincial Houses monitored for functionality	1	1	1	1	0	None
Improved Municipal and Traditional Institutional capacity	Functionality of the Provincial and Local House(s) and its subcommittees monitored	Percentage of Local Houses monitored for functionality	-	100%	100%	100%	0%	None
Improved Municipal and Traditional Institutional capacity	Maintained consolidated data base of support given to Amakhosi (Provincial House)	Number of databases of coordinated government support maintained	1	1	1	1	0	None
Improved Municipal and Traditional Institutional capacity	Maintained database of Izinduna	Number of Izinduna Databases maintained	1	1	1	1	0	None
Improved Municipal and Traditional Institutional capacity	Amakhosi recognized	Percentage of Amakhosi/ Amabambukhosi recognitions concluded within 6 months of the ubukhosi position becoming vacant	100%	100%	100%	75%	-25%	Target not met in Quarter 4 however all internal processes have been finalised awaiting Premier to sign the recognition letters.
Improved Municipal and Traditional Institutional capacity	Family Trees updated	Percentage of recognised Amakhosi/A mabambabukhosi with updated family trees	100%	100%	100%	100%	0%	None



Traditional Institutional Support

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
Improved Municipal and Traditional Institutional capacity.	Identified Traditional Council Officials & Traditional Public Office Bearers assessed in line with Job descriptions (Izinduna and TC Secretaries)	Percentage of identified Traditional Council Officials & Traditional Public Office Bearers assessed in line with job descriptions.	-	-	100%	100%	100%	None
Improved Municipal and Traditional Institutional capacity	Anti GBVF Intervention /campaigns for traditional leadership	Number of Anti GBVF Intervention/ campaigns for traditional leadership	2	2	2	2	0	None
Improved Municipal and Traditional Institutional capacity	Traditional Councils supported to perform their functions	Number of Traditional Councils supported to perform their functions	307	307	307	307	0	None
Improved Municipal and Traditional Institutional capacity	TCs supported to have clearly demarcated boundaries enabling integrated Land Use Management Systems	Percentage of TCs supported with boundary applications	-	-	100%-	100%	0%	None



Traditional Institutional Support

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
Improved Municipal and Traditional Institutional capacity	Support traditional courts and enhanced roles for traditional leadership in provincial and local governance Help traditional leaders to promote communal economies through self-help and self-reliance programmes and projects	Number of capacity building initiatives implemented for Amakhosi	-	-	3	4	+1	An additional capacity building session was held with Amakhosi in Q3.

Linking performance with budgets

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 Inst Management	690 550	687 079	3 471	1 273 989	1 238 871	35 118
Total	690 550	687 079	3 471	1 273 989	1 238 871	35 118

Strategy to overcome areas of under performance

No	Areas of under performance	Strategy to overcome under performance
1	Percentage of Amakhosi/Amabambabukhosi recognitions concluded within 6 months of the uBukhosi position becoming vacant	All internal processes have been finalised awaiting Premier to sign the recognition letters.



5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Eskom	Replacement of Eskom failed Transformers in specified Districts and the Metro in KZN	R30 000 000	R30 000 000	Ethekwini - 89 transformers replaced. Ugu District Municipality - 92 transformers replaced. Umgungundlovu District Municipality - 13 transformers replaced. Ilembe District Municipality 23 transformers replaced. Umhlathuze Municipality - 31 transformers replaced.

5.2. Transfer payments to all organisations other than public entities

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

Departments are requested to provide the name of the transferee, the purpose for which these funds were transferred, did the department comply with S38 1(j), the amount transferred, the amount spent from the transfer received by the transferee, (excluding individuals or social grant payments) and the reasons for unspent funds by the transferee. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfers. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

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 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
University of KwaZulu-Natal	University	Provincial Programme of Action on Assessing and Improving Resilience (Disaster Risk Reduction) and Sustainability in Integrated Human Settlement Planning and Governance	Yes	1 280	842	Project in progress



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

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A	0	0	0	
N/A	0	0	0	

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

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

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	Nil
Purpose of the grant	Nil
Expected outputs of the grant	Nil
Actual outputs achieved	Nil
Amount per amended DORA	Nil
Amount transferred (R'000)	Nil
Reasons if amount as per DORA not transferred	Nil
Amount spent by the department/ municipality (R'000)	Nil
Reasons for the funds unspent by the entity	Nil
Monitoring mechanism by the transferring department	Nil

Conditional Grant 2:

Department/ Municipality to whom the grant has been transferred	Nil
Purpose of the grant	Nil
Expected outputs of the grant	Nil
Actual outputs achieved	Nil
Amount per amended DORA	Nil
Amount transferred (R'000)	Nil
Reasons if amount as per DORA not transferred	Nil
Amount spent by the department/ municipality (R'000)	Nil
Reasons for the funds unspent by the entity	Nil
Monitoring mechanism by the transferring department	Nil



6.2. Conditional grants and earmarked funds received

The receiving department should include the following information in the annual report on conditional grants received:

- An overview of grants received, including types and total amount received.
- An indication of the total amount of actual expenditure on all allocations.
- Confirmation that all transfers were deposited into the accredited bank account of the Provincial Treasury.
- An indication of the extent to which the objectives were achieved, with a comparative analysis of provincial performance against targets. Where performance fell short of expectations, outline the reasons and measures taken to improve performance in the coming years if the grant is continuing.
- An overall assessment of compliance with the Act, and an explanation of any measures taken in situations where there was non-compliance

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

Conditional Grant :Nil

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

7. DONOR FUNDS

7.1. Donor Funds Received

Donor assistance includes both cash and in-kind contributions. Reporting on donor assistance is critical as the funding directly contributes to service delivery of the department. The following information should be presented for donor funds. All financial amounts must agree to the amounts disclosed in the annual financial statements.



Donor Fund :

Name of donor	Null
Full amount of the funding	
Period of the commitment	
Purpose of the funding	
Expected outputs	
Actual outputs achieved	
Amount received (R'000)	
Amount spent by the department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan Provide commentary on the following:

- Progress made on implementing the capital, investment and asset management plan.
- Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)
- Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed,
- Plans to close down or down-grade any current facilities,
- Progress made on the maintenance of infrastructure
- Developments relating to the above that are expected to impact on the department's current expenditure.
- Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft
- Measures taken to ensure that the department's asset register remained up-to-date during the period under review
- The current state of the department's capital assets, for example what percentage is in good, fair or bad condition
- Major maintenance projects that have been undertaken during the period under review
- Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track



Infrastructure projects	2024/2025			2023/2024		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
New and replacement assets	0	0	0	0	0	0
Existing infrastructure assets	0	0	0	0	0	0
- Upgrades and additions	0	0	0	0	0	0
- Rehabilitation, renovations and refurbishments	0	0	0	0	0	0
- Maintenance and repairs	0	0	0	0	0	0
Infrastructure transfer	0	0	0	0	0	0
- Current	0	0	0	0	0	0
- Capital	0	0	0	0	0	0
Total	0	0	0	0	0	0



PART C:

GOVERNANCE



1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2. RISK MANAGEMENT

The Accounting Officer has committed the Department of Cooperative Governance and Traditional Affairs to a process of Risk Management that is aligned to the principles of good Corporate Governance, as supported by the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999. The Accounting Officer made certain that the Department has and maintains effective, efficient and transparent risk management in terms of Section 38(a) of the PFMA. Risk Management is not only the responsibility of the Accounting Officer, but is extended to all levels of management. The Risk Management function falls within the Internal Control business unit, which is the custodian of the Risk Management Policy and its accompanying Strategy. It coordinates the Risk Management activities throughout the Department.

The Department has an approved Risk Management Policy, Risk Management Strategy, Risk Appetite, Risk Management Implementation Plan and Combined Assurance Policy.

The Department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks. The Departmental risk register is being monitored on a quarterly basis.

The Department has a Risk Management Committee that is formally appointed by the Head of Department and is fully functional. The implementation of risk mitigation plans was monitored and discussed at the Internal Governance, Risk, Ethics and Combined Assurance Committee (GRECAC) meetings where the committee advised management on the overall system of risk management, especially the mitigation of unacceptable levels of risk and provide oversight on combined assurance.

The Audit Committee advises the department on risk management and independently monitors the effectiveness of the system of risk management. The top 20 risks register is being presented to the Audit Committee on a quarterly basis.

The Department saw great progress in the management and mitigation of risks. As a result, The Department has maintained a clean audit opinion obtained in the 2023/24 financial year.

The unit has supported and advised management components in identifying and assessing risks while ensuring adherence to the approved Risk Appetite and Tolerance Framework of the Department; and also monitored and evaluated the implementation of risk mitigation plans across the Department.

The Department focused on the following key areas in the 2024-2025 financial year:

The GRECAC, chaired by the Accounting Officer of the Department was tasked, inter alia, to ensure the implementation of Enterprise Risk Management through its Terms of Reference.

Review of Risk Management Strategy 2024/25 FY.

Risk assessment workshops were conducted to review the register of the Department and to identify and assess any emerging risks.

Review of Ethics and Corruption Risk Register.

Monitoring of DDM Risk Register.

Monitoring of COVID 19 Risk Register.



Interventions to manage fundamental risks were put in place by management to enhance the internal control environment.

Monitoring of the implementation of the 2024/2025 Risk Action/mitigation Plans.

The risk register of the Department was monitored on quarterly to ensure an improvement in the Department's Risk Management systems and maturity.

3. FRAUD AND CORRUPTION

Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
Governance	Code of Conduct	3	The department should customize and approve the public sectors' code of conduct, and reference it correctly in the department's fraud prevention plan	Department	30/06/17	5	Completed	In terms of the PSA, the KZN provincial government is a legal entity, for all Labour issues the Department receives regulations from the provincial structures that has been approved by the provincial bargaining chamber and COHOD. The Department therefore cannot customize the Code of Conduct and such has been verbally communicated to CARC.
		3	The department should ensure that all employees sign annual declarations as confirmation of receipt and knowledge of the code of conduct.	Department	31/09/18	5	Completed	The Code of Conduct together with the declaration form has been signed by all Departmental officials. A copy of the CoC is provided to all new recruits who also sign a declaration for it. HRM&D also conducts presentations on the CoC at the induction courses and officials sign attendance registers.



Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
	Fraud prevention Plan	4	The department's fraud policy should be reduced to 2 pages	Department	31/03/17	5	Completed	The Department has benchmarked against other Policies and found that the current policy complies with the minimum requirements and will hence not be reducing it two pages.
		3	The fraud prevention and implementation plans should be reviewed as detailed in the FPP assessment report.	Department	31/07/17	5	Completed	The Fraud Prevention plan of the Department now incorporates the action plans as per the report. The action plans have also been included on the Annual business plan to ensure implementation. The plan is being updated on a quarterly basis.
Governance	Roles & responsibilities	4	Ethics Champion should be formally appointed, and the terms of reference of the existing Internal Risk Committee should be strengthened with detailed ethics-related functions.	Department	30/06/17	5	Completed	The Governance Risk, Ethics and Combined Assurance Committee (GRECAC) Terms of Reference have been updated to include Ethics management responsibilities. And the committee meets quarterly. The Ethics champion and officer have been appointed.



Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
Prevention	Fraud Awareness	3	The PIAS should assist the department in conducting independent surveys to measure the effect of the fraud awareness training.	PIAS	28/02/17	5	Completed	The Department took a resolution that all its employees must complete online compulsory Ethics Course in the Public Service. The Department invited the Public Service Commission (PSC) to conduct Ethics refresher course for Senior Managers and Middle Managers. Training was conducted on the 19 June 2023 for Middle Managers and 26 June 2023 for Senior Management Services. There are Fraud Awareness posts on department notice boards.



Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
	Conflict of interest	3	The department should amend its policies to regulate conflict of interest declaration during supplier and employee recruitment processes.	Department	30/06/17	5	Completed	In terms of our SCM processes all suppliers declare interest on the SBD4 form and verification is conducted on the CSD. For employee recruitment, all interview panel members sign a declaration of interest form. All employees declare their financial interests via EDisclosure or manually. From Assistant Director and those employees earning an equivalent to salary level 9 and higher in terms of OSD, Deputy Director, level 12, all SCM and Finance Officials, disclose biannually in alternate years via EDisclosure system. Level 1-8 disclose manually. For Financial year 2023/24 the following levels disclosed: Manual Disclosure: Level 1-8 manually. E-Disclosure Level 9-10. All SCM and Finance Officials.
	Gift and Awards	3	The department should enforce the policy, including institution of disciplinary actions against noncompliance.	Department	31/12/17	5	Completed and monitored	The policy was work shopped extensively. Gifts registers are submitted on monthly basis. Disciplinary action will be instituted for non-compliance.



Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
	Pre-employment Screening	3	The department should take stock of all outstanding preemployment screenings, and finalize them as a matter of urgency.	Department	30/06/17	5	Completed	All officials are vetted and screened before they are appointed.
	Fraud Risk Assessments	3	PIAS should assist the department with fraud risk assessments.	PIAS	28/02/17	5	Completed	The 24/25 Ethics and Fraud risk assessment was conducted during the 3rd quarter on the 24th of October 2024, currently all fraud and ethics risks are reported at minor residual risk rating and are closely monitored.
	Avenues for reporting fraud and recording	3	The department should develop fraud incident report that will enable it to collect information related to perpetrated fraud.	Department	30/09/17	5	Completed	The Fraud Incident report has been developed by the Department and is being updated on a regular basis.
			Whistleblowing policy should be duly approved and signed as a stand-alone document. The policy should be widely distributed and work shopped to employees.	Department	30/04/17	5	Completed	The Whistleblowing Policy was last approved by the accounting officer on the 17 August 2020. The Whistleblowing Policy is currently under review.
			Whistleblowing policy should be duly approved and signed as a stand-alone document. The policy should be widely distributed and work shopped to employees.	Department	30/04/17	5	Completed	The Whistleblowing Policy was last approved by the accounting officer on the 17 August 2020. The Whistleblowing Policy is currently under review.



Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
			The department should maintain a centralized fraud incident register to record all allegations of fraud emanating internally and externally.	Department	30/09/17	5	Completed	The Fraud Incident report has been developed by the Department and is being updated on a regular basis
	Monitoring of fraud red flags	1	The department should identify and adopt appropriate set of red flags as part of its fraud risk assessment/ surveys so that these can be monitored and acted upon on a regular basis.	Department	30/06/17	5	Completed	A Red flags register has been developed and is being updated on a regular basis.
	Internal Audit	3	Internal audit planning should be improved to pro-actively identify and include fraud risks in departmental internal audit plans.	PIAS	30/04/17	5	Completed	The audit plan in fraud risks.
	Responding to reported allegations	3	The department should supplement its fraud response with a decision matrix that will guide decisions to be taken along each crucial stage of dealing with reported allegations of fraud.	Department	31/05/17	5	Completed	The Fraud response procedures are included on the Investigations methodology which has been approved.



Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
	Investigations Root Cause Analysis	0	The department should develop a forensic investigation methodology.	Department	30/06/17	5	Completed	The Investigations Methodology was last approved on the 25th June 2019. Investigation Methodology is currently under review.
		2	In each instance where fraud is detected, the department should reassess the adequacy and effectiveness of the internal control environment, and actively implement improvements.	Department	31/01/17	5	Completed and monitored	This exercise is being conducted by the Department after each incident. This is also part of the Department's Fraud incident report which has been developed and is updated on a regular basis.
	Review fraud of prevention policies.	3	Fraud prevention plan policy documents should be reviewed on a regular basis, while the fraud implementation plan should be reviewed on a quarterly basis	Department	01/04/17	5	Completed and monitored	Anti-Fraud and Corruption Policy was approved on the 13 March 2024.
Monitoring, evaluation & reporting	Review of fraud risk register	1	The department should review and update its fraud risks on a quarterly basis.	Department	30/04/17	5	Completed and monitored	The 24/25 Ethics and Fraud risk assessment was conducted during the 3rd quarter on 24 October 2024, currently all fraud and ethics risks are reported at minor residual risk rating and are closely monitored.



Focus Areas		Initial rating Q3	Recommendations			2024/25 Q4 Progress		
			Action Plan	Owner	Date	Revised Rating	Status	Progress Report
	Annual reporting	3	The department should comply fully with the reporting requirements of section 40(3) of the PFMA, and National Treasury Annual Report guidelines.	Department	30/09/17	5	Completed	The Department reported properly in the previous Annual report where full details of all Investigations were reported on. This also included the response plan by the Department which is aligned to the fraud which had transpired.
Provincial Treasury Initial Rating						Provincial Treasury Final Rating		
	56%					100%	Optimized	The department has implemented all the recommendations.

The Department strives to identify and prevent fraud and/ or corruption before it actually occurs and apply mitigating controls through conducting Fraud Risk Assessments. In addition, all allegations of Fraud are investigated and followed up by the application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls. The Department has an investigations committee in place which is charged with monitoring of all investigations from allegation stage to implementation of the investigation report stage.

4. MINIMISING CONFLICT OF INTEREST

In terms of Treasury Regulations 16A8.3, all Supply Chain Management (SCM) officials or other role players must disclose any conflict of interest that may arise. Therefore, all committee members are required to sign a declaration of interest at each bid committee meeting. Any official that has an interest in a particular bid may recuse himself or herself from that meeting. In terms of our SCM processes all suppliers declare interest on the SBD4 form and verification is conducted on the CSD. For employee recruitment, all interview panel members sign a declaration of interest form. All employees declare their financial interests via E-Disclosure or manually. From Assistant Director and those employees earning an equivalent to salary level 9 and higher in terms of OSD, Deputy Director, level 12, all SCM and Finance Officials, disclose biannually in alternate years via e-Disclosure system. Level 1 -8 disclose manually.

All bid documents must compel all bidders to declare any conflict of interest in a specific bid.

The Department is implementing the following measures to minimise conflict of interest, and these are:

1. Annual financial disclosures by all officials particularly SCM staff;
2. Conduct of annual audit by internal audit on SCM unit;
3. Signing of Code of Conduct by staff particularly SCM staff;
4. Declarations of conflict of interests that are mandatory signed bid committee members;
5. Verification of declaration of interest signed by service providers when submitting bids;
6. Conduct verification by using a prescribed checklist that test compliance of entities participating either on quotations and open tender bid.



5. CODE OF CONDUCT

On an annual basis, all employees sign a declaration that they have received the Code of Conduct and are aware of the contents within.

All newly appointed employees undergo induction programme where they are workshopped on the code of conduct, ethics management and departmental policies.

In the event where employees transgress any policy, the departmental disciplinary steps are taken against those employees.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health, Safety, and Environmental Management are fundamental pillars in safeguarding the wellbeing of our workforce and ensuring business continuity within the Department. The nature of these issues ranges from physical hazards in the workplace, ergonomic risks, fire and emergency vulnerabilities, to broader environmental impacts tied to departmental operations. Left unaddressed, such risks can lead to serious injuries, operational disruptions, legal liabilities, and reputational damage therefore requiring a proactive and systematic response.

The health and safety matters in the workplace are regulated through an Occupational Health and Safety Act 85 of 1993. The Act requires the employer to provide and maintain as far as reasonable and practical a work environment that is safe and without risk to the health of employees. The OHS Act is based on the principle of effective communication to ensure that there is co-operation and shared responsibility between the workers and the employer for health and safety in the workplace.

In recognition of this, the Department has embedded a robust OHS Programme that is both compliant and progressive. We have instituted strategic interventions such as the appointment and continuous capacitation of Health and Safety Representatives, execution of regular building inspections with documented remedial actions, and the rollout of structured emergency preparedness drills including evacuations. These efforts are further supported by the development and review of OHS policies and procedures, and targeted training initiatives to instil a safety-first culture across all levels of the Department.

Strengthening the OHS programme is not a compliance exercise, but a strategic imperative for improved operational efficiency, public service excellence and the preservation of human dignity within our institutional environment.

7. PORTFOLIO COMMITTEES

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
02/09/24	Non-Payments for Amabambabukhosi	It was resolved that the Department of COGTA must consolidate the list of cases brought forward regarding the nonpayment of Amabambabukhosi and provide an updated report to the Portfolio Committee.	The report was submitted to the Committee.	Yes



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
03/09/24	Outstanding Backpay for Izinduna	It was resolved that the department must finalize its audit processes which will allow for the conclusion of the outstanding back pay claims to be processed for Izinduna.	The payment of the izinduna back-pay is now at 98%. There are 36 matters where letters of Authority are still outstanding. The Department is following up closely with Masters Office as per instructions from the Head of Department.	Ongoing
04/09/24	Audit List of Izinduna on the payroll system	It was resolved that the Department must submit an updated list of disputes concerning Izinduna and Amakhosi and also submit an update list of Izinduna on the payroll system.	The report was submitted to the Committee.	Yes
04/09/24	Filling of vacant Posts	It was resolved that the Department must provide an update report on the filling of critical posts and the disputes pending that occurred surrounding the filling of the posts.	The post of Deputy Director-General: Traditional Affairs has been filled by Mr Ndoda Biyela. Between 1 October 2024 and 25 March 2024 13 posts were filled as follows: % youth employed = 38% (5/13) % men employed = 54% (7/13) % women employed 2025 = 46% (6/13) % people with disability 0% = (0/13)	Ongoing
03/12/24	Financial Misconduct	It was resolved that the department must provide the committee with the update report of the outcome of the investigations once the matter has been concluded.	The report was submitted to the Committee.	Ongoing
04/12/24	Issue of transformers and changing of meters – Eskom related	It was recommended for the portfolio committee invite Eskom to the portfolio Committee Meeting to engage further with them on the matters pertaining to meter changes and transformers.	The report was submitted to the Committee and tabled by ESKOM.	Yes



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
05/12/24	DMC and climate change report	It was resolved that in the next Portfolio Committee Meeting, the department must present a DMC Report that indicates the lessons learnt from the Climate Change Summit and how those lessons would be implemented here in KZN. The report must also include the details of the signed MOUs with municipalities and the outcomes of engagements With SANRAL.	The report was submitted to the Committee.	Yes
01/04/25	Disaster Management	It was resolved that the department must provide an update on disaster management, including the expenditure of funds and the MOU with eThekweni Municipality and the Department of Transport. It was further resolved that the department must provide detailed information on the expenditure of funds for disaster management, including specific projects and amounts spent. The report must include the update on the MOU with eThekweni Municipality and the Department of Transport, including the status of the agreement and any progress made.	The report was submitted to the Committee.	No
02/04/25	Un-Signed APP Document	It was resolved that the department must send the Signed version of the APP Document to the Committee Members before the next meeting.	The report was submitted to the Committee.	No
03/04/25	Reduced Departmental Targets	It was resolved that the department must send a List of Reduced Targets. Provide a list of all targets that were reduced, along with the reasons for their reduction.	The report was submitted to the Committee.	No
04/04/25	Municipal Grants	It was resolved that the department must prepare a report on the Municipal Grant Withdrawals. The department must present a report on the various municipalities where grants have been withdrawn and the reasons for these withdrawals at the next meeting.	The report was submitted to the Committee.	No



8. SCOPA RESOLUTIONS

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

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department has regressed from clean audit opinion to unqualified with findings in the audit of 2024/2025. This is based on the material non-compliance in relation to the paying of invoices within 30 days. The action plans were developed by the relevant business units, from all the findings that were raised by the Auditor General of South Africa. These action plans are monitored by the department's Internal Control: Audit & Risk Management sections, to ensure that they were not re-reported in the current financial year. The department may include the information in a table as follows:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Unqualified with findings	2024/2025	The action plan is monitored on an ongoing basis to ensure compliance with payment of invoices

10. INTERNAL CONTROL UNIT

The Department is committed to improved internal controls and risk management. It manages internal controls by setting objectives and by ensuring that the required control mechanisms and activities are in place. During the year under review, the Department continually assessed and evaluated internal controls to assure that the existing control activities are effective, efficient, transparent, and updated when necessary.

