









DEPARTMENT OF COOPERATIVE GOVERNANCE

ANNUAL REPORT 2023/24



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PART A GENERAL INFORMATION



I. DEPARTMENT GENERAL INFORMATION

2023/24 ANNUAL REPORT

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2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements		
AGSA	Auditor-General of South Africa		
AIDS	Acquired Immunodeficiency Syndrome		
AO	Accounting Officer		
AR	Annual Report		
B-BBEE	Broad-Based Black Economic Empowerment		
BRICS	Brazil, Russia, India, China, and South Africa		
CA	Chartered Accountant		
CD	Chief Director		
CEFs	Capital Expenditure Frameworks		
CEH	Certified Ethical Hacker		
CFO	Chief Financial Officer		
CHFI	Computer Hacking Forensic Investigator		
CISA	Certified Information Systems Auditor		
CISM	Certified Information Security Manager		
CISSP	Certified Information Systems Security Professional		
CGEIT	Certified in the Governance of Enterprise Information Technology		
CoGTA	Cooperative Governance and Traditional Affairs		
CRISC	Certified in Risk and Information Systems Control		
COVID-19	Coronavirus Disease		
CSIP	Corporate Services Improvement Plan		
CWP	Community Work Programme		
DAA	Distribution Agency Agreement		
DALRRD	Department of Agriculture, Land Reform and Rural Development		
DBSA	Development Bank of Southern Africa		
DCoG	Department of Cooperative Governance		
DG	Director General		
DDG	Deputy Director General		
DDM	District Development Model		
DFFE	Department of Forestry, Fisheries and the Environment		
DHS	Department of Human Settlements		
DIRCO	Department of International Relations and Cooperation		
DMA Disaster Management Act			
DoRA	Division of Revenue Act		

DOT	Department of Transport
DPLG	Department of Provincial and Local Government
DPSA	Department of Public Service and Administration
DRG	Disaster Response Grant
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
DSD	Department of Social Development
EDP	Executive Development Programme
EHW	Employee Health and Wellness
ENE	Estimate of National Expenditure
EPWP	Expanded Public Works Programme
EU	European Union
EXCO	Executive Committee
FBS	Free Basic Services
FMIP	Financial Services Improvement Plan
FMPPI	Framework for Managing Programme Performance Information
FTE	Full-Time Equivalents
GLAB	General Laws Amendment Bill
GPSJS	Governance, Public Safety and Justice Survey
GTAC	Government Technical Advisory Centre
GSCID	Governance, State Capacity and Institutional Development
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HSR	Health and Safety Representatives
IA	Internal Audit
IAA	Internal Audit Activity
ICM	Intermediate City Municipalities
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IGRFA	Intergovernmental Relations Framework Act
IMSI	Intergovernmental Monitoring, Support and Interventions
IUDF	Integrated Urban Development Framework
IUDG	Integrated Urban Development Grant
JET	Just Energy Transition



LCADC	Loss Control and Asset Disposal Committee
LGES	Local Government Equitable Share
LGOS	Local Government Operations and Support
LGSETA	Local Government Sector Education and Training Authority
MBL	Master of Business Leadership
MDB	Municipal Demarcation Board
MDRG	Municipal Disaster Response Grant
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MINMEC	Minister and Members of the Executive Council
MISA	Municipal Infrastructure Support Agent
MoA	Memorandum of Agreement
MPAC	Municipal Public Account Committees
MPAT	Municipal Performance Assessment Tool
MPRA	Municipal Property Rates Act
MP	Member of Parliament
MSA	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
MSIP	Municipal Support and Improvement Plan
MTBPS	Medium-Term Budget Policy Statement
MTSF	Medium-Term Strategic Framework
NARSSA	National Archives and Records Service of South Africa
NDAF	National Disaster Advisory Forum
NDMC	National Disaster Management Centre
NDMF	National Disaster Management Framework
NDP	National Development Plan
NGO	Non-Governmental Organizations
NPO	Non-Profit Organisation
NSDF	National Spatial Development Framework
NT	National Treasury
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
OLG	Organised Local Government
OCSLA	Office of the Chief State Law Advisor
PAIA	Protection of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PDMCs	Provincial Disaster Management Centres