The Departmental Risk Register was revised and updated throughout the year. The Risk Management Strategy and Implementation Plan were developed and approved.

Internal audits were conducted to ensure that systems and controls are in place and adequately implemented. The Audit Improvement Strategies (AIS) for the findings raised in the Auditor General and Internal Audit Reports were compiled in order to monitor the implementation of the Management's Action Plans.

In the 2024/25 financial year the Internal Control Unit continued to review bids for SCM compliance. All bids that were provided to Internal Control for compliance review, were scrutinized and submitted to the Accounting Officer for approval before the awards were made to the service providers. This assisted in the reduction of instances of Irregular Expenditure stemming from not following SCM processes.

There were no determination tests performed on any alleged irregular expenditure in the 2024/2025 financial year.

Internal Control also reviewed 30% of the payment vouchers from quarter 1 to quarter 4 of the financial year to determine if the Finance & SCM business units did implement compliance checklists to identify possible irregular expenditure. This also assisted the Department in improving controls to curb the occurrence of irregular expenditure.



Internal Controls, Accounting Systems & Internal Audit

Review of the internal audit reports to manage critical risks and to ensure the adequacy and effectiveness of the departmental internal control structure including: Financial and internal controls, Accounting systems and reporting and Corporate governance.

Review any significant matters reported by the internal auditors and the extent to which the recommendations have been implemented by management; and provide any additional recommendations to Accounting Officers.

Direct the Accounting Officer to provide status reports detailing the progress made in implementing the Committee's recommendations.

Through PIAS reports, evaluate IT governance systems and the related internal controls.

Ensure that the relevant departmental management demonstrates accountability over internal control functions.

Consider the fact and potential of any limitation on the scope of internal audit, and if there is, report to the MEC for Finance via the Provincial Audit & Risk Committee.

Fraud Prevention

Ensure that the Accounting Officer develops and implement strategies, policies, procedures and systems to prevent and detect fraud and corruption.

Ensure that the Accounting Officer demonstrates some pro-activeness in maintaining anti-fraud and corruption strategies to protect the Provincial assets entrusted to them.

Review and evaluate the effectiveness of such strategies, policies/procedures.

Should a report to the Audit Committee, whether from the PIAS or any other source, implicate the Accounting Officer in fraud, corruption or negligence, the chairperson of the CARC must promptly report this to the relevant executive authority via the Chairperson of PARC.

Financial Statements

Ensure that the timing and nature of reports from the external auditor(s) are in accordance and comply with the requirements of the PFMA.

Consider key matters arising in the AGSA management report and audit report (including illegal acts or irregularities) and satisfy themselves that they are being properly followed up and resolved.

Consider the reports and function of the External Audit Steering committee to ensure that external audits are performed efficiently and that management co-operates with the AGSA.

Comment on its evaluation of the annual financial statements, the interim financial reports, the preliminary announcement of the AGSA report and any other announcement regarding the KZNPG's results or other financial information to be made public, prior to the submission to and approval by the Accounting Officer and/or Executive Authority.

Consider any accounting treatments, significant unusual transactions, or accounting judgments, which could be contentious to ensure that these are properly addressed.

In line with TR 3.1.13 (b), comment on the quality of IYM and monthly/quarterly reports submitted in terms of the PFMA and DoRA.

Risk Oversight

The Committee is an integral component of the risk management process and shall oversee:

Financial reporting risks

Fraud risk as it relates to financial reporting IT risk as it relates to financial reporting

All other strategic and operational risks that may impede the department from achieving their business objectives.

Review the procedures for identifying business risks and mitigating their impact on the department.

Ensure that the Accounting Officer and Accounting Authority maintains and regularly reviews the system of risk management within their areas of responsibilities.



Review the results of the risk assessment to determine the material risks to which the departments may be exposed and evaluate strategies to mitigate those risks.

Ensure that the Accounting Officer has incorporated reputational and ethical risks and opportunities in the risk management process.

Combined Assurance

Ensure a coordinated approach to all assurance activities, and in particular the CARC shall:

Ensure that the combined assurance model relevant to the department is appropriate to address all the significant risks facing the department.

Monitor the relationship between the external and internal assurance providers.

Comment on the effectiveness of the combined assurance model.

Integrated Reporting

Review the integrated report, including the financial statements, and should have regard to all factors and risks that may impact on the integrity of the integrated report, and in particular the Committee must:

Have regard to all factors that may impact on the integrity of the integrated/ annual report, including factors that may predispose management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information; forward looking statements or information.

Review disclosure of sustainability issues in the integrated report to ensure that it does not conflict with the financial information. Comment in the annual financial report on the financial statements, the accounting practices and the effectiveness of the internal financial controls.

Consider whether the content of the summarised information provides a balanced view.

Ethics

Review the internal audit reports on compliance with the ethical code of conduct and policies of the Department based on the number of statutory, common law and other requirements which cover the ethical behaviour of senior management, and officials of the Departments.

Identify through PIAS reports, any violation of ethical conduct, environmental and social issues.

Provide advice on any identified potential conflict of interest.

Reporting Responsibilities

The Committees must report and make recommendations to the Accounting Officer on a regular basis (TR 3.1.12) – preferably quarterly.

The Committees should engage with Accounting Officers of respective departments at least on a quarterly basis.

The Committees may communicate any concerns they deem necessary to the executive authorities, Head of Provincial Treasury and the AG SA

(TR 3.1.15).

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit:

The Provincial Internal Audit Services (PIAS) exists as an independent, objective assurance and consulting service designed to add value and improve the KZNPG's operations. It helps the KZNPG departments to enhance and protect organisational values by providing risk-based and objective assurance, advice and insight and thereby accomplishes its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.



Specify summary of audit work done

Provincial Internal Audit Services (PIAS)-Assurance Services had completed 14 audit assignments for the year in terms of the annual internal audit operational plan as approved by the Cluster Audit and Risk Committee. These audits included full reviews as well as follow up reviews on both previous internal audit reports and the

Auditor General reports. Full scope audit assignments for the current financial year included audits on Software Licensing and Spending Audit, IT General Controls Review Phase 2, Performance

Information, HRM: EPMDS, Supply Chain Management, Network Penetration Testing, MS Exchange Server Audit and Review of Audit Improvement Plan.

- Key activities and objectives of the audit committee
- Attendance of audit committee meetings by audit committee members (*Tabular form*)

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

Name	Qualification	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 Bongeka Jojo	CA (SA)	SAICA	4 September 2023	30 September 2026	4 of 4	Yes	No	N/A	N/A
Dr Mduduzi Zakwe	CA (SA)	SAICA	4 September 2023	30 September 2026	4 of 4	Yes	No	N/A	N/A
Mr Zwile Zulu	MBA		18 May 2022	31 May 2025	4 of 4	yes	No	N/A	N/A

12. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT & RISK COMMITTEE ON

VOTE 11 – CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

The Audit and Risk Committee herewith presents its report for the financial year ended 31 March 2025, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for provincial departments and is further subdivided into three Cluster Audit & Risk Committees (CARCs). The Audit and Risk Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations.



1. Audit Committee Members and Attendance

The PARC which consisted of the members listed hereunder; and of which three of its members are specifically assigned to the Cluster responsible for the Department; have met as reflected below.

#	Name of Member	Ordinary Meetings Attended	Special Meetings Attended	CARC Meetings Attended
1.	Mr Z Zulu – PARC Chairperson & CARC member	4 of 4	1 of 1	4 of 4
2.	Ms S Makhathini – CARC member	4 of 4	1 of 1	4 of P
3.	Dr M Zakwe – CARC member	4 of 4	1 of 1	4 of 4
4.	Mr S Maharaj	4 of 4	1 of 1	N/A
5.	Mr L Mangquku	3 of 4	1 of 1	N/A
6.	Ms B Jojo	4 of 4	1 of 1	N/A
7.	Mr S Mthethwa	4 of 4	1 of 1	N/A
8.	Ms P Ramphal	4 of 4	1 of 1	N/A
9.	Mr S Magagula	4 of 4	1 of 1	N/A

2. Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and the Management Report of the Auditor General of South Africa (AGSA) and has noted with concern the weaknesses in controls around the following areas:

- Traditional Affairs
- Review of Finance Leases
- Expenditure Management
- Overpayments

The Committee considered the appropriateness of management's planned interventions to improve the overall control environment and advised management to implement these measures urgently, to avoid the recurrence of audit findings.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to perform 14 audit assignments for the period under review, of which 12 audit assignments were finalised and two (2) were carried over to the 2025/26 financial year with the approval of the PARC.

The Committee is satisfied that PIAS performed effectively during the period under review. PIAS maintained its independence during the period under review and complied with its quality assurance improvement plan. During the 2025/26 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans to ensure that it continues to fulfil its mandate and add value to the Department.

4. Risk Management

The Committee's risk management responsibilities are outlined in its Charter. During the reporting period, these duties primarily involved quarterly oversight of the Department's risk register and monitoring the Department's compliance

with the minimum risk management standards set out in the provincial risk management framework. The tables below summarise a). The Department's risk register, including the number of risk mitigation plans implemented and b). The status of compliance with the minimum risk management standards.

Table A:

Risk Register Summary	Risk Grouping					
	Critical	Major	Moderate	Minor	Insignificant	Total
Focus Area						
Number of risks identified	1	9	34	0	0	44
Number of agreed-upon risk mitigation plans	1	15	53	0	0	69
Number of implemented risk mitigation plans	1	4	27	N/A	N/A	32
% of implemented risk mitigation plans	100%	27%	51%	N/A	N/A	46%

Table B:

Compliance with Minimum Risk Management Standards and related Guidelines.	Status of compliance			
	Number of risk management standards	Number of Guidelines	Number of Guidelines fully compliant with	% Compliance
	15	76	71	93%

The Department made steady progress in implementing 46% of its agreed-upon risk mitigation plans and significant progress in complying with 93% of the prescribed minimum risk management standards. To further improve its risk management practices, the Department is advised to:

- Reduce its risk exposures by promptly implementing the outstanding risk mitigation plans and continuously evaluating whether these measures effectively lower risks to acceptable levels.
- Increase efforts to ensure full compliance with all minimum risk management standards.
- Continuously embed and implement the provincial combined assurance framework. The Department is praised for taking the initiative to develop a combined assurance policy, appointing a combined assurance coordinator, and establishing a combined assurance forum.
- Collaborate with provincial departments, municipalities and relevant stakeholders to finalise the development and roll-out of the provincial disaster management plan to mitigate against disaster-related risks.

5. Quality of in-year monitoring and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in-year monitoring and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act.

The Committee monitored the implementation of corrective actions in respect of the detailed findings emanating from the previous regulatory audit, as well as PIAS audits on a quarterly basis through the CARC processes.

6. Review of the Annual Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, AGSA and PIAS.



- Reviewed the AGSA's Management Report.
- Reviewed the Department's processes for compliance with legal and regulatory provisions and noted a non-compliance with Treasury Regulations.
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department.

The Committee noted the non-compliance with Treasury Regulations 8.2.3, where payments of invoices were not made within 30 days. This was due to the insufficient funding, reliance on the Provincial Treasury's payment schedule, the lack of a formal directive from either National or Provincial Treasury, as well as additional cash flow pressures resulting from rollover funding approved during the November 2024 adjustment budget. The Committee is also concerned with the findings raised by auditors relating to the restatement of the prior year figures and urges management to put more effort into mitigating this matter in the future. The Committee will follow up on this matter throughout the next financial year as part of conducting its oversight responsibilities.

The Committee welcomed the Department's responsiveness in addressing the material irregularity pertaining to the overpayment of iZinduna. The Department is commended for taking appropriate corrective action, resulting in the resolution of the matter by November 2024.

7. Forensic Investigations

The Committee noted that eight (8) investigations were conducted from 1 June 2011 to 24 November 2024 relating to allegations of maladministration, fraud and corruption involving various departmental officials. Seven investigations were finalised while one (1) remains in progress. The Committee will follow up on the progress of this matter throughout the 2025/26 year as part of conducting its oversight responsibilities.

8. Auditor-General's Report

The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of an unqualified audit opinion with findings and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the Auditor General.

9. Appreciation

The Committee wishes to express its appreciation to the management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support provided in enabling the Committee to fulfil its mandate.

Mr LM Mangquku

CA(SA) Chairperson:

Provincial Audit and Risk Committee 21 August 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	Nil
Developing and implementing a preferential procurement policy?	Yes	The specific goals within the SCM policy ensure that the Department Objectives are implemented by utilizing a holistic and focused strategy to promote Black Economic Empowerment by ensuring that a total of 60% of all bids are awarded to designated groups which includes Women, Military Veterans, Disabilities and Youth.
Determining qualification criteria for the sale of state-owned enterprises?	No	Nil
Developing criteria for entering into partnerships with the private sector?	No	Nil
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Nil



PART D:

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The Department continues to strive in offering quality and relevant health and wellness information to the officials. Emphasis is put to the adherence of the prescribed policies that are standardised throughout the Public Service by Department of Public Administration. Over and above that the Department initiates its own programmes that respond to the needs of the officials.

The Departmental EHW programmes were implemented in line with the following four Pillars of the DPSA's EHW Strategic Framework for the Public Service:

- Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS),
- Sexually Transmitted Infections (STI) and Tuberculosis (TB) Management.
- Health and Productivity Management.
- Wellness Management; and
- Safety, Health, Environment, Risk and Quality (SHERQ) Management.

Amongst other programmes provided by the Department are the following:

- World AIDS Day and GBVF campaigns.
- Provision of Personal Protective Equipment (PPE).
- Onsite Professional Nurse
- HIV and TB counselling and testing.
- Pap Smears Screening
- Urine testing for infection identification

The Department participated in the sports activities undertaken that are spearheaded by the Provincial Department of Sports and Recreations. The event was hosted at Ethekeini Municipality wherein the Departmental officials participated in different sports codes such as Athletics, Netball, Soccer, Tug of War, Indigenous games etc.

Compared to the previous year wherein 708 officials were trained, in 2024/2025 financial year; a combined total of 748 Departmental official were trained in different programmes in accordance with the approved Workplace Skills Plan as well as the recommendations of the Skills Audit Report and priority training.

Amongst other programmes officials benefited on the following programmes:

- Coaching for Leadership
- Code of Conduct
- Financial Management

Employer Representatives and Chairpersons Disciplinary Hearings training Programme

- Evidence Based Policy Making & Implementation
- Gender Based Violence
- Introduction to Knowledge Management
- Leadership & Change Management



- Mentoring for Growth
- Promotion of Access to Information Act
- Championing Anti-Discrimination in the Public Service
- Compulsory Ethics in the Public Service Workshop
- Compulsory Induction Programme Levels 6-12
- Ethics for Internal Auditors
- Generally Recognised Accounting Practice (GRAP)
- Government that works for the people: The role of front offices in Service Delivery
- Introduction to Digital Identity Management
- Introduction to Financial Management and Budgeting
- Introduction to Leading Change
- Report Writing
- Leadership
- Risk management
- Project Management
- Excel
- ODETDP
- Customer Care
- Diversity Management

The status of bursaries including the budget in the 2024/2025 financial year was as depicted below:

BUDGET AND EXPENDITURE FOR THE 2024/25 FINANCIAL YEAR:

Description	Budget Allocated	Adjusted Budget For 2024/25 financial year	Expenditure
Internal Bursaries	R1 300 000.00	R1 143 000.00	R1 234 000.00
External Bursaries	R2 850 000.00	R2 580 000.00	R2 700 000.00

Internal Bursaries

Due to the current difficult fiscal challenges, no new internal bursaries were awarded to the Departmental officials.

There was a total of 67 progressive Internal Bursary beneficiaries in the Department in the year under review. Out of the 67, there were 24 males and 43 females.

External Bursaries

With regards to the external bursaries awarded to students that have passed matric, there are 22 progressing students, 08 of which are males and 14 being females.

On 25 January 2025 the Honourable MEC, Rev Buthelezi awarded 15 discretionary bursaries to 15 deserving students.



All 15 students are currently registered at various study institutions in and out of KZN. Over and above the tuition and accommodation payments, students also benefit by receiving the meal allowance and stipends.

As per the approved Annual Performance Plan, the Department recruited a total of 100 graduate interns on a 2-year contract and 16 Work Integrated Learners ranging from 6 to 18 months. The interns and Learners are placed in different Branches in the Department according to their qualifications.

They are rotated to ensure complete exposure and efficiency of the program.

To ensure compliance with all the relevant Legislations, all the officials entered into Performance Agreements to objectively evaluate their performance during half year period as well as at the end of the financial year. The Performance evaluation process is adhered to as prescribed by the Public Service Regulations, 2016 and the DPSA Determination and Directive on the Performance Management and Development System of employees of 2018 for levels 1-12 and Chapter 4 of the SMS Handbook for Senior Management Service (SMS) Members.

All eligible employees were assessed in line with the set objectives as stipulated in their respective performance agreements and work plans for the 2022/23 performance cycle and performance assessments were finalised and rewards were processed during the 2023/2024 financial year.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department.

- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.
- Employee wellness programmes.
- Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	521 948.00	197 953.00	0.00	0.00	37.90	835.00
Development & Planning	346 735.00	154 394.00	0.00	0.00	44.50	153.00
Local Governance	360 154.00	312 692.00	0.00	0.00	86.80	487.00
Traditional Institut Manage	687 079.00	179 770.00	0.00	0.00	26.20	51.00
Total as on Financial Systems (BAS)	1 915 917.00	844 809.00	0.00	0.00	44.10	140.00



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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1 317.00	0.10	5.00	263 400.00
Skilled (level 3-5)	55 411.00	4.20	149.00	371 886.00
Highly skilled production (levels 6-8)	394 359.00	29.80	949.00	415 552.00
Highly skilled supervision (levels 9-12)	269 228.00	20.40	315.00	854 692.00
Senior and Top management (levels 13-16)	78 729.00	6.00	55.00	1 431 436.00
Total	799 044.00	60.50	1 473.00	3 336 966.00

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	107 200.00	78.30	1 342.00	1.00	3 856.00	2.80	8 242.00	6.00
Administration	45 844.00	83.50	77.00	0.10	1 412.00	2.60	2 636.00	4.80
Development & Planning	98 976.00	80.30	2.00	0.00	1 779.00	1.40	3 001.00	2.40
Local Governance	299 011.00	80.80	1 227.00	0.30	9 452.00	2.60	20 262.00	5.50
System & Institut Development	8 823.00	84.50	1.00	0.00	260.00	2.50	187.00	1.80
Traditional Institut Management	205 967.00	32.80	0.00	0.00	2 384.00	0.40	7 275.00	1.20
Total	765 822.00	57.90	2 648.00	0.20	1 943.00	1.40	41 603.00	3.10

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 12)	872.00	66.20	6.00	0.50	90.00	6.80	244.00	18.50
Skilled (level 35)	38 402.00	69.00	944.00	1.70	3 005.00	5.40	6 236.00	11.20
Highly skilled production (levels 6-8)	321 091.00	80.10	142.00	0.30	11 824.00	2.90	27 546.00	6.90



Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Highly skilled supervision (levels 9-12)	232 187.00	83.40	555.00	0.20	3 201.00	1.10	6 883.00	2.50
Senior management (level 13-16)	68 672.00	84.10	0.00	0.00	992.00	1.20	627.00	0.80
Total	661 224.00	382.80	247.00	2.70	1 912.00	17.40	4 136.00	39.90

3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	287.00	237.00	17.40	2.00
Administration, Permanent	202.00	188.00	6.90	114.00
Development & Planning, Permanent	156.00	132.00	15.40	22.00
Local Governance, Permanent	681.00	639.00	6.20	11.00
System & Institut Development, Permanent	15.00	13.00	13.30	0.00
Traditional Institut Management, Permanent	493.00	432.00	12.40	303.00
TOTAL	1834.00	1641.00	10.50	452.00



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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	12.00	5.00	58.30	0.00
Skilled (3-5)	200.00	149.00	25.50	6.00
Highly skilled production (6-8)	1027.00	949.00	7.60	275.00
Highly skilled supervision (9-12)	360.00	315.00	12.50	13.00
Senior management (13-16)	67.00	55.00	17.90	0.00
Total	1666.00	1473.00	121.80	294.00

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

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Accounting Technician, Permanent	2.00	0.00	100.00	0.00
Administration Clerks, Permanent	95.00	78.00	17.90	26.00
Administration Officer, Permanent	138.00	113.00	18.10	1.00
Admission Clerk, Permanent	1.00	1.00	0.00	1.00
Cartographer, Permanent	3.00	2.00	33.30	0.00
Chief Financial Officer, Permanent	1.00	0.00	100.00	0.00
Civil Engineer, Permanent	2.00	1.00	50.00	0.00
Communication & Marketing Manager, Permanent	1.00	1.00	0.00	0.00
Communication Coordinator, Permanent	12.00	10.00	16.70	0.00
Community Development Manager, Permanent	6.00	6.00	0.00	0.00
Community Development Practitioner, Permanent	430.00	427.00	0.70	0.00
Compliance Officer, Permanent	2.00	2.00	0.00	0.00
Data Entry Clerk, Permanent	1.00	1.00	0.00	0.00
Database Designer And Administrator, Permanent	4.00	4.00	0.00	0.00
Disaster Management Manager, Permanent	1.00	1.00	0.00	0.00
Economic Analyst, Permanent	18.00	17.00	5.60	0.00
Filing And Registry Clerk, Permanent	5.00	5.00	0.00	0.00
Finance And Economics Related, Permanent	1.00	0.00	100.00	0.00
Finance Clerk, Permanent	41.00	30.00	26.80	0.00
Finance Manager, Permanent	4.00	2.00	50.00	0.00
Financial Accountant, Permanent	9.00	7.00	22.20	0.00
Food Trade Assistant, Permanent	7.00	4.00	42.90	0.00
Geophysical Technician, Permanent	1.00	1.00	0.00	0.00
Handyperson, Permanent	7.00	6.00	14.30	2.00



Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Head of Provincial Department, Permanent	2.00	2.00	0.00	0.00
Head of Provincial Government Component, Permanent	2.00	2.00	0.00	1.00
Health Inspector, Permanent	1.00	1.00	0.00	0.00
Human Resource Clerk, Permanent	132.00	129.00	2.30	114.00
Human Resource Manager, Permanent	3.00	3.00	0.00	0.00
Human Resource Practitioner, Permanent	21.00	17.00	19.00	0.00
Ict Systems Analyst, Permanent	1.00	1.00	0.00	0.00
Information Services Manager, Permanent	2.00	2.00	0.00	0.00
Information Technology & Systems Manager, Permanent	1.00	1.00	0.00	0.00
Internal Auditor, Permanent	10.00	6.00	40.00	0.00
Labour Market Analyst, Permanent	1.00	1.00	0.00	0.00
Legal Administration Officer, Permanent	4.00	3.00	25.00	0.00
Legal Related Manager, Permanent	1.00	1.00	0.00	0.00
Library Assistant, Permanent	2.00	1.00	50.00	0.00
Light Vehicle Driver, Permanent	7.00	5.00	28.60	2.00
Light Vehicle Drivers, Permanent	1.00	1.00	0.00	1.00
Managers Not Elsewhere Classified, Permanent	374.00	343.00	8.30	289.00
Messengers, Permanent	18.00	13.00	27.80	1.00
Midd.manager: Human Resource & Organisa.devel. rela, Permanent	3.00	3.00	0.00	0.00
Middle Manager: Administrative Related, Permanent	106.00	88.00	17.00	1.00
Middle Manager: Finance And Economics Related, Permanent	11.00	11.00	0.00	0.00
Middle Manager:Communication & Information Related, Permanent	1.00	1.00	0.00	0.00
Mining Engineer, Permanent	10.00	8.00	20.00	0.00
Office Cleaner, Permanent	13.00	10.00	23.10	0.00
Organisational Development Practitioner, Permanent	1.00	1.00	0.00	0.00
Other Middle Manager, Permanent	126.00	111.00	11.90	0.00
Other Occupations, Permanent	4.00	4.00	0.00	4.00
Personal Assistant, Permanent	30.00	21.00	30.00	1.00
Policy And Planning Managers, Permanent	1.00	1.00	0.00	0.00
Professional Nurse, Permanent	1.00	1.00	0.00	0.00
Professionals Not Elsewhere Classified., Permanent	7.00	6.00	14.30	0.00
Protection/Security Official, Permanent	12.00	10.00	16.70	0.00
Quantity Surveyor, Permanent	1.00	1.00	0.00	0.00
Receptionist (General), Permanent	1.00	1.00	0.00	0.00



Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Registry And Mailing Clerk, Permanent	23.00	22.00	4.30	0.00
Regulatory & Compliance & Enforcement Manager, Permanent	8.00	7.00	12.50	0.00
Research & Development Manager, Permanent	3.00	2.00	33.30	1.00
Risk & Integrity Manager, Permanent	3.00	3.00	0.00	0.00
Safety Inspector, Permanent	1.00	0.00	100.00	0.00
Security Officer, Permanent	2.00	2.00	0.00	0.00
Strategy/Monitoring & Evaluation Manager, Permanent	2.00	2.00	0.00	0.00
Supply Chain Clerk, Permanent	12.00	12.00	0.00	0.00
Supply Chain Practitioner, Permanent	12.00	12.00	0.00	0.00
Surveying Or Cartographic Technician, Permanent	10.00	9.00	10.00	0.00
Surveyor, Permanent	8.00	3.00	62.50	0.00
Surveyor's Assistant, Permanent	4.00	0.00	100.00	0.00
Switchboard Operator, Permanent	5.00	5.00	0.00	0.00
Tanker Driver, Permanent	7.00	7.00	0.00	7.00
Town Planning Technician, Permanent	16.00	15.00	6.30	0.00
Trade Labourers, Permanent	1.00	1.00	0.00	0.00
Transport Clerk, Permanent	13.00	10.00	23.10	0.00
Valuer, Permanent	1.00	0.00	100.00	0.00
Total	1834.00	1641.00	10.50	452.00

Notes

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

3.3 Filling of SMS Posts

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



Table 3.3.1 SMS post information as on 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0.00	0.00	0.00	0.00	0.00
Salary Level 16	0.00	0.00	0.00	0.00	0.00
Salary Level 15	4.00	3.00	99.00	1.00	1.00
Salary Level 14	25.00	20.00	95.00	5.00	5.00
Salary Level 13	40.00	37.00	93.00	3.00	7.00
Total	69.00	60.00	86.96	9.00	13.00

Table 3.3.2 SMS post information for the period 1 April 2024 and 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0.00	0.00	0.00	0.00	0.00
Salary Level 16	0.00	0.00	0.00	0.00	0.00
Salary Level 15	4.00	3.00	99.00	1.00	1.00
Salary Level 14	25.00	20.00	95.00	5.00	5.00
Salary Level 13	40.00	37.00	93.00	3.00	7.00
Total	69.00	60.00	86.96	9.00	13.00

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0.00	0.00	0.00
Salary Level 16	0.00	0.00	0.00
Salary Level 15	1.00	1.00	0.00
Salary Level 14	1.00	1.00	1.00
Salary Level 13	16.00	6.00	0.00
Total	18.00	8.00	8.00

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

Reasons for vacancies not advertised within six months
Not applicable

**Reasons for vacancies not filled within twelve months**

Not applicable as 99 percent of vacancies are filled within twelve months

Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed time frames 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

Not applicable

Reasons for vacancies not filled within six months

Not applicable

Notes

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

3.4 Job Evaluation

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

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

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	12.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	200.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	1027.00	3.00	0.30	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	360.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band A	46.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	17.00	0.00	0.00	0.00	0.00	0.00	0.00



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
Senior Management Service Band C	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1666.00	3.00	0.30	0.00	0.00	0.00	0.00

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

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

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
Employees with a disability					0.00

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

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Nil	0.00	0	0	0
Nil	0.00	0	0	0
Nil	0.00	0	0	0
Total	0.00	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0.00
Percentage of total employed				0.00

The following table summarises the beneficiaries of the above in terms of race, gender, and disability. *Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025*

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
Employees with a disability	0.00	0.00	0.00	0.00	0.00



Notes

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

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

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

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

Salary band	Number of employees at beginning of period 1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	6.00	0.00	0.00	0.00
Skilled (Levels 3-5)	169.00	10.00	25.00	14.80
Highly skilled production (Levels 6-8)	910.00	76.00	25.00	2.70
Highly skilled supervision (Levels 9-12)	299.00	17.00	9.00	3.00
Senior Management Service Bands A	35.00	2.00	3.00	8.60
Senior Management Service Bands B	13.00	1.00	1.00	7.70
Senior Management Service Bands C	2.00	1.00	1.00	50.00
Senior Management Service Bands D	1.00	1.00	1.00	100.00
Contracts	120.00	118.00	19.00	275.10
Total	1555	226	84	461.9

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

Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administration Clerks Permanent	18.00	8.00	335.00	1861.10
Administration Officer Permanent	0.00	1.00	7.00	0.00
Administrative And Governance Policy Manager Permanent	0.00	0.00	1.00	0.00
Administrative Related Permanent	790.00	0.00	211.00	26.70
Admission Clerk Permanent	1.00	1.00	0.00	0.00
All Artisans in the Building Metal Machinery Etc. Permanent	1.00	0.00	0.00	0.00
Architects Town and Traffic Planners Permanent	15.00	0.00	0.00	0.00
Building And Other Property Caretakers Permanent	1.00	0.00	1.00	100.00



Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Bus And Heavy Vehicle Drivers Permanent	2.00	0.00	2.00	100.00
Business Development Officer Permanent	1.00	0.00	0.00	0.00
Cartographer Permanent	0.00	0.00	1.00	0.00
Cartographers And Surveyors Permanent	1.00	0.00	0.00	0.00
Cartographic Surveying and Related Technicians Permanent	16.00	0.00	1.00	6.30
Chief Financial Officer Permanent	0.00	0.00	1.00	0.00
Cleaners In Offices Workshops Hospitals Etc. Permanent	16.00	0.00	5.00	31.30
Clerical Supplementary Workers Not Elsewhere Classified Permanent	1.00	0.00	1.00	100.00
Client Inform Clerks (Switchb Receptionist Inform Clerks) Permanent	4.00	0.00	0.00	0.00
Communication And Information Related Permanent	14.00	0.00	1.00	7.10
Communication Coordinator Permanent	0.00	1.00	0.00	0.00
Community Development Manager Permanent	1.00	0.00	0.00	0.00
Community Development Practitioner Permanent	0.00	53.00	7.00	0.00
Community Development Workers Permanent	377.00	0.00	0.00	0.00
Compliance Officer Permanent	2.00	0.00	0.00	0.00
Computer Network and Systems Engineer Permanent	1.00	1.00	0.00	0.00
Contract Manager Permanent	0.00	1.00	1.00	0.00
Data Entry Clerk Permanent	0.00	1.00	0.00	0.00
Diver Permanent	0.00	0.00	1.00	0.00
Engineering Sciences Related Permanent	1.00	0.00	0.00	0.00
Engineers And Related Professionals Permanent	2.00	0.00	0.00	0.00
Filing And Registry Clerk Permanent	7.00	0.00	0.00	0.00
Finance And Economics Related Permanent	29.00	0.00	0.00	0.00
Finance Clerk Permanent	7.00	5.00	2.00	28.60
Finance Manager Permanent	1.00	0.00	0.00	0.00
Financial Accountant Permanent	3.00	4.00	0.00	0.00
Financial And Related Professionals Permanent	25.00	0.00	0.00	0.00
Financial Clerks and Credit Controllers Permanent	18.00	0.00	0.00	0.00
Food Services Aids and Waiters Permanent	4.00	0.00	0.00	0.00
General Legal Administration & Rel. Professionals Permanent	1.00	0.00	0.00	0.00
Geophysical Technician Permanent	0.00	1.00	0.00	0.00
Head Of Department/Chief Executive Officer Permanent	1.00	0.00	0.00	0.00



Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Head Of Provincial Department Permanent	0.00	1.00	1.00	0.00
Head Of Provincial Government Component Permanent	1.00	1.00	0.00	0.00
Human Resource Clerk Permanent	132.00	102.00	4.00	3.00
Human Resource Manager Permanent	0.00	17.00	0.00	0.00
Human Resource Practitioner Permanent	5.00	0.00	0.00	0.00
Human Resources & Organisation Develop & Relate Prof Permanent	6.00	0.00	0.00	0.00
Human Resources Clerks Permanent	0.00	0.00	1.00	0.00
Human Resources Related Permanent	31.00	0.00	0.00	0.00
Information Services Manager Permanent	0.00	1.00	0.00	0.00
Information Technology Related Permanent	6.00	0.00	0.00	0.00
Internal Auditor Permanent	3.00	0.00	0.00	0.00
Legal Administration Officer Permanent	1.00	0.00	0.00	0.00
Legal Related Permanent	1.00	0.00	0.00	0.00
Library Mail and Related Clerks Permanent	22.00	0.00	1.00	4.50
Light Vehicle Driver Permanent	1.00	2.00	0.00	0.00
Light Vehicle Drivers Permanent	5.00	0.00	0.00	0.00
Managers Not Elsewhere Classified Permanent	8.00	15.00	15.00	187.50
Messengers Permanent	0.00	5.00	0.00	0.00
Messengers Porters And Deliverers Permanent	20.00	0.00	6.00	30.00
Middle Manager: Administrative Related Permanent	17.00	8.00	2.00	11.80
Middle Manager: Finance And Economics Related Permanent	0.00	1.00	0.00	0.00
Middle Managers Lv1 Permanent	0.00	0.00	1.00	0.00
Mining Geology & Geophysical & Related Technicians Permanent	7.00	0.00	0.00	0.00
Natural Sciences Related Permanent	1.00	0.00	0.00	0.00
Office Cleaner Permanent	1.00	1.00	0.00	0.00
Operational Planning Permanent	6.00	0.00	0.00	0.00
Other Administrative & Related Clerks and Organisers Permanent	60.00	0.00	1.00	1.70
Other Administrative Policy and Related Officers Permanent	41.00	0.00	1.00	2.40
Other Middle Manager Permanent	7.00	1.00	1.00	14.30
Other Occupations Permanent	290.00	7.00	5.00	1.70
Personal Assistant Permanent	3.00	0.00	0.00	0.00
Policy And Planning Managers Permanent	0.00	1.00	0.00	0.00
Professional Nurse Permanent	1.00	0.00	0.00	0.00
Professionals Not Elsewhere Classified Permanent	0.00	2.00	0.00	0.00



Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Professionals Not Elsewhere Classified. Permanent	1.00	2.00	0.00	0.00
Receptionist (General) Permanent	0.00	1.00	0.00	0.00
Registry And Mailing Clerk Permanent	0.00	1.00	0.00	0.00
Regulatory Inspector* Permanent	7.00	0.00	0.00	0.00
Research And Development Manager Permanent	0.00	1.00	0.00	0.00
Risk And Integrity Manager Permanent	0.00	2.00	0.00	0.00
Risk Management and Security Services Permanent	1.00	0.00	0.00	0.00
Safety Health and Quality Inspectors Permanent	2.00	0.00	1.00	50.00
Secretaries & Other Keyboard Operating Clerks Permanent	19.00	0.00	0.00	0.00
Security Guards Permanent	11.00	0.00	0.00	0.00
Security Officer Permanent	0.00	1.00	0.00	0.00
Senior Managers Permanent	46.00	0.00	5.00	10.90
Social Worker Permanent	0.00	3.00	0.00	0.00
Strategy/Monitoring & Evaluation Manager Permanent	0.00	1.00	0.00	0.00
Supply Chain Practitioner Permanent	1.00	1.00	0.00	0.00
Surveyor Permanent	0.00	1.00	1.00	0.00
Surveyors Assistant Permanent	0.00	0.00	3.00	0.00
Town Planning Technician Permanent	2.00	1.00	0.00	0.00
Trade Labourers Permanent	3.00	0.00	0.00	0.00
Trade Related Permanent	2.00	0.00	0.00	0.00
Transport Clerk Permanent	2.00	1.00	1.00	50.00
Valuer Permanent	1.00	0.00	0.00	0.00
Web Developer Permanent	1.00	0.00	0.00	0.00
Total	2136.00	258.00	628.00	29.40

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;



- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

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

Termination Type	Number	% of Total Resignations
Death	10.00	1.60
Resignation	72.00	11.50
Expiry of contract	514.00	81.80
Dismissal – operational changes	0.00	0.00
Dismissal – misconduct	3.00	0.50
Dismissal – inefficiency	0.00	0.00
Discharged due to ill-health	3.00	0.50
Retirement	26.00	4.10
Transfer to other Public Service Departments	6.00	21.00
Other	0.00	0.00
Total	628	100

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

Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to Another notch within a salary level	Notch progression as a % of employees by occupation
Administration Clerks	18.00	1.00	5.60	60.00	333.30
Administration Officer	0.00	0.00	0.00	49.00	0.00
Administrative Related	790.00	0.00	0.00	8.00	1.00
Admission Clerk	1.00	0.00	0.00	0.00	0.00
All Artisans In The Building Metal Machinery Etc.	1.00	0.00	0.00	0.00	0.00
Architects Town & Traffic Planners	15.00	0.00	0.00	2.00	13.30
Building & Other Property Caretakers	1.00	0.00	0.00	0.00	0.00
Bus & Heavy Vehicle Drivers	2.00	0.00	0.00	0.00	0.00
Business Development Officer	1.00	0.00	0.00	0.00	0.00
Cartographers & Surveyors	1.00	0.00	0.00	0.00	0.00
Cartographic Surveying & Related Technicians	16.00	0.00	0.00	0.00	0.00
Cleaners In Offices Workshops Hospitals Etc.	16.00	0.00	0.00	2.00	12.50
Clerical Suppleme. Workers Not Elsewhere Classified	1.00	0.00	0.00	18.00	1800.00



Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to Another notch within a salary level	Notch progression as a % of employees by occupation
Client Inform Clerks (Switchb Receipt Inform Clerks)	4.00	0.00	0.00	0.00	0.00
Communication & Information Related	14.00	1.00	7.10	2.00	14.30
Communication & Marketing Manager	0.00	0.00	0.00	1.00	0.00
Communication Coordinator	0.00	0.00	0.00	1.00	0.00
Community Development Manager	1.00	0.00	0.00	6.00	600.00
Community Development Practitioner	0.00	1.00	0.00	359.00	0.00
Community Development Workers	377.00	0.00	0.00	0.00	0.00
Compliance Officer	2.00	0.00	0.00	0.00	0.00
Computer Network & Systems Engineer	1.00	0.00	0.00	0.00	0.00
Database Designer & Administrator	0.00	0.00	0.00	5.00	0.00
Disaster Management Manager	0.00	1.00	0.00	0.00	0.00
Economic Analyst	0.00	0.00	0.00	3.00	0.00
Electrical or Telecommunications Trades Assistant	0.00	0.00	0.00	4.00	0.00
Elementary Workers Not Elsewhere Classified	0.00	1.00	0.00	0.00	0.00
Engineering Sciences Related	1.00	0.00	0.00	0.00	0.00
Engineers & Related Professionals	2.00	0.00	0.00	0.00	0.00
Environmental Enforcement & Compliance Officer	0.00	1.00	0.00	0.00	0.00
Filing & Registry Clerk	7.00	0.00	0.00	3.00	42.90
Finance & Economics Related	29.00	0.00	0.00	2.00	6.90
Finance Clerk	7.00	2.00	28.60	6.00	85.70
Finance Manager	1.00	0.00	0.00	0.00	0.00
Financial Accountant	3.00	2.00	66.70	4.00	133.30
Financial & Related Professionals	25.00	0.00	0.00	0.00	0.00
Financial Clerks & Credit Controllers	18.00	0.00	0.00	1.00	5.60
Food Services Aids & Waiters	4.00	0.00	0.00	1.00	25.00
Food Trade Assistant	0.00	0.00	0.00	1.00	0.00
General Legal Administration & Rel. Professionals	1.00	0.00	0.00	0.00	0.00
Geophysical Technician	0.00	0.00	0.00	1.00	0.00
Handyperson	0.00	0.00	0.00	1.00	0.00
Head of Department Chief Executive Officer	1.00	0.00	0.00	0.00	0.00



Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to Another notch within a salary level	Notch progression as a % of employees by occupation
Head of National Government Component	0.00	0.00	0.00	2.00	0.00
Head of Provincial Government Component	1.00	0.00	0.00	0.00	0.00
Human Resource Clerk	132.00	0.00	0.00	1.00	0.80
Human Resource Practitioner	5.00	0.00	0.00	8.00	160.00
Human Resources & Organisat Developm & Relate Prof	6.00	0.00	0.00	0.00	0.00
Human Resources Clerks	0.00	0.00	0.00	7.00	0.00
Human Resources Related	31.00	0.00	0.00	2.00	6.50
Ict Systems Analyst	0.00	0.00	0.00	1.00	0.00
Information Technology Related	6.00	0.00	0.00	0.00	0.00
Internal Auditor	3.00	0.00	0.00	3.00	100.00
Labour Market Analyst	0.00	0.00	0.00	1.00	0.00
Legal Administration Officer	1.00	0.00	0.00	0.00	0.00
Legal Related	1.00	0.00	0.00	0.00	0.00
Librarian	0.00	0.00	0.00	1.00	0.00
Library Mail & Related Clerks	22.00	0.00	0.00	4.00	18.20
Light Vehicle Driver	1.00	0.00	0.00	0.00	0.00
Light Vehicle Drivers	5.00	0.00	0.00	0.00	0.00
Manager Not Elsewhere Classified	8.00	1.00	12.50	80.00	1000.00
Messengers	0.00	0.00	0.00	7.00	0.00
Messengers Porters & Deliverers	20.00	0.00	0.00	1.00	5.00
Middle Manager: Administrative Related	17.00	1.00	5.90	7.00	41.20
Middle Managers Lv1	0.00	0.00	0.00	14.00	0.00
Mining Engineer	0.00	0.00	0.00	6.00	0.00
Mining Geology & Geophysical & Related Technicians	7.00	0.00	0.00	0.00	0.00
Natural Sciences Related	1.00	0.00	0.00	0.00	0.00
Office Cleaner	1.00	0.00	0.00	4.00	400.00
Operational Planning	6.00	0.00	0.00	0.00	0.00
Organisational Development Practitioner	0.00	0.00	0.00	2.00	0.00
Other Administrat & Related Clerks & Organisers	60.00	0.00	0.00	1.00	1.70
Other Administrative Policy & Related Officers	41.00	0.00	0.00	5.00	12.20
Other Middle Manager	7.00	0.00	0.00	18.00	257.10
Policy Administration	0.00	0.00	0.00	1.00	0.00
Professional Nurse	1.00	0.00	0.00	0.00	0.00



Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to Another notch within a salary level	Notch progression as a % of employees by occupation
Professionals Not Elsewhere Classified	0.00	0.00	0.00	1.00	0.00
Professionals		0.00	0.00	3.00	300.00
Other Occupations	290.00	10.00	3.40	0.00	0.00
Personal Assistant	3.00	1.00	33.30	19.00	633.30
Not Elsewhere Classified.	1.00	0.00	0.00	0.00	0.00
Protection Security Official	0.00	0.00	0.00	1.00	0.00
Public/Media Relations Manager	0.00	0.00	0.00	1.00	0.00
Quantity Surveyor	0.00	0.00	0.00	1.00	0.00
Registry & Mailing Clerk	0.00	0.00	0.00	12.00	0.00
Regulatory Inspector*	7.00	0.00	0.00	0.00	0.00
Research & Development Manager	0.00	0.00	0.00	1.00	0.00
Risk & Integrity Manager	0.00	0.00	0.00	1.00	0.00
Risk Management & Security Services	1.00	0.00	0.00	0.00	0.00
Safety Health & Quality Inspectors	2.00	0.00	0.00	1.00	50.00
Secretaries & Other Keyboard Operating Clerks	19.00	0.00	0.00	0.00	0.00
Security Guards	11.00	0.00	0.00	0.00	0.00
Security Officer	0.00	0.00	0.00	10.00	0.00
Senior Managers	46.00	0.00	0.00	0.00	0.00
Skills Development Facilitator/ Practitioner	0.00	0.00	0.00	1.00	0.00
Strategy/Monitoring & Evaluation Manager	0.00	0.00	0.00	1.00	0.00
Supply Chain Practitioner	1.00	0.00	0.00	4.00	400.00
Switchboard Operator	0.00	0.00	0.00	4.00	0.00
Town Planning Technician	2.00	0.00	0.00	10.00	500.00
Trade Labourers	3.00	0.00	0.00	0.00	0.00
Trade Related	2.00	0.00	0.00	0.00	0.00
Transport Clerk	2.00	0.00	0.00	6.00	300.00
Valuer	1.00	0.00	0.00	0.00	0.00
Water Asset Manager	0.00	0.00	0.00	1.00	0.00
Web Developer	1.00	0.00	0.00	0.00	0.00
Total	2136.00	23.00	1.10	794.00	37.20



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

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	6.00	0.00	0.00	2.00	33.30
Skilled (Levels 3-5)	169.00	1.00	0.60	95.00	56.20
Highly skilled production (Levels 6-8)	910.00	4.00	0.40	490.00	53.80
Highly skilled supervision (Levels 9-12)	299.00	15.00	5.00	170.00	56.90
Senior Management (Level 13-16)	51.00	2.00	3.90	35.00	68.60
Total	2 136.00	23.00	1.10	794.00	37.20

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	3.00
Professionals	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Technicians and associate professionals	55.00	0.00	6.00	3.00	3.00	68.00	3.00	3.00	147.00
Clerks	90.00	1.00	3.00	1.00	1.00	212.00	3.00	5.00	321.00
Service and sales workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled agriculture and fishery workers	380.00	0.00	14.00	5.00	5.00	158.00	4.00	9.00	592.00
Craft and related trades workers	165.00	1.00	5.00	1.00	1.00	336.00	3.00	4.00	519.00
Plant and machine operators and assemblers	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.00
Elementary occupations	20.00	0.00	0.00	0.00	0.00	14.00	0.00	0.00	34.00
Total	724.00	2.00	28.00	10.00	10.00	790.00	13.00	21.00	1 629.00
Employees with disabilities	6.00	0.00	3.00	0.00	15.00	1.00	1.00	1.00	29.00



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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3.00	0.00	0.00	3.00	0.00	1.00	0.00	0.00	4.00
Senior Management	16.00	0.00	1.00	17.00	0.00	55.00	1.00	3.00	82.00
Professionally qualified and experienced specialists and mid-management	130.00	0.00	18.00	148.00	7.00	283.00	3.00	7.00	468.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	456.00	2.00	8.00	466.00	2.00	450.00	8.00	11.00	949.00
Semi-skilled and discretionary decision making	66.00	0.00	1.00	67.00	0.00	79.00	1.00	0.00	149.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00	5.00
Total	691.00	2.00	28.00	764.00	10.00	792.00	13.00	21.00	1 657.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	2.00
Senior Management	1.00	0.00	0.00	1.00	0.00	2.00	0.00	0.00	3.00
Professionally qualified and experienced specialists and mid-management	6.00	0.00	1.00	7.00	0.00	10.00	0.00	0.00	17.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	20.00	0.00	0.00	20.00	0.00	56.00	0.00	0.00	76.00
Semi-skilled and discretionary decision making	5.00	0.00	0.00	5.00	0.00	5.00	0.00	0.00	10.00
Unskilled and defined decision making	21.00	0.00	1.00	22.00	0.00	8.00	0.00	0.00	30.00
Total	55.00	0.00	2.00	57.00	0.00	81.00	195.00	0.00	138.00
Employees with disabilities	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	2.00



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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Senior Management	12.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.00
Professionally qualified and experienced specialists and mid-management	84.00	0.00	2.00	0.00	3.00	0.00	0.00	0.00	9.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	151.00	0.00	0.00	0.00	12.00	0.00	0.00	1.00	25.00
Semi-skilled and discretionary decision making	44.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	25.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	379.00	3.00	1.00	0.00	544.00
Total	294.00	0.00	0.00	0.00	411.00	3.00	1.00	1.00	605.00
Employees with disabilities	14.00	0.00	2.00		13	1.00	3.00		

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Senior Management	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.00
Professionally qualified and experienced specialists and midmanagement	4.00	0.00	2.00	0.00	3.00	0.00	0.00	0.00	9.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12.00	0.00	0.00	0.00	12.00	0.00	0.00	1.00	25.00
Semi-skilled and discretionary decision making	15.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	25.00
Unskilled and defined decision making	159.00	0.00	2.00	0.00	379.00	3.00	1.00	0.00	544.00
Total	191.00	0.00	4.00	0.00	411.00	3.00	1.00	1.00	605.00
Employees with Disabilities	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	2.00



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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00
Total	1.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	21	0	1	1	25	1	6	3	58
Professionals	329	1	21	5	541	10	25	10	942
Technicians and associate professionals	28	0	4	2	14	0	3	1	52
Clerks	57	1	4	2	112	1	7	8	192
Service & sales workers	9	0	0	0	2	0	0	0	11
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	6	0	0	0	0	0	0	0	6
Plant and machine operators & assemblers	24	0	0	0	1	0	0	0	25
Elementary occupations	5	0	0	0	18	0	0	0	23
Total	479	2	30	10	713	12	41	22	1309
Employees with disabilities	6	0	2	0	15	1	3	1	27

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2025

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1.00	1.00	100	1.00
Salary Level 16	0.00	0.00	0.00	0.00
Salary Level 15	3.00	3.00	3.00	5.56
Salary Level 14	9.00	9.00	9.00	16.67
Salary Level 13	41.00	41.00	40.00	74.07
Total	54.00	54.00	53.00	98.15

**Notes**

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2025.

Table 3.72 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025

Reasons
HOD was seconded to DCOG during 1 January 2024 to 31 December 2024

Notes

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

Table 3.73 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2025

Reasons
Not applicable

Notes

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

3.8 Performance Rewards

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



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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0.00	777.00	0.00	0.00	0.00
Male	0.00	728.00	0.00	0.00	0.00
Female	0.00	38.00	0.00	0.00	0.00
Asian	0.00	25.00	0.00	0.00	0.00
Male	0.00	12.00	0.00	0.00	0.00
Female	0.00	2.00	0.00	0.00	0.00
Coloured	0.00	827.00	0.00	0.00	0.00
Male	0.00	755.00	0.00	0.00	0.00
Female	0.00	20.00	0.00	0.00	0.00
White	0.00	10.00	0.00	0.00	0.00
Male	0.00	29.00	0.00	0.00	0.00
Female	0.00	1 641.00	0.00	0.00	0.00
Total	0.00	777.00	0.00	0.00	0.00

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0.00	5.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	0.00	149.00	0.00	0.00	0.00	0.00
Highly skilled production (level 6-8)	0.00	949.00	0.00	0.00	0.00	0.00
Highly skilled supervision (level 9-12)	0.00	315.00	0.00	0.00	0.00	0.00
Total	0.00	1 551.00	0.00	0.00	0.00	0.00

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

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administration Clerks	0.00	78.00	0.00	0.00	0.00
Administration Officer	0.00	113.00	0.00	0.00	0.00
Admission Clerk	0.00	1.00	0.00	0.00	0.00
Cartographer	0.00	2.00	0.00	0.00	0.00
Civil Engineer	0.00	1.00	0.00	0.00	0.00



Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Communication and Marketing Manager	0.00	1.00	0.00	0.00	0.00
Communication Coordinator	0.00	10.00	0.00	0.00	0.00
Community Development Manager	0.00	6.00	0.00	0.00	0.00
Community Development Practitioner	0.00	427.00	0.00	0.00	0.00
Compliance Officer	0.00	2.00	0.00	0.00	0.00
Data Entry Clerk	0.00	1.00	0.00	0.00	0.00
Database Designer and Administrator	0.00	4.00	0.00	0.00	0.00
Disaster Management Manager	0.00	1.00	0.00	0.00	0.00
Economic Analyst	0.00	17.00	0.00	0.00	0.00
Filing And Registry Clerk	0.00	5.00	0.00	0.00	0.00
Finance Clerk	0.00	30.00	0.00	0.00	0.00
Finance Manager	0.00	2.00	0.00	0.00	0.00
Financial Accountant	0.00	7.00	0.00	0.00	0.00
Food Trade Assistant	0.00	4.00	0.00	0.00	0.00
Geophysical Technician	0.00	1.00	0.00	0.00	0.00
Handyperson	0.00	6.00	0.00	0.00	0.00
Head of Provincial Department	0.00	2.00	0.00	0.00	0.00
Head of Provincial Government Component	0.00	2.00	0.00	0.00	0.00
Health Inspector	0.00	1.00	0.00	0.00	0.00
Human Resource Clerk	0.00	129.00	0.00	0.00	0.00
Human Resource Manager	0.00	3.00	0.00	0.00	0.00
Human Resource Practitioner	0.00	17.00	0.00	0.00	0.00
Ict Systems Analyst	0.00	1.00	0.00	0.00	0.00
Information Services Manager	0.00	2.00	0.00	0.00	0.00
Information Technology & Systems Manager	0.00	1.00	0.00	0.00	0.00
Internal Auditor	0.00	6.00	0.00	0.00	0.00
Labour Market Analyst	0.00	1.00	0.00	0.00	0.00
Legal Administration Officer	0.00	3.00	0.00	0.00	0.00
Legal Related Manager	0.00	1.00	0.00	0.00	0.00
Library Assistant	0.00	1.00	0.00	0.00	0.00
Light Vehicle Driver	0.00	5.00	0.00	0.00	0.00
Light Vehicle Drivers	0.00	1.00	0.00	0.00	0.00
Managers Not Elsewhere Classified	0.00	343.00	0.00	0.00	0.00
Messengers	0.00	13.00	0.00	0.00	0.00
Middle Manager: Human Resource & Organisa.devel.rela	0.00	3.00	0.00	0.00	0.00
Middle Manager: Administrative Related	0.00	88.00	0.00	0.00	0.00
Middle Manager: Finance and Economics Related	0.00	11.00	0.00	0.00	0.00
Middle Manager: Communication & Information Related	0.00	1.00	0.00	0.00	0.00



Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Mining Engineer	0.00	8.00	0.00	0.00	0.00
Office Cleaner	0.00	10.00	0.00	0.00	0.00
Organisational Development Practitioner	0.00	1.00	0.00	0.00	0.00
Other Middle Manager	0.00	111.00	0.00	0.00	0.00
Other Occupations	0.00	4.00	0.00	0.00	0.00
Personal Assistant	0.00	21.00	0.00	0.00	0.00
Policy And Planning Managers	0.00	1.00	0.00	0.00	0.00
Professional Nurse	0.00	1.00	0.00	0.00	0.00
Professionals Not Elsewhere Classified	0.00	6.00	0.00	0.00	0.00
Protection/Security Official	0.00	10.00	0.00	0.00	0.00
Quantity Surveyor	0.00	1.00	0.00	0.00	0.00
Receptionist (General)	0.00	1.00	0.00	0.00	0.00
Registry And Mailing Clerk	0.00	22.00	0.00	0.00	0.00
Regulatory And Compliance And Enforcement Manager	0.00	7.00	0.00	0.00	0.00
Research And Development Manager	0.00	2.00	0.00	0.00	0.00
Risk And Integrity Manager	0.00	3.00	0.00	0.00	0.00
Security Officer	0.00	2.00	0.00	0.00	0.00
Strategy/Monitoring & Evaluation Manager	0.00	2.00	0.00	0.00	0.00
Supply Chain Clerk	0.00	12.00	0.00	0.00	0.00
Supply Chain Practitioner	0.00	12.00	0.00	0.00	0.00
Surveying Or Cartographic Technician	0.00	9.00	0.00	0.00	0.00
Town Planning Technician	0.00	15.00	0.00	0.00	0.00
Trade Labourers	0.00	1.00	0.00	0.00	0.00
Transport Clerk	0.00	10.00	0.00	0.00	0.00
Surveyor	0.00	3.00	0.00	0.00	0.00
Switchboard Operator	0.00	5.00	0.00	0.00	0.00
Tanker Driver	0.00	7.00	0.00	0.00	0.00
Total	0.00	1 641.00	0.00	0.00	0.00

Notes

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



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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0.00	38.00	0.00	0.00	0.00	0.00
Band B	0.00	15.00	0.00	0.00	0.00	0.00
Band C	0.00	3.00	0.00	0.00	0.00	0.00
Band D	0.00	2.00	0.00	0.00	0.00	0.00
Total	0.00	58.00	0.00	0.00	0.00	0.00

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

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

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2024 and 31 March 2025

Salary band	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Lev. 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Lev. 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025

Major occupation	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	0.00	0.00	0.00	0.00	0.00	0.00
Professionals and managers	0.00	0.00	0.00	0.00	0.00	0.00
Technicians and associated professionals	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2024 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	12.00	66.70	2.00	0.30	6.00	10.00
Skilled (levels 3-5)	674.00	78.20	96.00	14.90	7.00	785.00
Highly skilled production (levels 6-8)	1 756.00	85.10	211.00	32.70	8.00	3 162.00
Highly skilled supervision (levels 9 -12)	1 469.00	82.70	203.00	31.50	7.00	4 875.00
Top and Senior management (levels 13-16)	254.00	90.60	34.00	5.30	7.00	1 398.00
Total	4 165.00	89.50	645.00	100.00	6.00	10 355.00

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	81.00	100.00	2.00	3.60	41.00	63.00
Skilled (Levels 3-5)	516.00	100.00	10.00	18.20	52.00	640.00
Highly skilled production (Levels 6-8)	817.00	100.00	26.00	47.30	31.00	1 597.00
Highly skilled supervision (Levels 9-12)	247.00	100.00	12.00	21.80	21.00	1 007.00
Senior management (Levels 13-16)	361.00	100.00	4.00	7.30	90.00	1 944.00
Total	2 022.00	100.00	55.00	100.00	37.00	5 251.00



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

Table 3.10.3 Annual Leave for the period 1 January 2024 to 31 December 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	149.00	30.00	5.00
Skilled Levels 3-5)	3 463.00	22.00	159.00
Highly skilled production (Levels 6-8)	11 114.00	20.00	545.00
Highly skilled supervision (Levels 9-12)	6 679.00	23.00	294.00
Senior management (Levels 13-16)	1 286.00	22.00	58.00
Total	22 691.00	30.00	1 061.00

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2025
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	1.00	1.00	1.00	77.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	55.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	48.00
Senior management (Levels 13-16)	0.00	0.00	0.00	45.00
Total	1.00	1.00	1.00	57.00

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

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

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - discounting: unused vacation credits (work days)	112.00	1.00	112 000.00
Annual - discounting with resignation (work days)	931.00	79.00	11 785.00
Annual - discounting: contract expiry (work days)	362.00	123.00	2 943.00
Annual - gratuity: death/retirement/medical retirement (work days)	1 399.00	38.00	36 816.00
Total	4 085.00	32.00	127 656.00



3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Elementary Occupations	Quarterly Wellness screening provided at each COGTA site that includes: • HIV and TB counselling and testing. • Pap Smears Screening • Urine testing for infection identification Condom Dispensers at all COGTA sites. Information, Education and Communication disseminated on various Departmental platforms print and media. World AIDS Day and GBVF campaign implemented in November and December. Provision of Personal Protective Equipment (PPE). Onsite Professional Nurse Peer educators at COGTA sites Immune boosting supplements for HIV+ clients.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Director: Ms N Dlamini: Human Capital Development
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		• Number of Employee Health and Wellness Staff: - 3 Permanent staff - 1 Intern - 2 Vacant posts (Assistant Director and Administrative Clerk) • Annual Budget: R 2 318 332:00



Question	Yes	No	Details, if yes
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.	Yes		• HIV, AIDS, STI's and TB Management • Wellness Management • Health and Productivity Management
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.	Yes		• Approved Wellness • Committee: • Legal Services • Human Capital Development • Employee Health and Wellness • Organised Labour • Human Resource Administration • Auxiliary Services • Traditional Houses • Peer Educators • Training and Development • Supply Chain Management • Programme 2 • Programme 3 • Programme 4 • GEMS
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		
6. Has the department introduced measures to protect HIVpositive employees or those perceived to be HIVpositive from discrimination? If so, list the key elements of these measures.	Yes		• Confidentiality • Non- Malfeasance • Non- dental referral and counselling • Staff Induction P and Orientation • HIV and AIDS, ST for Interns • Confidential HIV Management by Service • Stigma mitigation awareness information sharing



Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		- Health Risk Assessment conducted 4 times a year (Quarterly) - Employees receive personal confidential counselling when required. - An average of approximately 750 officials attended wellness screening per quarter. - More than 400 have tested for HIV in the past year. 185 employees who have disclosed their status are supported by the wellness centre through the immune boosting supplement programme. - More than 85% of staff that attended the World AIDS Day event at Mayville, Pietermaritzburg, tested for HIV
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	Yes		- Quarterly Wellness Report from External Service Provider - Operational Plans for Office of the Premier and DPSA: - HIV, AIDS, STI's and TB Policy - Wellness management Policy - Health and Productivity Management Policy - Quarterly Departmental Wellness Committee Meeting - DPSA Systems Management Tool - DPSA Implementation Review Report (4 Quarters and Annual Report)

3.12 Labour Relations

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

Subject matter	Date
N/A	0
N/A	0
TOTAL:	0

Notes

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

Total number of Collective agreements	None
--	-------------

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

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	100
Verbal warning	0	100
Written warning	0	100



Outcomes of disciplinary hearings	Number	% of total
Final written warning	1	100
Suspended without pay	0	100
Fine	0	100
Demotion	0	100
Dismissal	1	100
Not guilty	0	100
Case withdrawn	4	100
Total	6	100

Notes

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

Total number of Disciplinary hearings finalised	None
--	-------------

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

Type of misconduct	Number	% of total
Fails to comply with or contravenes an act	0.00	00.00
Will fully or negligently mismanages finances	0.00	00.00
Total	0.00	00.00

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

Grievances	Number	% of Total
Number of grievances resolved	10.00	58.8
Number of grievances not resolved	7.00	41.20
Total number of grievances lodged	17.00	100.00

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

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

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

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



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

Number of people suspended	6
Number of people whose suspension exceeded 30 days	6
Average number of days suspended	120
Cost of suspension(R'000)	R 3 070 853, 72

3.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 20YY	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	35		73	0	73
	Male	23		20	0	20
Professionals	Female	586		225	0	225
	Male	356		40	0	40
Technicians and associate professionals	Female	18	0	3	0	3
	Male	34	0	4	0	4
Clerks	Female	128	0	25	0	25
	Male	64	0	12	0	12
Service and sales workers	Female	2	0	0	0	0
	Male	9	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	6	0	4	0	4
Plant and machine operators & assemblers	Female	1	0	1	0	1
	Male	24	0	0	0	0
Elementary occupations	Female	18	0	0	0	0
	Male	5	0	0	0	0
Sub Total	Female	788	0	327	0	327
	Male	521	0	80	0	80
Total		1309	0	407	0	407



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

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	0	14	0	14
	Male	23	0	8	0	8
Professionals	Female	788	0	447	0	447
	Male	521	0	101	0	101
Technicians and associate professionals	Female	18	0	3	0	3
	Male	34	0	4	0	4
Clerks	Female	128	0	27	0	27
	Male	64	0	12	0	12
Service and sales workers	Female	2	0	0	0	0
	Male	9	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	6	0	1	0	1
Plant and machine operators & assemblers	Female	1	0	0	0	0
	Male	24	0	0	0	0
Elementary occupations	Female	18	0	1	0	1
	Male	5	0	1	0	0
Sub Total	Female	788	0	489	0	489
	Male	521	0	127	0	127
Total		1309	0	616	0	616

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	0.00	0.00
Temporary Total Disablement	0.00	0.00
Permanent Disablement	0.00	0.00
Fatal	0.00	0.00
Total	0.00	0.00

3.15 Utilisation of Consultants

The following tables 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.

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
0	0	0	0
0	0	0	0

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

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

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

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

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



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

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

3.16 Severance Packages

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

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00



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	181 262	199 452
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed		
Less: Irregular expenditure condoned		(18 191)
Less: Irregular expenditure not condoned and removed	(13 640)	
Less: Irregular expenditure recoverable ^{<?>}		
Less: Irregular expenditure not recoverable and written off		
Closing balance	167 621	181 262

The opening balance for 2023/24 was R199 358 368.56, there was a prior error of R94 000.00 which increased the opening balance to R199 452 368.56 There was R18 190 624.09 condoned during the 2023/24 and closing balance was R181 261 744.47

Reconciling notes

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

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

Description ^{<?>}	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	10 430	-
Irregular expenditure under determination	4 174	-
Irregular expenditure under investigation	-	-
Irregular expenditure under assessment	-	-
Total	14 604	-

1 Transfer to receivables

2 Record amounts in the year in which it was incurred



The determination test for R 4 174 454 is currently under investigation. The Irregular under assessment was recommended by the AG, the department is currently in process of assessing.

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	-	18 190
Total	-	18 190

Include discussion here where deemed relevant.

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	13 640	-
Total	13 640	-

The Provincial Treasury Condonation Committee recommended for the HOD to remove R 13 640 256.31

e) Details of irregular expenditure recoverable

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

Include discussion here where deemed relevant.

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

f) Details of irregular expenditure written off (irrecoverable)

Include discussion here where deemed relevant.



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
Not applicable
Total

Include discussion here where deemed relevant.

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)⁴

Description	2024/2025 ⁵	2023/2024
	R'000	R'000
Not Applicable	-	-
Total	-	-

Include discussion here where deemed relevant.

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

Disciplinary steps taken
Legal service issued letters as part of consequence management to affected officials for transactions related to the previous years,
as there was no irregular expenditure incurred in the prior year.
There has been no irregular expenditure of a criminal nature.

The Department has not incurred nor identified irregular expenditure for the 2021/22 and 2022/23 financial year. The outstanding balance relates to prior years with some investigations open and some concluded. On concluded investigations the department is currently in the process of implementing recommendations.

⁴ 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

⁵ Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.



1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	5 103	7 277
Adjustment to opening balance	1 064	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	893	-
Less: Fruitless and wasteful expenditure recoverable	- 1 242	-2 047
Less: Fruitless and wasteful expenditure not recoverable and written off	-	- 127
Closing balance	5 818	5 103

Reconciling Notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	1 063	-
Fruitless and wasteful expenditure for the current year	893	1 064
Total	1 956	1 064

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

Description ^a	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	98	822
Fruitless and wasteful expenditure under investigation	-	-
Total	98	822

Payments could not be processed within 30 days due to budget constraints in Quarter 3 and 4.

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	1 242	2 047
Total	1 242	2 047

Include discussion here where deemed relevant.



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	-	-
Total	-	-

Include discussion here where deemed relevant.

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

Disciplinary steps taken
N/A
Total

Include discussion here where deemed relevant.

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2024/25	20XX/20YY
	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<?>	0	0
Less: unauthorised not recoverable and written off<?>	0	0
Closing balance	0	0

Reconciling notes

Description	2024/25	2023/24
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0



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

Description<?>	2024/25	2023/24
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	0	0

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))1 a) Details of material losses through criminal conduct

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

Include discussion here where deemed relevant.

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
<i>(Group major categories, but list material items)</i>	0	0
Total	0	0

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

1 Information related to material losses must be disclosed in the annual financial statements.
10 This amount may only be written off against available savings
11 Record amounts in the year in which it occurred



c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

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)	0	0
Total	0	0

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	6 327	651 008
Invoices paid within 30 days or agreed period	5 472	600 257
Invoices paid after 30 days or agreed period	734	42 276
Invoices older than 30 days or agreed period (unpaid and without dispute)	121	8 474
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Payments were captured timeously, but due insufficient funds received on the day of the Run, payments could not be disbursed



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
Advertising of Posts in the Ilanga	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV1/2024LG	R2 589,05
Advertising of Tenders in the Ilanga: ZNT2048/2023LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV2/2024LG	R10 356,21
Radio advert on Gagasi FM for MEC engagements	Radio Igagasi	Single source Objective is to reach targeted audience	DEV3/2024LG	R421 224,30
Radio Advert on Ukhozi FM for the War on illegal dumping Msunduzi LM	SABC	Single source Objective is to reach targeted audience	DEV4/2024LG	R368 000,00
Radio Advert on Ukhozi FM for the Ingoma festival Inkosi Shinga TC	SABC	Single source Objective is to reach targeted audience	DEV5/2024LG	R368 000,00
Radio Advert on Ukhozi FM for the Winter season launch Ethekeini Municipality	SABC	Single source Objective is to reach targeted audience	DEV6/2024LG	R368 000,00
Radio Advert on Gagasi FM for the Launch of Dr NDZ Disaster Centre and Operation Siyahlola	Radio Igagasi	Single source Objective is to reach targeted audience	DEV7/2024LG	R210 612,15
Radio Advert on Gagasi FM for the launch of Mtubatuba Projects	Radio Igagasi	Single source Objective is to reach targeted audience	DEV9/2024LG	R210 612,00
Appointment of Sneller Recordings for transcriptions of public hearings by the Commission	Sneller Recording Services	Single source Objective is to mitigate litigations in the Courts of Law	DEV10/2024LG	R400 000,00
Publication of By- Election notice at Ward 10, Mthonjaneni	Government Printing Works	Sole supplier Regulated for public notices	DEV11/2024LG	R3 026,32
Publication of By- Election notice at various wards at Umzumbe	Government Printing Works	Sole supplier Regulated for public notices	DEV12/2024LG	R3 026,32
Publication of By- Election notice at Ward 5 at Newcastle	Government Printing Works	Sole supplier Regulated for public notices	DEV13/2024LG	R3 026,32
Publication of By- Election notice at Ward 15 at uPhongolo	Government Printing Works	Sole supplier Regulated for public notices	DEV14/2024LG	R3 026,32
Publication of By- Election notice at Ward 1 at Umzimkhulu	Government Printing Works	Sole supplier Regulated for public notices	DEV15/2024LG	R3 026,32
Advertising of Tenders in the Ilanga: ZNT2046/2023LG and ZNT2050/2024LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV16/2024LG	R11 737,04
Radio Advert on Ukhozi FM for the War on Leaks broadcast package	SABC	Single source Objective is to reach targeted audience	DEV17/2024LG	R368 000,00
Radio Advert on Ukhozi FM for the Disaster Centre Launch at Amajuba	SABC	Single source Objective is to reach targeted audience	DEV18/2024LG	R368 000,00



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Radio Advert on Ukhozi FM for the Election Prayer	SABC	Single source Objective is to reach targeted audience	DEV19/2024LG	R368 000,00
Radio Advert on Gagasi FM for the Impendle Electrification Launch	Radio Igagasi	Single source Objective is to reach targeted audience	DEV20/2024LG	R206 379,00
Radio Advert on Ukhozi FM for the handover of contractor for the Electrification Project	SABC	Single source Objective is to reach targeted audience	DEV21/2024LG	R368 000,00
Radio Advert on Gagasi FM for the Umzimkhulu Trading Facility Handover	Radio Igagasi	Single source Objective is to reach targeted audience	DEV22/2024LG	R206 379,00
Publication of full-time councillor first time Notice for Amajuba in the KZN Extraordinary gazette	Government Printing Works	Sole supplier Regulated for public notices	DEV23/2024LG	R3 026,32
Advertising of Tenders in the Witness: DEV130/2023LG and DEV128/2024LG	Witness Newspaper Company	Single source Objective is to reach targeted audience	DEV24/2024LG	R4 968,00
Advertising of Tenders in the Ilanga Newspaper: DEV128/2024LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV25/2024LG	R8 975,58
Publication of By- Election at Ward 28, Newcastle	Government Printing Works	Sole supplier Regulated for public notices	DEV26/2024LG	R3 026,32
Publication of By- Election at Ward 4, Nkandla	Government Printing Works	Sole supplier Regulated for public notices	DEV27/2024LG	R3 026,32
Renewal of Microsoft Technology Licences	Microsoft Enterprise Agreement	Sole supplier Microsoft being the only distributor of Microsoft licenses	DEV28/2024LG	R58 611 226,38
Publication of Notice in respect of NZ Buthelezi as Inkosi and BF Khumalo as iBambabukhosi	Government Printing Works	Sole supplier Regulated for public notices	DEV29/2024LG	R6 052,63
Appointment of Durban ICC for the provision of Catering Services for the Results Operation Centre (ROC) for the 2024 National and Provincial Elections	Durban International convention Centre	Single source Preference due to venue for the results operation centre for the Elections	DEV30/2024LG	R1 500 000,00
Publication of Notice in recognition of TF Dlamini, ZN Shangase and TE Zulu as Inkosi and establishment of KZN Initiation Coordination Committee	Government Printing Works	Sole supplier Regulated for public notices	DEV31/2024LG	R12 105,27
Publication of Demarcation Notice in the KZN extraordinary gazette	Government Printing Works	Sole supplier Regulated for public notices	DEV32/2024LG	R3 026,32
Publication of Notice for By-Election in Ward 34, Ethekwini	Government Printing Works	Sole supplier Regulated for public notices	DEV33/2024LG	R3 026,32
Publication of Notice for By-Election in Ward 6, Kwadukuza	Government Printing Works	Sole supplier Regulated for public notices	DEV34/2024LG	R3 026,32
Publication of Notice for By-Election in Ward 15, Umdoni	Government Printing Works	Sole supplier Regulated for public notices	DEV35/2024LG	R3 026,32
Publication of Notice for By- Election for Ethekwini	Government Printing Works	Sole supplier Regulated for public notices	DEV36/2024LG	R3 026,32



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Publication of Notice for By-Election in Ward 2, Richmond	Government Printing Works	Sole supplier Regulated for public notices	DEV37/2024LG	R3 026,32
Publication of Notice for By-Election in Ward 14 and Ward 24, Ray Nkonyeni	Government Printing Works	Sole supplier Regulated for public notices	DEV38/2024LG	R3 026,32
The appointment of NSG to provide Breaking the Barriers course	National School of Governance	Single source The provision of compulsory training by NSG	DEV40/2024LG	R348 700,00
Radio advert on Ukhozi FM for the installation of Inkosi and outside broadcast package	SABC	Single source Objective is to reach targeted audience	DEV41/2024LG	R391 000,00
Advertising of Posts in the Business Times	Arena Holdings	Single source Objective is to reach targeted audience	DEV42/2024LG	R94 806,00
The appointment of NSG for training material for Compulsory Induction Programme	National School of Governance	Single source The provision of compulsory training by NSG	DEV43/2024LG	R32 730,00
Publication of Notice for By-Election in Ward 4, Mpofana	Government Printing Works	Sole supplier Regulated for public notices	DEV44/2024LG	R3 026,32
Training for officials attending the Compulsory Induction Programme (CIP)	National School of Governance	Single source The provision of compulsory training by NSG	DEV45/2024LG	R76 720,00
Publication of Notice in recognition of Inkosi and iBambabukosi	Government Printing Works	Single source Regulated for public notices	DEV46/2024LG	R18 157,90
Publication of Notice of Harry Gwala Full Time Councillor	Government Printing Works	Single source Regulated for public notices	DEV47/2024LG	R3 026,32
Publication of Notice of Dannhauser Full Time Councillor	Government Printing Works	Single source Regulated for public notices	DEV48/2024LG	R3 026,32
Radio advert on Gagasi FM for MEC's meeting with CDW's	Radio Igagasi	Single source Objective is to reach targeted audience	DEV49/2024LG	R210 612,15
Advertising of Tenders in the Ilanga Newspaper: ZNT2047/2023LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV50/2024LG	R11 046,62
Radio advert on Ukhozi FM for the Uthukela Ekuvukeni Ministerial oversight visit	SABC	Single source Objective is to reach targeted audience	DEV51/2024LG	R345 000,00
Appointment of Esri SA to supply and maintain licence for Arcgis Software for a period of 36 months	Esri SA	Sole supplier Esri being the only supplier to supply and maintain licenses for Arcgis Software	DEV53/2024LG	R8 393 091,00
Radio advert on Ukhozi FM for the GBV event	SABC	Single source Objective is to reach targeted audience	DEV54/2024LG	R391 000,00
Radio advert on Gagasi FM for the Women Months Event	Radio Igagasi	Single source Objective is to reach targeted audience	DEV55/2024LG	R210 612,15



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Radio advert on Ukhozi FM for the for the Commission	SABC	Single source Objective is to reach targeted audience	DEV56/2024LG	R174 984,00
Radio advert on East Coast Radio for the Women Months Event	Media Mark	Single source Objective is to reach targeted audience	DEV57/2024LG	R271 939,93
Newspaper advert in the Ilanga for the commission	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV59/2024LG	R36 665,60
Newspaper advert in the Independent newspaper for the commission	Brand Edge Media	Single source Objective is to reach targeted audience	DEV60/2024LG	R29 870,56
Radio advert on Ukhozi FM for the September GBV event	SABC	Single source Objective is to reach targeted audience	DEV61/2024LG	R391 000,00
Advertising of Tender: ZNT2051/2024LG in the Ilanga	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV62/2024LG	R11 737,04
Advertising of Tender: ZNT2052/2024LG in the Ilanga	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV63/2024LG	R11 738,04
Publication of Notice of Edumbe Full Time Councillor	Government Printing Works	Sole supplier Regulated for public notices	DEV64/2024LG	R3 026,32
Radio advert on Ukhozi FM for the Kwanyavu Traditional Council Event	SABC	Single source Objective is to reach targeted audience	DEV65/2024LG	R352 080,00
Advertising of Tender: ZNT2053/2024LG in the Ilanga	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV66/2024LG	R11 737,04
Appointment of Tourvest to provide Travel Management Services for a period of six months	Tourvest	Single source Preferred service provider to continue with services	DEV67/2024LG	R15 000 000,00
Publication of Notice for full time Councillor at Harry Gwala	Government Printing Works	Sole supplier Regulated for public notices	DEV68/2024LG	R3 026,32
Publication of Notice for By-Election at Ward 6, Mtubatuba LM	Government Printing Works	Sole supplier Regulated for public notices	DEV69/2024LG	R3 026,32
Radio advert on Ukhozi FM for the upcoming public announcement on Commission on the 13 October 2024 to the 16 October 2024	SABC	Single source Objective is to reach targeted audience	DEV70/2024LG	R174 984,00
Radio advert on Ukhozi FM for the upcoming public announcement on Commission on the 20 October 2024 to the 23 October 2024	SABC	Single source Objective is to reach targeted audience	DEV71/2024LG	R349 968,00
Newspaper advert in the Ilanga for the upcoming public announcement on Commission	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV72/2024LG	R100 000,00
Newspaper advert in the Isolezwe for the upcoming public announcement on Commission	Brand Edge Media	Single source Objective is to reach targeted audience	DEV73/2024LG	R119 482,24



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Advertising of Posts in the Business Times	Arena Holdings	Single source Objective is to reach targeted audience	DEV74/2024LG	R73 823,10
Publication of Notice ion recognition Noluthando Precious Chiliza	Government Printing Works	Sole supplier Regulated for public notices	DEV75/2024LG	R3 026,32
Procurement of by- weekly radio slots from the 1 November 2024 to 31 March 2025	1KZNTV	Single source Objective is to reach targeted audience	DEV76/2024LG	R837 200,00
Three female Senior Managers to attend Women in Leadership Masterclass training	University of KZN	Single source preferred service provider in terms of Provincial HRD Circular No. 33 of 2024	DEV77/2024LG	R14 700,00
Newspaper advert in the Ilanga to cancel bid: ZNT2046/2023LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV78/2024LG	R10 356,21
Radio advert on Gagasi FM for the MEC 100 days in office breakfast	Radio Igagasi	Single source Objective is to reach targeted audience	DEV79/2024LG	R210 612,15
Publication of Notice for the determination of Councillors to be published	Government Printing Works	Sole supplier Regulated for public notices	DEV80/2024LG	R6 052,63
Procurement of a slot on Ukhozi FM for the MEC talk show for a period of 10 weeks	SABC	Single source Objective is to reach targeted audience	DEV81/2024LG	R1 053 170,00
Newspaper advert in the Ilanga to cancel bids	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV82/2024LG	R11 737,04
Newspaper advert in the Ilanga to advertise bid: ZNT2056/2024LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV83/2024LG	R12 427,45
The appointment of Durban ICC for a Munimec Meeting	Durban ICC	Single source Booking of a private venue	DEV84/2024LG	R140 137,85
Publication of Notice for By- Election at Ward 2, Msunduzi	Government Printing Works	Sole supplier Regulated for public notices	DEV85/2024LG	R3 026,32
Publication of Notice for Full time Councillor for Jozini	Government Printing Works	Sole supplier Regulated for public notices	DEV86/2024LG	R3 026,32
Publication of Notice for Full time Councillor for Alfred Duma	Government Printing Works	Sole supplier Regulated for public notices	DEV87/2024LG	R3 026,32
Newspaper advert in the Ilanga to place adverts for the Commission on Traditional Disputes	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV88/2024LG	R100 000,00
Publication of Notice for Full time Councillor at Newcastle	Government Printing Works	Sole supplier Regulated for public notices	DEV89/2024LG	R3 026,32
Advert in the Ilanga for the invitation of former employees to attend an Event on Pay Progression	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV90/2024LG	R21 082,72
Advert in the Witness for the invitation of former employees to attend an Event on Pay Progression	Witness Newspaper Company	Single source Objective is to reach targeted audience	DEV91/2024LG	R11 385,00



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Additional Closed Armed Protection for the Ministerial Representative at Nongoma Municipality	Pro Secure	Single source Urgent appointment due to life threatening situation	DEV92/2024LG	R102 000,00
Radio advert on Ukhozi FM for the Social Cohesion event	SABC	Single source Objective is to reach targeted audience	DEV93/2024LG	R690 000,00
Publication of Notice for By- Election in Ward 15, Umhlaluyalingana	Government Printing Works	Sole supplier Regulated for public notices	DEV94/2024LG	R3 026,32
Publication of consolidated Municipal Annal Performance Report 2022/2023	Government Printing Works	Sole supplier Regulated for public notices	DEV95/2024LG	R102 895,56
Advertising of Tender Awards: ZNT2050/2024LG in the Ilanga	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV96/2024LG	R28 997,39
Appointment of UKZN to roll out the Leadership and Good Governance Programme for 50 Amakhosi's	University of KZN Extended Learning	Single source preferred service provider due to the development of the programme by UKZN	DEV97/2024LG	R5 345 000,00
Publication of Notice in recognition of Mlamuli SE Mazibuko and withdrawal of Xolani S Mazibuko	Government Printing Works	Sole supplier Regulated for public notices	DEV98/2024LG	R3 026,32
Advert in the Ilanga for KZN Cogta quarterly inserts	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV99/2024LG	R97 985,00
Appointment of Security Services at Zululand, Zululand MEC Satellite Office, Umkhanyakude, Mayville, Queensburgh, Westville, Ugu and Ilembe	Aros Protection Services	Urgent Deviate from tender process due to appeals lodged on tender process	DEV100/2024LG	R2 532 817,50
Appointment of Security Services at Mkondeni, Southern Life Plaza, Wadley House, Amajuba, Uthukela, Umzinyathi CSC, Umzinyathi DM	Sizowakha Security	Urgent Deviate from tender process due to appeals lodged on tender process	DEV101/2024LG	R2 068 248,00
Publication of Notice in recognition of 120 Traditional Leaders	Government Printing Works	Sole supplier Regulated for public notices	DEV102/2024LG	R21 184,22
Advert in the Ilanga to extend the closing date on Bid: ZNT2055/2024LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV103/2024LG	R5 523,31
Procurement of Microsoft Technology Licenses (Defender for servers on prem)	Microsoft Ireland	Sole supplier Microsoft Ireland is a wholly owned subsidiary of Microsoft and owns Microsoft products	DEV104/2024LG	R210 054,98
The appointment of NSG to provide Compulsory Induction Programme (CIP) for 78 officials	National School of Governance	Single source The provision of compulsory training by NSG	DEV105/2024LG	R85,488.00



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
The appointment of NSG to provide Compulsory Induction Programme (CIP) for 10 officials	National School of Governance	Single source the provision of compulsory training by NSG	DEV106/2024LG	R32,580.00
Advert in the Ilanga for invitation to tender Bid: ZNT2057/2024LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV107/2024LG	R13 808,28
Publication of Notice for By-Election in Ward 12, uPhongolo	Government Printing Works	Sole supplier Regulated for public notices	DEV108/2024LG	R3 026,32
Publication of Notice for By-Election in Ward 28, Kwadukuza	Government Printing Works	Sole supplier Regulated for public notices	DEV109/2024LG	R3 026,32
The appointment of NSG to provide Compulsory Induction Programme (CIP) for 5 officials	National School of Government	Single source The provision of compulsory training by NSG	DEV110/2024LG	R10 910,00
Renewal of Pastel Licenses for a period of 12 months with Sage South Africa	Sage South Africa	Single source Preferred service provider for the renewal of licenses	DEV111/2024LG	R1 642 720,38
Publication of Notice for By-Election in Ward 110, Ethekwini	Government Printing Works	Sole supplier Regulated for public notices	DEV112/2024LG	R3 026,32
Publication of Notice for By- Election in Ward 18, Mandeni	Government Printing Works	Sole supplier Regulated for public notices	DEV113/2024LG	R3 026,32
The appointment of NSG to provide Training Material for Compulsory Induction Programme (CIP) for 20 officials	National School of Governance	Single source The provision of compulsory training by NSG	DEV114/2024LG	R43 640,00
Advert in the Ilanga for invitation to tender Bid: ZNT2058/2024LG and cancellation of Bid: ZNT2039/2024LG and ZNT2027/2023LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV115/2024LG	R20 714,42
Advert of Awards in the Ilanga for Bid: ZNT2056/2024LG and ZNT2052/2024LG	Mandla Matla Publishing	Single source Objective is to reach targeted audience	DEV116/2024LG	R15 189,11
Publication of Notice for By- Election in Ward 4, Mpofana	Government Printing Works	Sole supplier Regulated for public notices	DEV117/2024LG	R3 026,32
Radio Advert on East Coast Radio for Municipal Excellence Awards	Media mark	Single source Objective is to reach targeted audience	DEV118/2024LG	R154 675,00
Radio Advert on Gagasi FM for Municipal Excellence Awards	Radio Igagasi	Single source Objective is to reach targeted audience	DEV119/2024LG	R195 061,36
Total				R105 540 950,97



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
Lan and desktop project for the MEC Office at Ulundi	Madibana IT Solutions	Variation	RFB1183	R5 895 187,13	R0,00	R653 495,77
Total						



PART F:

FINANCIAL INFORMATION

AUDIT REPORT

KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs 2025-25



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Report of the auditor-general to Kwa-Zulu Natal Provincial Legislature on vote no. 11: Department of Cooperative Governance and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Kwazulu-Natal Department of Cooperative Governance and Traditional Affairs set out on pages 163 to 256, 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 Kwazulu-Natal Department of Cooperative Governance and Traditional Affairs as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard(MCS) as prescribed by the 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.

Restatement of corresponding figures

7. As disclosed in note 43 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2025.

Other matter

8. I draw attention to the matter below.



Unaudited supplementary schedules

9. The supplementary information set out on pages 240 to 256 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.
1. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. 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	51-59	The purpose of the programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government.
Development and Planning	60-67	To promote informed integrated planning and development in the province with regards to spatial planning, development information services, land use management, local economic development, municipal infrastructure and disaster management.



15. 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.
16. 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
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
18. I did not identify any material findings on the reported performance information for the selected programmes.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

21. 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.
22. 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.
23. 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.



Expenditure management

2. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Other information in the annual report

24. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that has been specifically reported on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. 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.
27. The other information I obtained prior to the date of this auditor's report are the member of executive committee (MEC's) foreword and the accounting officer's report, and the audit committee's report is expected to be made available to me after 31 July 2025.
28. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
29. When I do receive and read the audit committee's report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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. The matters reported below are limited to the significant internal control deficiencies that resulted in the material finding on compliance with legislation included in this report:
32. Senior management did not implement effective monitoring controls to confirm that payments are made within the legislated timelines.

Material irregularities

33. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on the status of material irregularities as previously reported in the auditor's report.



Status of previously reported material irregularities

Overpayment of Izinduna

34. The department did not have adequate controls in place, in compliance with section 45(1)(a) of the PFMA, to prevent payments made to Izinduna, wherein some individuals were found to be deceased or no longer in service. The overpayments identified during the 2019 to 2022 years, resulted in a likely financial loss amounting to R2,75 million.
35. The accounting officer was notified of the material irregularity on 23 August 2022 and was invited to make a written submission on the actions taken or to be taken to address the matter.
36. The following actions have been taken to resolve the material irregularity:
 - Two independent consulting firms were appointed to investigate the full extent of overpayments made to Izinduna, with the scope covering two distinct periods: 2018–2020 and 2021–2022. The investigations were concluded on 22 June 2023, and the reports recommended the initiation of disciplinary processes against identified officials, recovery of overpayments from former Izinduna, and the implementation of controls to address the deficiencies identified.
 - To date, an amount of R1.41 million has been recovered from 120 Izinduna and officials. The accounting officer is also pursuing legal avenues to recover the outstanding R1.34 million from the estates of deceased individuals. In addition, Standard Operating Procedures (SOPs) have been developed and implemented to strengthen and regulate the payment process to Izinduna.
 - The accounting officer initiated consequence management processes against the implicated officials however, no official was found to be negligent, as departmental management confirmed that the transgressions were due to factors beyond the officials' control.
 - The accounting officer has taken appropriate actions to address the material irregularity and the material irregularity is resolved.

Other reports

37. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
38. The Office of the Premier conducted eight investigations between 1 June 2011 and 24 November 2024 into allegations of maladministration, fraud, and corruption involving various departmental officials. As at the date of this report, seven investigations have been finalised, while one remains ongoing. Of the seven completed investigations, the recommendations of three reports have been fully implemented by the Department. Two investigation reports will be referred to the Department of Agriculture and Rural Development and the Office of the Premier, respectively, for implementation of the findings, as confirmed by the Office of the Premier. The recommendations from the remaining two finalised investigation reports are in the process of being implemented by the Department.
39. At the request of the department, an independent consultant conducted an investigation into allegations of fraud and financial misconduct covering the period March 2024 to June 2024. The investigation was finalised in November 2024 and recommended disciplinary action against eleven departmental officials. Disciplinary proceedings were instituted against three of these officials, who subsequently resigned. The department is in the process of addressing the remaining recommendations of the report. In addition, the matter was reported to the South African Police Service, and criminal proceedings have been initiated, which remain ongoing as at the date of this report.



Auditor-General

Pietermaritzburg

30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
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 Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SPECIMEN ANNUAL FINANCIAL STATEMENTS FOR NATIONAL AND PROVINCIAL DEPARTMENTS

For the year ended
31 March 2025

Date authorised for issue: _____

Authorised by: _____

[Events after the reporting date par .13]



ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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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	502 294	-	19 654	521 948	521 948	-	100%	441 384	441 384
2. LOCAL GOVERNANCE	369 642	-	(9 488)	360 154	360 154	-	100%	336 706	336 706
3. DEVELOPMENT AND PLANNING	362 605	-	(15 869)	346 736	346 736	-	100%	383 430	383 430
4. TRADITIONAL INSTITUTIONAL MANAGEMENT	684 847	-	5 703	690 550	687 079	3 471	99.8%	1 273 989	1 238 871
TOTAL	1 919 388	-		1 919 388	1 915 917	3 471	99.8%	2 435 509	2 400 391

2024/25					2023/24	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD:						
Departmental receipts	12 463				4 550	
NRF Receipts	-					



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Aid assistance	-				
Actual amounts per statement of financial performance (Total revenue)	1 931 851			2 440 059	
ADD:					
Aid assistance					
Prior year unauthorised expenditure approved without funding					
Actual amounts per statement of financial performance (Total expenditure)		1 915 917			2 400 391

APPROPRIATION STATEMENT
for the year ended 31 March 2025



Appropriation per economic classification

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 807 801	(56 192)	1 317	1 752 926	1 749 455	3 471	99,8%	2 230 514	2 195 396
Compensation of employees	848 587	-	(3 778)	844 809	844 809	-	100,0%	776 930	776 930
Salaries and wages	741 289	-	(4 503)	736 786	736 786	-	100,0%	679 596	679 596
Social contributions	107 298	-	725	108 023	108 023	-	100,0%	97 334	97 334
Goods and services	959 206	(56 192)	(29 536)	873 472	870 001	3 471	99,6%	1 453 584	1 418 466
Administrative fees	3 230	(1 330)	(507)	1 393	1 393	-	100,0%	2 138	2 138
Advertising	17 092	-	1 116	18 208	18 208	-	100,0%	16 534	16 534
Minor assets	1 581	-	(660)	921	921	-	100,0%	589	589
Audit costs: External	7 312	-	787	8 099	8 099	-	100,0%	8 394	8 394
Bursaries: Employees	1 143	(5 345)	5 444	1 242	1 242	-	100,0%	1 345	1 345
Catering: Departmental activities	4 277	(1 258)	(1 005)	2 014	2 014	-	100,0%	1 931	1 931
Communication (G&S)	12 867	(3 780)	3 815	12 902	12 902	-	100,0%	8 309	8 309
Computer services	65 079	-	1 990	67 069	67 069	-	100,0%	37 579	37 579
Consultants: Business and advisory services	125 610	500	(23 446)	102 664	102 664	-	100,0%	95 095	95 095
Scientific and technological services	500	(500)	-	-	-	-	-	-	-
Legal services	26 166	-	(65)	26 101	26 101	-	100,0%	15 438	15 438
Contractors	37 491	(256)	(2 984)	34 251	34 251	-	100,0%	36 479	36 479
Agency and support / outsourced services	10 708	-	5 001	15 709	15 709	-	100,0%	8 618	8 618
Entertainment	-	-	-	-	-	-	-	-	-


APPROPRIATION STATEMENT
 for the year ended 31 March 2025

Fleet services (including government motor transport)	20 211	-	6	20 217	20 217	-	100,0%	22 092	22 092
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	67	67
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	4 500	-	(514)	3 986	3 986	-	100,0%	6 828	6 828
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	4 574	-	(1 157)	3 417	3 417	-	100,0%	5 893	5 893
Inventory: Other supplies	8 161	-	2 794	10 955	10 955	-	100,0%	21 044	21 044
Consumable supplies	9 169	(780)	7	8 396	8 396	-	100,0%	6 424	6 424
Consumable: Stationery, printing and office supplies	7 582	(5)	(1 108)	6 469	6 469	-	100,0%	12 619	12 619
Operating leases	38 739	(696)	(1 739)	36 304	36 304	-	100,0%	22 500	22 500
Property payments	52	-	71 205	71 257	71 257	-	100,0%	71 116	71 116
Transport provided: Departmental activity	64 562	-	(64 562)	-	-	-	-	-	-
Travel and subsistence	37 280	(13 563)	4 981	28 698	28 698	-	100,0%	44 664	44 664
Training and development	6 927	-	(5 418)	1 509	1 509	-	100,0%	1 666	1 666
Operating payments	444 358	(29 179)	10 515	425 723	422 252	3 471	99,2%	1 006 221	97 103
Venues and facilities	-	-	540	540	540	-	100,0%	-	-
Rental and hiring	-	-	41	41	41	-	100,0%	1	1
Interest and rent on land	8	-	24	32	32	-	100,0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	8	-	24	32	32	-	100,0%	-	-
Transfers and subsidies	41 308	57 476	2 839	101 623	101 623	-	100,0%	167 749	167 749

APPROPRIATION STATEMENT
for the year ended 31 March 2025



Provinces and municipalities	838	-	(328)	510	510	-	100,0%	87 138	87 138
Provinces	838	-	(328)	510	510	-	100,0%	533	533
Provincial Revenue Funds	838	-	(328)	510	510	-	100,0%	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	533	533
Municipalities	-	-	-	-	-	-	-	86 605	86 605
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	86 605	86 605
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	1 280	-	-	1 280	1 280	-	100,0%	-	-
Public corporations and private enterprises	30 100	-	-	30 100	30 100	-	100,0%	-	-
Public corporations	30 100	-	-	30 100	30 100	-	100,0%	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	30 100	-	-	30 100	30 100	-	100,0%	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	57 476	250	57 726	57 726	-	100,0%	71 052	71 052
Households	9 090	-	2 917	12 007	12 007	-	100,0%	9 559	9 559
Social benefits	6 504	-	2 763	9 267	9 267	-	100,0%	7 409	7 409
Other transfers to households	2 586	-	154	2 740	2 740	-	100,0%	2 150	2 150
Payments for capital assets	70 279	(1 284)	(29 381)	98 376	98 376	-	100,0%	37 246	37 246
Buildings and other fixed structures	23 785	-	35 816	59 601	59 601	-	100,0%	22 754	22 754
Buildings	21 899	-	403	22 302	22 302	-	100,0%	22 334	22 334
Other fixed structures	1 886	-	35 413	37 299	37 299	-	100,0%	420	420



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Machinery and equipment	36 216	(1 284)	(1 996)	32 936	32 936	-	100,0%	12 790	12 790
Transport equipment	2 919	-	(6)	2 913	2 913	-	100,0%	2 477	2 477
Other machinery and equipment	33 297	(1 284)	(1 990)	30 023	30 023	-	100,0%	10 313	10 313
Software and other Intangible assets	10 278	-	(4 439)	5 839	5 839	-	100,0%	1 702	1 702
Payments for financial assets	-	-	1 076	1 076	1 076	-	100,0%	-	-
Total	1 919 388	-	-	1 919 388	1 915 917	3 471	99.8%	2 435 509	2 400 391

APPROPRIATION STATEMENT
for the year ended 31 March 2025



Programme 1: ADMINISTRATION

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	17 470	-	4 108	21 578	21 578	-	100,0%	27 956	27 956
2. CORPORATE SERVICES	484 824	-	15 546	500 370	500 370	-	100,0%	413 428	413 428
Total for sub programmes	502 294	-	19 654	521 948	521 948	-	100,0%	441 384	441 384
Economic classification									
Current payments	472 354	-	18 358	490 712	490 712	-	100,0%	428 047	428 047
Compensation of employees	191 433	-	6 520	197 953	197 953	-	100,0%	171 607	171 607
Salaries and wages	164 542	-	5 095	169 637	169 637	-	100,0%	146 882	146 882
Social contributions	26 891	-	1 425	28 316	28 316	-	100,0%	24 725	24 725
Goods and services	280 913	-	11 814	292 727	292 727	-	100,0%	256 440	256 440
Administrative fees	1 210	-	(154)	1 056	1 056	-	100,0%	1 309	1 309
Advertising	17 024	-	1 184	18 208	18 208	-	100,0%	16 419	16 419
Minor assets	901	-	(686)	215	215	-	100,0%	220	220
Audit costs: External	7 312	-	787	8 099	8 099	-	100,0%	8 394	8 394
Bursaries: Employees	1 143	-	99	1 242	1 242	-	100,0%	1 345	1 345
Catering: Departmental activities	515	-	(91)	424	424	-	100,0%	751	751
Communication (G&S)	7 699	-	465	8 164	8 164	-	100,0%	6 982	6 982
Computer services	62 623	-	1 990	64 613	64 613	-	100,0%	37 579	37 579
Consultants: Business and advisory services	356	-	(179)	177	177	-	100,0%	1 396	1 396
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	26 166	-	(65)	26 101	26 101	-	100,0%	15 438	15 438
Contractors	4 115	-	171	4 286	4 286	-	100,0%	7 833	7 833
Agency and support / outsourced services	10 708	-	(1 554)	9 154	9 154	-	100,0%	8 618	8 618
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	20 211	-	6	20 217	20 217	-	100,0%	22 092	22 092
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	67	67
Inventory: Materials and supplies	255	-	(255)	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 909	-	314	3 223	3 223	-	100,0%	3 605	3 605
Consumable: Stationery, printing and office supplies	7 103	-	(846)	6 257	6 257	-	100,0%	12 172	12 172
Operating leases	36 123	-	(1 671)	34 452	34 452	-	100,0%	20 725	20 725
Property payments	52	-	71 205	71 257	71 257	-	100,0%	71 116	71 116
Transport provided: Departmental activity	64 562	-	(64 562)	-	-	-	-	-	-
Travel and subsistence	8 100	-	5 509	13 609	13 609	-	100,0%	18 344	18 344
Training and development	1 582	-	(223)	1 359	1 359	-	100,0%	1 666	1 666
Operating payments	244	-	329	573	573	-	100,0%	368	368
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	41	41	41	-	100,0%	1	1
Interest and rent on land	8	-	24	32	32	-	100,0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	8	-	24	32	32	-	100,0%	-	-
Transfers and subsidies	6 623	-	208	6 831	6 831	-	100,0%	5 736	5 736
Provinces and municipalities	838	-	(328)	510	510	-	100,0%	533	533
Provinces	838	-	(328)	510	510	-	100,0%	533	533



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Provincial Revenue Funds	838	-	(328)	510	510	-	100,0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 785	-	536	6 321	6 321	-	100,0%	5 203	5 203
Social benefits	3 199	-	382	3 581	3 581	-	100,0%	3 754	3 754
Other transfers to households	2 586	-	154	2 740	2 740	-	100,0%	1 449	1 449
Payments for capital assets	23 317	-	1 088	24 405	24 405	-	100,0%	7 601	7 601
Buildings and other fixed structures	2 600	-	1 005	3 605	3 605	-	100,0%	420	420
Buildings	2 600	-	1 005	3 605	3 605	-	100,0%	-	-
Other fixed structures	-	-	-	-	-	-	-	420	420
Machinery and equipment	10 439	-	4 522	14 961	14 961	-	100,0%	5 479	5 479
Transport equipment	2 919	-	(6)	2 913	2 913	-	100,0%	2 477	2 477
Other machinery and equipment	7 520	-	4 528	12 048	12 048	-	100,0%	3 002	3 002
Software and other intangible assets	10 278	-	(4 439)	5 839	5 839	-	100,0%	1 702	1 702
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	502 294	-	19 654	521 948	521 948	-	100,0%	441 384	441 384



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	59 824	-	(3 716)	56 108	56 108	-	100,0%	58 369	58 369
2. MUNICIPAL FINANCE	21 610	-	(758)	20 852	20 852	-	100,0%	33 745	33 745
3. PUBLIC PARTICIPATION	237 833	-	(4 694)	233 139	233 139	-	100,0%	200 150	200 150
4. CAPACITY DEVELOPMENT	9 711	-	(244)	9 467	9 467	-	100,0%	9 079	9 079
5. MUNICIPAL PERFORMANCE REPORTING AND EVALUATION	40 664	-	(76)	40 588	40 588	-	100,0%	35 363	35 363
Total for sub programmes	369 642	-	(9 488)	360 154	360 154	-	100,0%	336 706	336 706
Economic classification									
Current payments	358 674	-	(6 369)	352 305	352 305	-	100,0%	331 519	331 519
Compensation of employees	315 352	-	(2 660)	312 692	312 692	-	100,0%	279 532	279 532
Salaries and wages	268 346	-	(2 900)	265 446	265 446	-	100,0%	237 180	237 180
Social contributions	47 006	-	240	47 246	47 246	-	100,0%	42 352	42 352
Goods and services	43 322	-	(3 709)	39 613	39 613	-	100,0%	51 987	51 987
Administrative fees	329	-	(98)	231	231	-	100,0%	480	480
Advertising	68	-	(68)	-	-	-	-	115	115
Minor assets	219	-	(94)	125	125	-	100,0%	116	116
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 922	-	(394)	1 528	1 528	-	100,0%	644	644



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Communication (G&S)	2 610	-	1 099	3 709	3 709	-	100,0%	1 096	1 096
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	8 575	-	(1 217)	7 358	7 358	-	100,0%	28 028	28 028
Contractors	18 884	-	(364)	18 520	18 520	-	100,0%	8 198	8 198
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	23	-	(17)	6	6	-	100,0%	245	245
Consumable: Stationery, printing and office supplies	342	-	(201)	141	141	-	100,0%	264	264
Operating leases	1 090	-	(19)	1 071	1 071	-	100,0%	920	920
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	8 934	-	(2 187)	6 747	6 747	-	100,0%	11 481	11 481
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	291	-	(291)	-	-	-	-	400	400
Venues and facilities	35	-	6	41	41	-	100,0%	-	-
Rental and hiring	-	-	136	136	136	-	100,0%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	321	-	275	596	596	-	100,0%	1 945	1 945
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	321	-	275	596	596	-	100,0%	1 945	1 945
Social benefits	321	-	275	596	596	-	100,0%	1 298	1 298
Other transfers to households	-	-	-	-	-	-	-	647	647
Payments for capital assets	10 647	-	(3 394)	7 253	7 253	-	100,0%	3 242	3 242
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 647	-	(3 394)	7 253	7 253	-	100,0%	3 242	3 242
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	10 647	-	(3 394)	7 253	7 253	-	100,0%	3 242	3 242
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	369 642	-	(9 488)	360 154	360 154	-	100,0%	336 706	336 706

APPROPRIATION STATEMENT
for the year ended 31 March 2025



Programme 3: DEVELOPMENT AND 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. SPATIAL PLANNING	34 060	-	(1 133)	32 927	32 927	-	100,0%	33 211	33 211
2. LAND USE MANAGEMENT	27 902	-	(116)	27 786	27 786	-	100,0%	27 425	27 425
3. LOCAL ECONOMIC DEVELOPMENT	100 696	-	(5 443)	95 253	95 253	-	100,0%	119 505	119 505
4. MUNICIPAL INFRASTRUCTURE	153 834	-	(8 398)	145 436	145 436	-	100,0%	145 236	145 236
5. DISASTER MANAGEMENT	46 113	-	(779)	45 334	45 334	-	100,0%	58 053	58 053
Total for sub programmes	362 605	-	(15 869)	346 736	346 736	-	100,0%	383 430	383 430
Economic classification									
Current payments	298 264	-	(15 646)	282 618	282 618	-	100,0%	269 664	269 664
Compensation of employees	155 228	-	(834)	154 394	154 394	-	100,0%	147 352	147 352
Salaries and wages	138 555	-	(951)	137 604	137 604	-	100,0%	131 767	131 767
Social contributions	16 673	-	117	16 790	16 790	-	100,0%	15 585	15 585
Goods and services	143 036	-	(49 425)	93 611	93 611	-	100,0%	122 312	122 312
Administrative fees	384	-	(278)	106	106	-	100,0%	349	349
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	55	-	2	57	57	-	100,0%	42	42
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	226	-	(164)	62	62	-	100,0%	536	536
Communication (G&S)	883	-	146	1 029	1 029	-	100,0%	231	231
Computer services	2 456	-	-	2 456	2 456	-	100,0%	-	-
Consultants: Business and advisory services	111 352	-	(21 746)	89 606	89 606	-	100,0%	61 814	61 814



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Legal services	-	-	-	-	-	-	-	-	-
Contractors	108	-	23	131	131	-	100,0%	12 144	12 144
Agency and support / outsourced services	-	-	6 555	6 555	6 555	-	100,0%	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	4 500	-	(514)	3 986	3 986	-	100,0%	6 828	6 828
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	4 319	-	(902)	3 417	3 417	-	100,0%	5 893	5 893
Inventory: Other supplies	8 161	-	2 794	10 955	10 955	-	100,0%	21 044	21 044
Consumable supplies	5 937	-	(770)	5 167	5 167	-	100,0%	2 574	2 574
Consumable: Stationery, printing and office supplies	125	-	(54)	71	71	-	100,0%	183	183
Operating leases	780	-	1	781	781	-	100,0%	855	855
Travel and subsistence	3 750	-	(55)	3 695	3 695	-	100,0%	9 818	9 818
Training and development	-	-	150	150	150	-	100,0%	-	-
Operating payments	-	-	-	-	-	-	-	1	1
Transfers and subsidies	33 223	-	526	33 749	33 749	-	100,0%	88 099	88 099
Provinces and municipalities	-	-	-	-	-	-	-	86 605	86 605
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	86 605	86 605
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	86 605	86 605
Higher education institutions	1 280	-	-	1 280	1 280	-	100,0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	30 100	-	-	30 100	30 100	-	100,0%	-	-
Public corporations	30 100	-	-	30 100	30 100	-	100,0%	-	-



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	30 100	-	-	30 100	30 100	-	100,0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 843	-	526	2 369	2 369	-	100,0%	1 494	1 494
Social benefits	1 843	-	526	2 369	2 369	-	100,0%	1 494	1 494
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	31 118	-	33 864	64 982	64 982	-	100,0%	25 667	25 667
Buildings and other fixed structures	21 185	-	34 811	55 996	55 996	-	100,0%	22 334	22 334
Buildings	19 299	-	(602)	18 697	18 697	-	100,0%	22 334	22 334
Other fixed structures	1 886	-	800	2 686	2 686	-	100,0%	-	-
Machinery and equipment	9 933	-	(947)	8 986	8 986	-	100,0%	3 333	3 333
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	9 933	-	(947)	8 986	8 986	-	100,0%	3 333	3 333
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	362 605	-	(15 869)	346 736	346 736	-	100,0%	383 430	383 430

APPROPRIATION STATEMENT
for the year ended 31 March 2025



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 INSTITUTIONAL ADMINISTRATION	595 165	-	(1 231)	593 934	590 463	3 471	99,4%	1 177 199	1 142 081
2. TRADITIONAL RESOURCE ADMINISTRATION	89 682	-	6 934	96 616	96 616	-	100,0%	96 790	96 790
Total for sub programmes	684 847	-	5 703	690 550	687 079	3 471	99,5%	1 273 989	1 238 871
Economic classification									
Current payments	678 509	(56 192)	4 974	627 291	623 820	3 471	99,4%	1 201 284	1 166 166
Compensation of employees	186 574	-	(6 804)	179 770	179 770	-	100,0%	178 439	178 439
Salaries and wages	169 846	-	(5 747)	164 099	164 099	-	100,0%	163 767	163 767
Social contributions	16 728	-	(1 057)	15 671	15 671	-	100,0%	14 672	14 672
Goods and services	491 935	(56 192)	11 778	447 521	444 050	3 471	99,2%	1 022 845	987 727
Administrative fees	1 307	(1 330)	23	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	406	-	118	524	524	-	100,0%	211	211
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	(5 345)	5 345	-	-	-	-	-	-
Catering: Departmental activities	1 614	(1 258)	(356)	-	-	-	-	-	-
Communication (G&S)	1 675	(3 780)	2 105	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	5 327	500	(304)	5 523	5 523	-	100,0%	3 857	3 857

APPROPRIATION STATEMENT
for the year ended 31 March 2025



Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	500	(500)	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	14 384	(256)	(2 814)	11 314	11 314	-	100,0%	8 304	8 304
Consumable supplies	300	(780)	480	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	12	(5)	(7)	-	-	-	-	-	-
Operating leases	746	(696)	(50)	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	16 496	(13 563)	1 714	4 647	4 647	-	100,0%	5 021	5 021
Training and development	5 345	-	(5 345)	-	-	-	-	-	-
Operating payments	443 823	(29 179)	10 465	425 109	421 638	3 471	99,2%	1 005 452	970 334
Venues and facilities	-	-	404	404	404	-	100,0%	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 141	57 476	1 830	60 447	60 447	-	100,0%	71 969	71 969
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	57 476	250	57 726	57 726	-	100,0%	71 052	71 052
Households	1 141	-	1 580	2 721	2 721	-	100,0%	917	917
Social benefits	1 141	-	1 580	2 721	2 721	-	100,0%	863	863
Other transfers to households	-	-	-	-	-	-	-	54	54
Payments for capital assets	5 197	(1 284)	(2 177)	1 736	1 736	-	100,0%	736	736
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-



APPROPRIATION STATEMENT
for the year ended 31 March 2025

Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 197	(1 284)	(2 177)	1 736	1 736	-	100,0%	736	736
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 197	(1 284)	(2 177)	1 736	1 736	-	100,0%	736	736
Payment for financial assets	-	-	1 076	1 076	1 076	-	100,0%	-	-
Total	684 847	-	5 703	690 550	687 079	3 471	99,5%	1 273 989	1 238 871



NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2025

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

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	521 948	521 948	-	100%
Local Governance	360 154	360 154	-	100%
Development and Planning	346 736	346 736	-	100%
Traditional Institutional Management	690 500	687 079	3 421	99%
Total	1 919 388	1 915 917	3 471	

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	844 809	844 809	-	100%
Goods and services	908 085	904 614	3 471	100%
Interest and rent on land	32	32	-	100%
Transfers and subsidies				
Provinces and municipalities	510	510	-	0%
Higher education institutions	1 280	1 280	-	100%
Public corporations and private enterprises	30 100	30 100	-	100%
Non-profit institutions	57 726	57 726	-	100%
Departmental agencies and accounts	-	-	-	0%



Households	12 007	12 007	-	100%
Payments for capital assets				
Buildings and other fixed structures	24 988	24 988	-	100%
Machinery and equipment	32 936	32 936	-	100%
Heritage assets	-	-	-	0%
Specialised military assets	-	-	-	0%
Biological assets	-	-	-	0%
Land and subsoil assets	-	-	-	0%
Software and other intangible assets	5 839	5 839	-	100%
Payments for financial assets				
Total	1 918 312	1 914 331	3 471	

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
EPWP Integrated Grant for Provinces	2 000	1 999	1	100%
Total	2 000	1 999	1	

**STATEMENT OF FINANCIAL PERFORMANCE**
for the year ended 31 March 2025

		2024/25	2023/24
		R'000	R'000
REVENUE			
<i>[Financial Statement Presentation par .03(b)]</i>			
	Note		
REVENUE			
<i>[Financial Statement Presentation par .44]</i>			
Annual appropriation	1	1 919 388	2 435 509
Statutory appropriation		-	-
Departmental revenue	2	12 463	4 550
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		1 931 851	2 440 059
EXPENDITURE			
<i>[Financial Statement Presentation par .44]</i>			
Current expenditure			
Compensation of employees	3	844 809	776 930
Goods and services	4	870 002	1 418 465
Interest and rent on land	5	32	-
Aid assistance		-	-
		1 749 456	2 195 395
Transfers and subsidies			
Transfers and subsidies	7	101 624	167 749
Aid assistance		-	-
		101 624	167 749
Expenditure for capital assets			
Tangible assets	8	92 535	35 545
Intangible assets	8	5 839	1 702
		98 374	37 247
Unauthorised expenditure approved without funding			-
Payments for financial assets	6	1 076	-
TOTAL EXPENDITURE		1 915 917	2 400 391
SURPLUS/(DEFICIT) FOR THE YEAR		15 934	39 668

**Reconciliation of Net Surplus/(Deficit) for the year***[Financial Statement Presentation par .44]*

Voted funds

Annual appropriation

Statutory appropriation

Conditional grants

Departmental revenue and NRF receipts

Aid assistance

SURPLUS/(DEFICIT) FOR THE YEAR

	3 471	35 118
	3 471	35 118
	-	-
	-	-
¹²	12 436	4 550
	-	-
	15 934	39 668



STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

[Financial Statement Presentation par .03(c)]

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
<i>[Financial Statement Presentation par .43]</i>			
Current assets		12 199	35 164
<i>[Financial Statement Presentation par .37]</i>			
Cash and cash equivalents	9	148	27 390
Receivables	10	12 051	7 774
Aid assistance receivable		-	-
Non-current assets		7 089	6 826
<i>[Financial Statement Presentation par .37]</i>			
Investments		-	-
Prepayments and advances		-	-
Receivables		7 089	6 826
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		19 288	41 990
LIABILITIES			
<i>[Financial Statement Presentation par .43]</i>			
Current liabilities		14 644	37 187
<i>[Financial Statement Presentation par .37]</i>			
Voted funds to be surrendered to the Revenue Fund	11	3 471	35 118
Statutory Appropriation to be surrendered to the Revenue Fund		-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1 244	325
Bank overdraft	13	9 090	-
Payables	14	839	1 744
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
Non-current liabilities			
<i>[Financial Statement Presentation par .37]</i>			
Payables	15	2 332	2 687
TOTAL LIABILITIES		16 976	39 874
NET ASSETS		2 312	2 116



STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		2 312	2 116
Revaluation reserves		-	-
TOTAL		2 312	2 116

**STATEMENT OF CHANGES IN NET ASSETS**
as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Capitalisation reserves		-	-
Opening balance		-	-
Transfers		-	-
Movement in equity		-	-
Movement in operational funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		2 116	2 858
Transfers:		196	(742)
Irrecoverable amounts written off		-	-
Debts revised		-	-
Debts recovered (included in departmental revenue)		(432)	(1 265)
Debts raised		628	523
Closing balance		2 312	2 116
Unauthorised expenditure			
Opening balance		-	-
Unauthorised expenditure - current year		-	-
Relating to overspending of the vote or main division within the vote		-	-
Incurred not in accordance with the purpose of the vote or main division		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing Balance		2 312	2 116
TOTAL		2 312	2 116



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		1 931 851	2 440 059
Annual appropriation funds received	1.1	1 919 388	2 435 509
Statutory appropriation funds received		-	-
Departmental revenue received	2	12 390	4 430
Interest received <i>[Cash Flow Statements par .27]</i>	2.2	73	120
NRF receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in net working capital		(5 445)	(1 737)
Surrendered to Revenue Fund		(46 662)	(4 984)
Surrendered to RDP Fund/Donor		-	-
Current payments		(1 714 811)	(2 195 395)
Interest paid <i>[Cash Flow Statements par .29]</i>	5	(32)	-
Payments for financial assets		(1 076)	-
Transfers and subsidies paid		(101 624)	(167 749)
Net cash flow available from operating activities	16	62 201	70 194
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>[Cash Flow Statements par .09, par .15 and par .27]</i>			
Distribution/dividend received		-	-
Payments for capital assets	8	(98 374)	(37 247)
Proceeds from sale of capital assets	2.3	-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	10	-	6 246
Net cash flow available from investing activities		(98 374)	(31 001)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>[Cash Flow Statements par .09, par .16 and par .27]</i>			
Increase/(decrease) in net assets		196	(742)
Increase/(decrease) in non-current payables		(355)	(1 011)
Net cash flows from financing activities		(159)	(1 753)
Net increase/(decrease) in cash and cash equivalents		(36 332)	37 440
Cash and cash equivalents at beginning of period		27 390	(10 050)
Unrealised gains and losses within cash and cash equivalents <i>[Cash Flow Statements par .26]</i>		-	-
Cash and cash equivalents at end of period	17	(8 942)	27 390



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

The financial statements have been 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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (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 amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

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

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

7.3 Accrued departmental revenue

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

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

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

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

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

[Expenditure]

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

8.1.2 Social contributions

[Expenditure]

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

[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

[General Departmental Assets and Liabilities]

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

[Leases]

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

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

8.4.2 Finance leases

[Leases]

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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

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

cost, being the fair value of the asset; or

the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

OR

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

the fair value of the leased asset; or if lower,

the present value of the minimum lease payments.

9. Aid assistance

9.1 Aid assistance received

[Expenditure, General Departmental Assets and Liabilities]

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

CARA Funds are recognised when receivable and measured at the amounts receivable.

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

9.2 Aid assistance paid

[Expenditure, General Departmental Assets and Liabilities]

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

10. Cash and cash equivalents

[General Departmental Assets and Liabilities, Cash Flow Statement]

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

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

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

11. Prepayments and advances

[General Departmental Assets and Liabilities]

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

<Indicate when prepayments and advances are expensed and under what circumstances>

12. Loans and receivables

[General Departmental Assets and Liabilities]

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

13. Investments

[General Departmental Assets and Liabilities]

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

14. Financial assets

14.1 Financial assets (not covered elsewhere)

[General Departmental Assets and Liabilities]

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

[General Departmental Assets and Liabilities]

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15. Payables

[General Departmental Assets and Liabilities]

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

16. Capital assets

16.1 Immovable capital assets

[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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 Movable capital assets

[Capital Assets]

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

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

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

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

Biological assets are subsequently carried at fair value. *[Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]*

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

16.3 Intangible capital assets

[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.

16.4 Project costs: Work-in-progress

[Capital Assets]

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17. Provisions and contingents**17.1 Provisions*****[Provisions and Contingents]***

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

17.2 Contingent liabilities***[Provisions and Contingents]***

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

17.3 Contingent assets***[Provisions and Contingents]***

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

17.4 Capital commitments***[Provisions and Contingents]***

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

18. Unauthorised expenditure***[General Departmental Assets and Liabilities]***

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

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Unauthorised expenditure recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

19. Fruitless and wasteful expenditure

[General Departmental Assets and Liabilities]

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

20. Irregular expenditure

[General Departmental Assets and Liabilities]

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.

21. Changes in accounting policies, estimates and errors

[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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025**22. Events after the reporting date*****[Events after the Reporting Date]***

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23. Principal-Agent arrangements***[Accounting by Principals and Agents]***

The department is party to a principal-agent arrangement for *[include details here]*. In terms of the arrangement the department is the *[principal / agent]* and is responsible for *[include details here]*. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24. Departures from the MCS requirements***[Preface to the Modified Cash Standard]***

[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]

25. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

26. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

27. Related party transactions***[Related Party Disclosures]***

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The full compensation of key management personnel is recorded in the notes to the financial statements.

28. Inventories *(Effective from date determined by the Accountant-General)****[Inventories]***



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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.

29.

30. Public-Private Partnerships

[Financial Statement Presentation]

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

31. Employee benefits

[General Departmental Assets and Liabilities]

[Provisions and Contingents]

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.

32. Transfer of functions

[Transfer of Functions]

Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

33. Mergers

[Mergers]

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2025**PART B: EXPLANATORY NOTES***[Financial Statement Presentation par .03]***1. Annual Appropriation***[Revenue par .14(a) – (c)]***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	521 948	521 948	-	422 159	422 159	-
Local Governance	360 154	360 154	-	339 604	339 604	-
Development and planning	346 736	346 736	-	412 654	412 654	-
Traditional Institutional Management	690 550	690 550	-	1 261 092	1 261 092	-
Total	1 919 388	1 919 388	-	2 435 509	2 435 509	-

1.2. Conditional grants

	Note	2024/25 R'000	2023/24 R'000
Total grants received	46	1 999	1 960
Provincial grants included in total grants received		1 999	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

2. Departmental revenue

	Note	2024/25 R'000	2023/24 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	1 565	1 734
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	73	120
Sales of capital assets	2.3	-	-
Transactions in financial assets and liabilities	2.4	10 825	2 696
Transfers received		-	-
Total revenue collected		12 463	4 550
Less: Own revenue included in appropriation		-	-
Total		12 463	4 550

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		1 560	1 734
Sales by market establishment		535	603
Administrative fees		-	-
Other sales		1 025	1 131
Sales of scrap, waste and other used current goods		5	-
Total	2	1 565	1 734

2.2. Interest, dividends and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest		73	120
Dividends		-	-
Rent on land		-	-
Total	2	73	120



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

2.3. Sales of capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		-	-
Buildings and other fixed structures		-	-
Machinery and equipment		-	-
Total		-	-

2.4. Transactions in financial assets and liabilities

	Note	2024/25 R'000	2023/24 R'000
Receivables		10 825	2 696
Total	2	10 825	2 696

Include discussion here where deemed relevant.

2.5. Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

	Note	2024/25 R'000	2023/24 R'000
Donations		1 045	436
Total gifts, donations and sponsorships received in kind		1 045	436



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

3. Compensation of employees

3.1. Analysis of balance

	<i>Note</i>	2024/25	2023/24
		R'000	R'000
Basic salary		606 364	559 233
Performance award		-	-
Service based		716	516
Compensative/circumstantial		33 195	29 511
Periodic payments		1 080	14
Other non-pensionable allowances		95 431	90 322
Total		736 786	679 596

3.2. Social contributions

	<i>Note</i>	2024/25	2023/24
Employer contributions		R'000	R'000
Pension		65 600	59 157
Medical		41 896	37 584
UIF		5	42
Bargaining council		189	188
Insurance		333	363
Total		108 023	97 334
 Total compensation of employees		 844 809	 776 930
 Average number of employees		 1 784	 1 879

Include discussion here where deemed relevant.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2025**4. Goods and services**

	Note	2024/25 R'000	2023/24 R'000
Administrative fees		1 393	2 138
Advertising		18 209	16 534
Minor assets	4.1	921	589
Bursaries (employees)		1 242	1 345
Catering		2 014	1 931
Communication		12 902	8 307
Computer services	4.2	67 069	37 579
Consultants: Business and advisory services	4.9	68 052	95 095
Legal services		26 101	15 438
Contractors		34 252	36 479
Agency and support / outsourced services		15 709	8 618
Audit cost - external	4.3	8 099	8 394
Fleet services		20 217	22 092
Inventories	4.4	18 358	33 832
Consumables	4.5	14 863	19 043
Operating leases		36 304	22 501
Property payments	4.6	71 257	71 116
Rental and hiring		41	1
Travel and subsistence	4.7	28 698	44 664
Venues and facilities		540	-
Training and development		1 508	1 666
Other operating expenditure	4.8	422 253	971 103
Total		870 002	1 418 465

4.1. Minor assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets	4		
Machinery and equipment		921	589
Total		921	589



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

4.2. Computer services

	Note	2024/25 R'000	2023/24 R'000
SITA computer services		23 031	18 065
External computer service providers		44 038	19 514
Total	4	67 069	37 579

4.3. Audit cost – external

	Note	2024/25 R'000	2023/24 R'000
Regularity audits		8 099	8 394
Total	6	8 099	8 394

4.4. Inventories

	Note	2024/25 R'000	2023/24 R'000
Clothing material and accessories		-	2 771
Food and food supplies		3 986	6 828
Materials and supplies		3 417	5 893
Other supplies		10 955	18 340
Total	4	18 358	33 832

4.4.1. Other supplies

	Note	2024/25 R'000	2023/24 R'000
Ammunition and security supplies			
Assets for distribution		8 085	18 340
Other assets for distribution		8 085	18 340
Other		2 870	-
Total	4.4	10 955	18 340



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

4.5. Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies		8 394	6 424
Uniform and clothing		3 103	-
Household supplies		2 100	1 179
Building material and supplies		1 236	-
Communication accessories		-	-
IT consumables		40	13
Other consumables		1 915	5 232
Stationery, printing and office supplies		6 469	12 619
Total	4	14 863	19 043

4.6. Property payments

	Note	2024/25 R'000	2023/24 R'000
Municipal services		29 106	64 731
Property Maintenance and repairs		42 151	6 385
Property management fees		-	-
Total	4	71 257	71 116

4.7. Travel and subsistence

	Note	2024/25 R'000	2023/24 R'000
Local		28 538	43 353
Foreign		160	1 311
Total	4	28 698	44 664



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

4.8. Other operating expenditure

	Note	2024/25 R'000	2023/24 R'000
Professional bodies, membership and subscription fees		101	20
Resettlement costs		303	153
Other		421 849	970 930
Total	4	422 253	971 103

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

Name of Commission / Committee of Inquiry	Note	2024/25 R'000	2023/24 R'000
Committee of inquiry		3 378	3 857
Total		3 378	3 857

5. Interest and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest paid		32	-
Rent on land		-	-
Total		32	-

6. Payments for financial assets

	Note	2024/25 R'000	2023/24 R'000
Debts written off		-	-
Debt take overs		1 076	-
Total		1 076	-

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
*for the year ended 31 March 2025***7. Transfers and subsidies**

	Note	2024/25 R'000	2023/24 R'000
Provinces and municipalities	47,48	510	87 138
Departmental agencies and accounts	Annex 1B	-	-
Higher education institutions	Annex 1C	1 280	-
Public corporations and private enterprises	Annex 1D	30 100	-
Non-profit institutions	Annex 1F	57 726	71 052
Households	Annex 1G	12 008	9 559
Total		101 624	167 749

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

	Note	2024/25 R'000	2023/24 R'000
Donations	Annex 1J	1 045	436
Total		1 045	436

8. Expenditure for capital assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets		92 535	35 545
Buildings and other fixed structures		59 601	22 754
Machinery and equipment		32 934	12 791
Intangible capital assets		5 839	1 702
Software		-	-
Patents, licences, copyright, brand names and trademarks		5 839	1 702
Total		98 374	37 247



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

8.1. Analysis of funds utilised to acquire capital assets – 2024/25

Name of entity	2024/25		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
	92		
Tangible capital assets	535	-	57 922
Buildings and other fixed structures	59 601	-	24 988
Machinery and equipment	32 934	-	32 934
Intangible capital assets	5 839	-	5 839
Patents, licences, copyright, brand names and trademarks	5 839	-	5 839
Total	98 374	-	63 761

8.2. Analysis of funds utilised to acquire capital assets – 2023/24

Name of entity	2023/24		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	35 545	-	35 545
Buildings and other fixed structures	22 754	-	22 754
Machinery and equipment	12 791	-	12 791
Intangible capital assets	1 702		1 702
Patents, licences, copyright, brand names and trademarks	1 702	-	1 702
Total	37 247	-	37 247



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

8.3. Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		6461	1 496
Total		6461	1 496

9. Cash and cash equivalents

	<i>Note</i>	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General Account		-	27 385
Disbursements		143	-
Cash on hand		5	5
Total		148	27 390

10. Receivables

		2024/25			2023/24		
		Current	Non-current	Total	Current	Non-current	Total
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	1 230	-	1 230	1 550	-	1 550
Recoverable expenditure	10.2	9 505	2 027	11 532	4 527	2 627	7 154
Staff debt	10.3	723		723	651	-	651
Other receivables	10.4	593	5 062	5 655	1 046	4 199	5 245
Total		12 051	7 089	19 140	7 774	6 826	14 600



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

10.1. Claims recoverable

	Note	2024/25 R'000	2023/24 R'000
National departments		-	-
Provincial departments		-	328
Public entities		1 230	1 222
Private enterprises		-	-
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
Total	10	1 230	1 550

10.2. Recoverable expenditure

	Note	2024/25 R'000	2023/24 R'000
<i>Group major categories, but list material items</i>			
Payment Fraud		1 039	1 039
Salary Reversal		1 815	2 499
Insurance deduction		-	-
Medical aid		-	-
Deduction disallowed		5	6
Tax recoveries		13	60
ACB Recalls		38	416
Pension fund		-	-
Pension Recoverable		-	-
Online Travel		8 622	3 134
Total	10	11 532	7 154



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

10.3. Staff debt

	Note	2024/25 R'000	2023/24 R'000
<i>Group major categories, but list material items</i>			
Arrears on house rent		-	-
Bursary debt		193	179
Leave without pay		74	24
Overpaid salary		167	149
Tax debt		4	-
Telephone		-	-
Vehicle Damage		279	280
Fruitless and wasteful expenditure		-	-
Damaged laptop		-	-
Stolen Assets		6	19
Total	10	723	651

10.4. Other receivables

	Note	2024/25 R'000	2023/24 R'000
<i>Group major categories, but list material items</i>			
Unauthorised expenditure		-	-
Irregular expenditure		-	-
Fruitless and wasteful expenditure		-	-
Debtors incl Izinduna		3 393	3 125
Ex-Employees		2 262	2 120
Total	10	5 655	5 245

10.5. Impairment of receivables

	Note	2024/25 R'000	2023/24 R'000
Estimate of impairment of receivables	10	4 304	4 831
Total		4 304	4 831



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

11. Voted funds to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		35 118	407
Prior period error	11	-	-
As restated		35 118	407
Transferred from statement of financial performance (as restated)		3 471	35 118
Add: Unauthorised expenditure for the current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (<i>Parliament/Legislatures</i>)		-	-
Paid during the year		(35 118)	(407)
Closing balance		3 471	35 118

11.1. Reconciliation on unspent conditional grants

	Note	2024/25 R'000	2023/24 R'000
Opening balance		-	-
Total conditional grants received	1.2	1 999	1 960
Total conditional grants spent		(1 999)	(1 960)
Unspent conditional grants to be surrendered		-	-
Less: Paid to the Provincial Revenue Fund by Provincial department		-	-
Approved for rollover		-	-
Not approved for rollover		-	-
Due by the Provincial Revenue Fund		-	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		325	352
Prior period error		-	-
As restated		325	352
Transferred from statement of financial performance (as restated)		12 463	4 550
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transferred to voted funds to defray excess expenditure (Parliament/Legislatures)		-	-
Paid during the year		(11 544)	(4 577)
Closing balance		1 244	325

13. Bank overdraft

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account		9 090	-
Total		9 090	-

14. Payables – current

	Note	2024/25 R'000	2023/24 R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	14.1	839	1 744
Other payables	14.2	-	-
Total		839	1 744



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

14.1. Clearing accounts

	Note	2024/25 R'000	2023/24 R'000
<i>Identify major categories, but list material items</i>			
ACB Recalls		702	1 128
Debts		11	17
Sizwe & Old Mutual		-	-
Bargaining Councils		-	-
Salary Reversal		-	-
Tax Recoveries		-	11
Income Tax		126	492
Pension Fund		-	96
Deduction Disallowance		-	-
Medical Aid		-	-
Garnishee		-	-
Total	14	839	1 744

14.2. Other payables

	Note	2024/25 R'000	2023/24 R'000
Credit balance from debt overcollection		-	-
Total	14	-	-

15. Payables - non-current

		2024/25				2023/24
		One to two years	Two to three years	Older than three years	Total	Total
	Note	R'000	R'000	R'000	R'000	R'000
Amounts owing to other entities		-	-	-	-	-
Advances received		-	-	-	-	-
Other payables	15.1	487	780	1 065	2 332	2 687
Total		487	780	1 065	2 332	2 687



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

15.1. Other payables

Description	<i>Note</i>	2024/25 R'000	2023/24 R'000
ACB Recalls		1 996	2 342
Appeal Board		-	-
Salary Reversal		336	345
Pension Fund		-	-
Medical Aid		-	-
Claims Receivables		-	-
Total	15	2332	2 687

16. Net cash flow available from operating activities

	<i>Note</i>	2024/25 R'000	2023/24 R'000
Net surplus/(deficit) as per Statement of Financial Performance		15 934	39 668
Add back non-cash/cash movements not deemed operating activities		11 654	30 526
(Increase)/decrease in receivables		(4 540)	(2 350)
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		(905)	613
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		63 761	37 247
Surrenders to Revenue Fund		(46 662)	(4 984)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		27 588	70 194



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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

	<i>Note</i>	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account		(9 090)	27 385
Disbursement		143	-
Cash on hand		5	5
Total		(8 942)	27 390

18. Contingent liabilities and contingent assets

18.1. Contingent liabilities

Liable to	Nature	<i>Note</i>	2024/25 R'000	2023/24 R'000
Claims against the department		<i>Annex 3B</i>	59 628	14 381
Intergovernmental payables		<i>Annex 5</i>	14 106	8 173
Other		<i>Annex 3B</i>	-	-
Total			73 734	22 554

A majority of the intergovernmental payables relates to an additional liability claim from GPEF, and other invoices from the department of public works which are still in dispute due to lack of supporting documents. The other intergovernmental payables is due to various issues with discrepancies on supporting evidence provided. The contingent liabilities of R43 356 million is mainly relating to new claims from various service providers who are claiming to have performed work for the department, unfair labour practices, unfair dismissal and vehicle collisions which are currently being dealt with by the department.

19. Capital commitments

	<i>Note</i>	2024/25 R'000	2023/24 R'000
Buildings and other fixed structures		101 617	112 918
Machinery and equipment		1 287	8 976
Total		102 904	121 894



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

20. Accruals and payables not recognised

20.1. Accruals

Listed by economic classification	Note	2024/25			2023/24
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		10 887	11 783	22 670	57 919
Interest and rent on land		-	-	-	-
Transfers and subsidies		12	12	24	173
Capital assets		1 441	92	1 533	7 587
Other		-	-	-	2 086
Total		12 340	11 887	24 227	67 765

Listed by programme level	Note	2024/25	2023/24
		R'000	R'000
Administration		14 242	41 699
Local Governance		1 507	3 163
Development and Planning		1 472	18 357
Traditional Institutional Management		7 006	4 546
Total		24 227	67 765

20.2. Payables not recognised

Listed by economic classification	Note	2024/25			2023/24
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		20 364	3 190	23 554	5 942
Interest and rent on land		-	-	-	-
Transfers and subsidies		2	-	2	-
Capital assets		-	-	-	3 181
Other		-	10 863	10 863	35 118
Total		20 366	14 053	34 419	44 241



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Listed by programme level	<i>Note</i>	2024/25 R'000	2023/24 R'000
Administration		12 834	6 724
Local Governance		740	969
Development and Planning		14 186	702
Training Institutional Management		6 659	35 846
Total		34 419	44 241

Included in the above totals are the following:	<i>Note</i>	2024/25 R'000	2023/24 R'000
Confirmed balances with other departments	<i>Annex 5</i>	10 160	13 563
Total		10 160	13 563

21. Employee benefits

	<i>Note</i>	2024/25 R'000	2023/24 R'000
Leave entitlement		49 722	53 267
Service bonus		20 389	18 245
Performance awards		-	-
Capped leave		16 747	19 658
Other		610	527
Total		87 468	91 697



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

22. Lease commitments

22.1. 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	-	-	20 255	2 087	22 342
Later than 1 year and not later than 5 years	-	-	6 591	1 886	8 477
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	26 846	3 973	30 819

	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	-	-	27 801	2 308	30 109
Later than 1 year and not later than 5 years	-	-	26 846	1 725	28 571
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	54 647	4 033	58 680

22.2. Finance 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	-	-	-	2 994	2 994
Later than 1 year and not later than 5 years	-	-	-	319	319
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	3 313	3 313



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

	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	-	-	-	4 844	4 884
Later than 1 year and not later than 5 years	-	-	-	2 380	2 380
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	7 224	7 224

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on *Public Private Partnerships*.

The adjusted opening balance is in line with amended MCS on Finance Lease which required a retrospective adjustment. In terms of the amended guidance only finance lease assets commitments are to be disclosed in this note. Certain arrangements previously classified as future lease commitments which did not meet the asset definition as described in the amended standard have been excluded

22.3. Operating lease future revenue

23. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2024/25 R'000	2023/24 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		-	-
Fruitless and wasteful expenditure - current year		893	554
Total		893	554

	Note	2024/25 R'000	2023/24 R'000
Payments made			
Compensation of employees		-	-
Goods and services		55 181	61 550
Interest and rent on land		-	-
Expenditure for capital assets		1 650	9 252
Payments for financial assets		-	-
Transfers and subsidies		-	250
Total		56 831	71 052



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

2024/25

2023/24

Relates to Traditional Levies and Trust Account for current in relation to the support given to the institution of traditional leadership.

24. Key management personnel

	2024/25 R'000	2023/24 R'000
Political office bearers (<i>provide detail below</i>)	2 899	2 170
Officials:	-	-
Level 16	2 541	2 529
Level 15	4 662	5 607
Level 14 (incl CFO if at a lower level)	34 047	21 830
Family members of key management personnel	276	372
Total	44 425	32 508

	2024/25 R'000	2023/24 R'000
Key management personnel (Parliament/Legislatures)		
Speaker to Parliament/Legislature	-	-
Deputy Speaker	-	-
Secretary to Parliament/Legislature	-	-
Deputy Secretary	-	-
Chief Financial Officer	-	-
Legal advisor	-	-
Other	-	-
Total	-	-

Include discussion here where deemed relevant.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

25. Provisions

	<i>Note</i>	2024/25	2023/24
		R'000	R'000
Frozen Izinduna		64 546	-
Retention		6 443	4 371
Total		70 989	4 371

25.1. Reconciliation of movement in provisions – 2024/25

	2024/25		
	Frozen Izinduna	Retention	Total provisions
	R'000	R'000	R'000
Opening balance	-	4 371	4 371
Increase in provision	64 546	3 244	67 790
Settlement of provision	-	(1 172)	(1 172)
Unused amount reversed	-	-	-
Reimbursement expected from third party	-	-	-
Change in provision due to change in estimation of inputs	-	-	-
Closing balance	64 546	6 443	70 989

The remaining balance for retention is per the agreements between the department and service providers, and payment will not be made until all conditions have been satisfied. The timing of when the conditions will be met is uncertain. The remaining balance refers to the Izinduna stipends that have been frozen.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
for the year ended 31 March 2025**Reconciliation of movement in provisions – 2023/24**

	2023/24		
	Izinduna	Retention	Total provisions
	R'000	R'000	R'000
Opening balance	-	7 280	7 280
Increase in provision	-	-	-
Settlement of provision	-	(2 909)	(2 909)
Unused amount reversed	-	-	-
Reimbursement expected from third party	-	-	-
Change in provision due to change in estimation of inputs	-	-	-
Closing balance	-	4 371	4 371

26. 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	200 125	-	34 221	(8 826)	225 520
Transport assets	81 845	-	2 912	-	84 757
Computer equipment	88 247	-	8 425	(524)	96 148
Furniture and office equipment	17 758	-	3 379	(63)	21 074
Other machinery and equipment	12 275	-	19 505	(8 239)	23 541
FINANCE LEASE ASSETS	7 909	-	854	(1 186)	7 577
Finance Lease Asset	7 909	-	854	(1 186)	7 577
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	208 034	-	35 075	(10 012)	233 097



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

26.1. 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	194 737	-	11 188	(5 800)	200 125
Transport assets	81 446	-	2 477	(2 078)	81 845
Computer equipment	88 744	-	1 590	(2 087)	88 247
Furniture and office equipment	16 357	-	1 498	(97)	17 758
Other machinery and equipment	8 190	-	5 623	(1 538)	12 275
FINANCE LEASE ASSETS	1 167	-	6 742	-	7 909
Fiance Lease assets	1 167	-	6 742	-	7 909
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	195 904	-	17 930	(5 800)	208 034



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

26.2. 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	-	-	-	14 432	-	27	14 459
Value adjustments	-	-	-	-	-	-	-
Additions	-	-	-	916	-	1	917
Disposals	-	-	-	(159)	-	(27)	(186)
Total Minor assets	-	-	-	15 189	-	1	15 190

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance Leases assets	Total
Number of R1 minor assets	-	-	-	14 552	-	-	14 552
Number of minor assets at cost	-	-	-	-	-	1	1
Total number of minor assets	-	-	-	14 552		1	14 553

Include discussion here where deemed relevant.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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	-	-	-	14 905	-	27	14 932
Prior period error	-	-	-	-	-	-	-
Additions	-	-	-	589	-	-	589
Disposals	-	-	-	(1 062)	-	-	(1 062)
Total Minor assets	-	-	-	14 432	-	27	14 459

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance Lease assets	Total
Number of R1 minor assets	-	-	-	7 681	-	16	7 697
Number of minor assets at cost	-	-	-	7 410	-	-	7 410
Total number of minor assets	-	-	-	15 091	-	16	15 107

27. 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	480	-	-	480
patents, licences, copyright, brand names, trademarks	15 572	5 839	(13 357)	8 054
services and operating rights	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	16 052	5 839	(13 357)	8 534

Include discussion here where deemed relevant.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
*for the year ended 31 March 2025***27.1. 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	-	-	480	-	480
patents, licences, copyright, brand names, trademarks	-	-	-	-	-
services and operating rights	23 277	(8 895)	1 222	(32)	15 572
TOTAL INTANGIBLE CAPITAL ASSETS	23 277	(8 895)	1 702	(32)	16 052

27.1.1. Prior period error

Nature of prior period error	Note	2023/24 R'000
Relating to 20WW/22 <i>[affecting the opening balance]</i>		-
		-
		-
Relating to 2023/24		(8 895)
The license expired and not renewed		(8 895)
		-
Total prior period errors		(8 895)



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

28. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE 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
BUILDINGS AND OTHER FIXED STRUCTURES	38 299	2 686	(33 934)	7 051
Dwellings	483	-	-	483
Non-residential buildings	37 816	-	(33 934)	3 882
Other fixed structures	-	2 686	-	2 686
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	38 299	2 686	(33 934)	7 051

Include discussion here where deemed relevant.

Immovable Tangible Capital Assets under investigation

	Note	Number	Value R'000
Included in the above total of the immovable tangible capital assets per the asset register that are under investigation:			
Buildings and other fixed structures			
Heritage assets			
Land and subsoil assets			
Total			

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
*for the year ended 31 March 2025***28.1. MOVEMENT IN IMMOVABLE 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
BUILDINGS AND OTHER FIXED STRUCTURES	60 451		420	(22 572)	38 299
Dwellings	483		-		483
Non-residential buildings	59 968		420	(22 572)	37 816
Other fixed structures	-	-	-	-	-
LAND AND SUBSOIL ASSETS					
Land					
Mineral and similar non-regenerative resources					
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	60 451		420	(22 572)	38 299

28.2. Immovable tangible capital assets: Capital Work-in-progress**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025**

	2024/25			
	Opening balance	Current	Ready for use	Closing balance
	1 April 2024	Year WIP	(Assets to the AR) / Contracts terminated	31 March 2025
	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-
Buildings and other fixed structures	18 366	24 988	24 612	18 742
Land and subsoil assets	-	-	-	-
Total	18 366	24 988	24 612	18 742

Note
Annex 7



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

Note	2023/24				
	Opening balance 1 April 2023	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-	-
Buildings and other fixed structures	18 005		22 754	(22 393)	18 366
Land and subsoil assets	-	-	-	-	-
Total	18 005	-	22 754	(22 393)	18 366

29. Change in accounting estimates and changes in accounting policies

32.1 Changes in accounting policies

Nature of change in accounting policy	Note Annex 7	Opening balance before the change 1 April 2023	Adjustment to opening balance	Restated opening balance after the change 1 April 2023	Adjustment for 2023/24	Restated closing balance 31 March 2024
		R'000	R'000	R'000	R'000	R'000
Finance leases assets						
Movable Tangible Capital Assets		-	1 167	1 167	6 742	7 909
Intangible Capital Assets		-	-	-	-	-
Immovable Tangible Capital Assets		-	27	27		27
Total		-	1 194	1 194	6 742	7 936

Included in the opening balances for 2023/24 and 2024/25 is a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

30. Prior period errors

		2023/24		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)				
Finance Lease Classification		3 099	(1 603)	1 496
Net effect		3 099	(1 603)	1 496

Prior Period error reduced the opening balance due to As from 1 April 2024, addressing the classification of finance lease. The finance lease standard was updated to only include assets for disclosure of finance lease retrospectively.

		2023/24		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
License fees		24 466	(8 895)	15 571
Net effect		24 466	(8 895)	15 571

The prior period error adjustment was in relation to the Bio-metrix software that had expired during 2023/2024 financial year for an amount of R8 894 915,82



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

	Note	2023/24		
		Amount bef error correction	Prior period error	Restated
		R'000	R'000	R'000
Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Finance Lease Commitments		13 230	(6 006)	7 224
Contigent Liabilities		12 538	1 843	14 381
Payable not recognised		43 177	1 064	44 241
Net effect		68 945	(3 009)	65 846

The finance lease commitments change is due to the re classification of finance lease in line with the amended Finance Lease Stanard only leases realted to assets should be disclosed as future finance lease commitments . The payables not recognise relates to the S&T that were ommitted. The contigent liability is the calculations related to interest charged on Case which were erroneosly omitted. For provision the error arose from the Izinduna who have been frozen in the years prior to 2024/2025.

Provide a description of the nature of the prior period error as well as why the correction was required.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025



1. Statement of conditional grants received

Name of grant	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- / (Overspe nding)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart-ment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Integrated Grant for provinces	2 000	-	-	-	2 000	1 999	1 999	1	100%	1 960	1 960
TOTAL	2 000	-	-	-	2 000	1 999	1 999	1	-	1 960	1 960

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

2. Statement of conditional grants paid to the provinces

Name of Province / Grant	2024/25												2023/24	
	GRANT ALLOCATION				TRANSFER			SPENT						
	Division of Revenue Act	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Realloca-tions by National Treasury or National depart-ment	Amount received by depart-ment	Amount spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act / Provinci-al grants	Actual transfer-s	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
Summary by province														
Kwazulu-Natal	510	-	-	510	-	-	-	510	510	-	100%	533	533	
TOTAL	510	-	-	510	-	-	-	510	510	-		533	533	
Summary by grant														
Vehicle Licences	510	-	-	510	-	-	-	510	510	-	100%	533	533	
TOTAL	510	-	-	510	-	-	-	510	510	-		533	533	
1. Vehicle Licences														
Kwazulu-Natal	510	-	-	510	-	-	-	510	510	-	100%	533	533	
TOTAL	510			510				510	510			533	533	
2. [Grant name]														
Kwazulu-Natal														
TOTAL														



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

3. [Grant
name]

Kwazulu-Natal

TOTAL

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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

Name of municipality	2024/25							2023/24	
	GRANT ALLOCATION				TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department		
							%		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
eThekwini								-	-
uMdoni	-	-	-	-	-	-	-	-	-
uMzumbe	-	-	-	-	-	-	-	20 700	20 700
uMuziwabantu	-	-	-	-	-	-	-	-	-
Mkhambathini	-	-	-	-	-	-	-	20 700	20 700
Richmond	-	-	-	-	-	-	-	-	-
uMgungundlovu DM	-	-	-	-	-	-	-	-	-
Okhahlamba	-	-	-	-	-	-	-	7 100	7 100
Uthukela	-	-	-	-	-	-	-	-	-
Nquthu	-	-	-	-	-	-	-	31 609	31 609
Umzinyathi DM	-	-	-	-	-	-	-	-	-
Amajuba DM	-	-	-	-	-	-	-	-	-
Ndwedwe	-	-	-	-	-	-	-	3 000	3 000
Ilembe DM	-	-	-	-	-	-	-	2 496	2 496
Ubuhlebezwe	-	-	-	-	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Harry Gwala DM	-	-	-	-	-	-	-	-	-
Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	1 000	1 000
	-	-	-	-	-	-	-	86 605	86 605

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2024/25											2023/24	
	GRANT ALLOCATION				TRANSFER			SPENT					
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Availabl e	Actual transfer	Funds withhel d	Re-allocation s by National Treasury or National depart-ment	Amount received by depart-ment	Amoun t spent by depart-ment	Unspent funds	% of available funds spent by depart-ment	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
eThekwini	-	-	-	-	-	-	-	-	-	-	-	-	-
Umdoni	-	-	-	-	-	-	-	-	-	-	-	-	-
Umzumbe	-	-	-	-	-	-	-	-	-	-	-	20 700	20 700
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	-
Hibiscus Coast	-	-	-	-	-	-	-	-	-	-	-	-	-
Ray Nkonyeni	-	-	-	-	-	-	-	-	-	-	-	-	-
Ugu DM	-	-	-	-	-	-	-	-	-	-	-	-	-
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	20 700	20 700
Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	7 100	7 100
Alfred Duma	-	-	-	-	-	-	-	-	-	-	-	-	-



KWAZULU-NATAL PROVINCE
COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025ANNEXURE 1C
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

Higher Education Institution	2024/25							2023/24	
	TRANSFER ALLOCATION				TRANSFER				
	Adjusted Budget	Roll overs	Adjustment s	Total Available	Actual transfer	Amount not transferred	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
University of KwaZulu Natal	-	-	1 280	1 280	1 280	-	0%	-	-
TOTAL	-	-	1 280	1 280	1 280	-	-	-	-

Include discussion here where deemed relevant.



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025



ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation/private enterprise	2024/25							2023/24		
	TRANSFER ALLOCATION				EXPENDITURE					
	Adjusted Budget	Roll overs	Adjustmen ts	Total Available	Actual transfer	% of available funds transferred	Capital	Current	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfer	-	-	30 000	30 000	30 000	100%	-	-	-	-
ESKOM	-	-	30 000	30 000	30 000	100%	-	-	-	-
Subtotal: Public corporations	-	-	30 000	30 000	30 000	100%	-	-	-	-
Private enterprises										
Transfers			100	100	100	100,0%				
SAPI			100	100	100	100,0%				
Subtotal: Private enterprise	-	-	30 000	30 000	30 000	100%	-	-	-	-
TOTAL	-	-	30 100	30 100	30 100	100%	-	-	-	-

Include discussion here where deemed relevant.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions								
Transfers								
Traditional Councils (Umthayi)	21 732	-	-	21 732	21 732	100%	250	250
Traditional Councils	35 994	-	-	35 994	35 994	100%	70 802	70 802
TOTAL	57 726	-	-	57 726	57 726	100%	71 052	71 502

Include discussion here where deemed relevant.



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025



KWAZULU-NATAL PROVINCE
COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Employee Social Benefits	9 268	-	-	9 268	9 268	100%	7 409	7 409
Bursaries (Non-Employees)	2 734	-	-	2 734	2 734	100%	1 439	1 439
Claims against the State	6	-	-	6	6	100%	711	711
TOTAL	12 008	-	-	12 008	12 008	-	9 559	9 559

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

		2024/25	2023/24
		R'000	R'000
Name of organisation	Nature of gift, donation or sponsorship		
<u>Received in cash</u>			
Gifts			
		-	-
Total gifts		-	-
Donations			
Mpumalanga Government		-	-
KZN Legislature		-	-
United Nations		-	-
Vodacom		-	27
MTN		-	8
Gagasi FM		-	3
Travel IT		-	26
Santum		-	244
Aquelle		-	21
Moedi Chartered Accountant		-	17
Key Dimensions		-	90

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025



Consulate General of Peoples Republic
of China

1 045

Total donations

1 045

436

Sponsorships

Total sponsorships

Subtotal - received in cash

Received in kind

Gifts

Individual walk ins

Mixed second hand

Mpumalanga Government

Emergency relief items inclusive of tarpaulin, sponges, gel stoves
and blankets

KZN Legislature

Second hand clothing, Female Hygiene and baby and toddle care
items

United Nations

Emergency relief items incl, tarpaulin, kitchen set and jerry cans

Total gifts

Donations

Total donations

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Sponsorships

Total sponsorships

Subtotal – received in kind

TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

436

Include discussion here where deemed relevant.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025



ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2024/25	2023/24
<i>(Group major categories but list material items including name of organisation)</i>	R'000	R'000
Made in kind		
Donations made to the affected communities with the province during the 2022 disaster floods		
Gifts		
Total gifts		
Donations		
Vodacom		27
MTN		8
Gagasi FM		3
Travel IT		26
Santum		244
Aquelle		21
Moedi Chartered Accountant		17
Key Dimensions		90
Consulate General of the Peoples of the Republic of China	1 045	-
Total donations	1 045	436
Sponsorships		
Total sponsorships		
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	1 045	436

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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					
Thebethe Cebekhulu Attorneys v KZN COGTA G25 (18/19)	2 574	193	-	-	2 767
Pholisani Capital (Pty) Ltd G73 (18/19)	2 251	-	-	-	2 251
Rentokil Initial (Pty) Ltd v MEC Cogta	27	-	-	-	27
Excellerate Services (Pty) Ltd v MEC COGTA	241	-	-	-	241
Procurement Performance Institution (Pty) Ltd re Transformation of SCM Services (Arbitration Matter)	1 381	-	-	-	1 381
IZ Ngcobo v MEC CoGTA and Another	4 629	1 698	-	-	6 327
TRUDON (PTY) LIMITED V MEMBER OF THE EXECUTIVE COUNCIL FOR COOPERATIVE AND TRADITIONAL AFFAIRS (CASE NO. D4376/2022)		-	-	-	-
Collision KZN46153 and NP210 626 V11(23/24)	69	-	-	-	69
Collision KZN46199 and HR32TM -GP V4 (23/24)	12	-	-	-	12
Collision KZN46184 and NZ22418 V26 (22/23)		-	-	-	-
SE Mdluli vs MEC COGTA	702	-	-	-	702
Collision KZN46091 and ND526166	2	-	-	-	2
Emalangeni TC 17770/23P – Suspension of Izinduna salary	2 493	-	-	-	2 493



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Impofu Engineering Group Restoration Water Supply Amajuba District	-	36 823	-	-	36 823
Elections Agency South Africa	-	5 317	-	-	5 317
Jabulani Mthembu and Somopho Traditional Council V MEC and District Director of King Cetshwayo KZN COGTA	-	1 077	-	-	1 077
Collision GBG 050 ZN AND ND176-075	-	34	-	-	34
Collision BH 40 TS ZN and 2079 ZN	-	105	-	-	105
Subtotal	14 381	45 247	-	-	59 628
Environmental liability	-	-	-	-	-
TOTAL	14 381	45 247	-	-	59 628




ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025
ANNEXURE 4
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
							Receipt date up to six (6) working days after year end	Amount
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Office of the Premier	-	328	-	-	-	328	-	-
Subtotal	-	328	-	-	-	328	-	-
Other Government Entities								
Traditional Levies and Trust Accounts	1 230	1 222	-	-	1 230	1 222	-	-
Umhlathuze Water	-	-	-	-	-	-	-	-
Subtotal	1 230	1 222	-	-	1 230	1 222	-	-
TOTAL	1 230	1 550	-	-	1 230	1 550	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025



ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
							Payment date up to six (6) working days after year end	Amount
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Transport	-	3 015	2 119	-	2 119	3 015		
Department of Public Works	5 477	9 134	6 502	6 368	11 979	15 502		
Department of health	4 655	1 414		26	4 655	2 818		
Labour	9	-	-	-	9	-		
Office of the Premier	19	-	-	1 404	19	1 404		
GEPP	-	-	5 485	375	5 485	375		
TOTAL INTERGOVERNMENT PAYABLES	10 160	13 563	14 106	8 173	24 266	21 736		



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

ANNEXURE 6
INVENTORIES

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Inventories for the year ended 31 March 2025					
Opening balance	11	-	-	-	11
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	18 358	-	-	-	18 358
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	(18 358)	-	-	-	(18 358)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	11	-	-	-	11

Include discussion here where deemed relevant.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025



	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Inventories for the year ended 31 March 2024					
Opening balance	3 404	-	-	-	3 404
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	16 842				16 842
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	(20 235)				(20 235)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	11	-	-	-	11

Include discussion here where deemed relevant.



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

ANNEXURE 7**MOVEMENT IN CAPITAL WORK IN PROGRESS****Movement in capital work in progress for the year ended 31 March 2025**

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	18 366	24 988	(24 612)	18 742
Dwellings	-	-	-	-
Non-residential buildings	18 366	24 988	(24 612)	18 742
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL	18 366	24 988	(24 612)	18 742

Movement in capital work in progress for the year ended 31 March 2024

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	18 005		22 754	(22 393)	18 366
Dwellings	-	-	-	-	-
Non-residential buildings	18 005	-	22 754	(22 393)	18 366
Other fixed structures	-	-	-	-	-
LAND AND SUBSOIL ASSETS					
Land					
Mineral and similar non-regenerative resources					
SERVICES AND OPERATING RIGHTS					
Services and operating rights					
TOTAL	18 005		22 754	(22 393)	18 366



KWAZULU-NATAL PROVINCE

COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

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