PGA	Policy, Governance and Administration	
PFMA	Public Financial Management Act	
PSCBC	Public Service Co-ordinating Bargaining Council	
POPIA	Protection of Personal Information Act	
PPP	Public-Private Partnerships	
Pty Ltd	Proprietary Limited	
RMC	Risk Management Committee	
RMO	Results Management Office	
SACN	South African Cities Network	
SADC	Southern African Development Community	
SALGA	South African Local Government Association	
SANBS	South African National Blood Service	
SANDF	South African National Defence Force	
SANTAM	Suid-Afrikaanse Nasionale Trust en Assuransie Maatskappy	
SAPS	South African Police Service	
SAWS	South African Weather Service	
SCM	Supply Chain Management	
SDB	Standard Draft By-law	
SDGs	Sustainable Development Goals	
SEIAS	Socio-Economic Impact Assessment System	
SITA	State Information Technology Agency	
SMART	Specific, Measurable, Achievable, Realistic and Time-bound	
SoLG	State of Local Government	
SOP	Standard Operating Procedure	
SP	Strategic Plan	
SPLUMA	Spatial Planning and Land Use Management Act	
Stats SA	Statistics South Africa	
TASDP	Targeted Accelerated Service Delivery Plan	
ТВ	Tuberculosis	
UIFW	Unauthorised, Irregular, and Fruitless and Wasteful	
UN	United Nations	
UCLGA	United Cities and Local Government of Africa	
WRI	World Resources Institute	
WSA	Water Services Authorities	
WSP	Workplace Skills Plan	



3. FOREWORD BY THE MINISTER

We take pride in tabling this Annual Report, which for the first time since the 2014/15 financial year, is unqualified by the Auditor-General of South Africa. Although there are findings that the Department still has to address if we are to improve on these audit outcomes, it is important to remind South Africans where we come from. Over the past eight years, the Department moved from an unqualified audit opinion in 2014/15 financial year and went through six qualifications and two disclaimers. We take our hats off to our predecessors, Ministers Thembi Simelane and Parks Tau, for steering this ship and to the Director General Mr Mbulelo Tshangana and his entire DCoG team for the sterling work done.

We also table this Annual Report when South Africa celebrates 30 years of democracy and during a period that marks the end of the 6th Administration. The electoral outcomes of the May 2024 general elections ushered in a Government of National Unity in the country, and this is what the 7th Administration is presiding over. Be that as it may, this Annual Report serves not only as proof of our achievements but also as a candid acknowledgment of the challenges that persist both internally in the Department and in the local government sector.

Over the past 30 years, South Africa's local government has emerged as a vital cornerstone of our democratic dispensation, tasked with the crucial mandate of delivering services, fostering development, and promoting social cohesion at the grassroots level. Despite significant strides forward, our journey has not been without obstacles, and it has been incumbent upon us to confront these challenges head-on as we strive for a more inclusive and prosperous future.

The difficulties we confront today, whether of infrastructure development, service delivery, economic growth, social ills, or environmental, require us to adopt the same spirit as those who fought tirelessly for our freedom.

Chief amongst the challenges facing local government is the persistent issue of inadequate service delivery. While considerable progress has been made in extending basic services to previously marginalised communities, disparities persist, and many municipalities continue to grapple with inadequate infrastructure, limited resources, and capacity constraints.

The scourge of corruption remains a significant impediment to effective governance and service delivery. Instances of financial misconduct, fraud, and breaches of codes of conduct undermine public trust, erode confidence in institutions, and divert critical resources away from essential services.

The legacy of spatial inequality continues to pose a formidable challenge to our efforts to build inclusive and resilient communities. We know that persistent socio-economic disparities, inadequate housing, and spatial fragmentation perpetuate cycles of poverty and exclusion, hindering our collective aspirations for equitable development and social justice.

As our municipalities navigate these challenges, they are compelled to adapt and innovate in response to the evolving demographic landscape illuminated by the recent Census 2022. This census has unveiled profound shifts in our nation's population dynamics, revealing a staggering increase of 21.4 million people since 1996. With this substantial growth comes



heightened pressure on municipalities to fulfil their mandate of delivering essential services to an expanding populace.

The exponential rise in population places unprecedented demands on local governments, necessitating agile strategies to meet the escalating needs of communities. Today, our municipalities are confronted with the imperative to not only maintain existing service standards but also to scale up their infrastructure and resources to accommodate the burgeoning population. From provisioning clean water and sanitation to ensuring adequate housing and transportation, municipalities are tasked with addressing the multifaceted needs of a growing citizenry.

In essence, the demographic revelations of Census 2022 serve as a clarion call for municipalities to redouble their efforts in delivering inclusive, responsive, and sustainable services to all residents. Heeding to this call, municipalities across the country have demonstrated remarkable adaptability, creativity, and commitment in their pursuit of meaningful transformation and service delivery excellence.

We welcome the fact that throughout the democratic dispensation, we have made significant strides in meeting the basic daily needs of millions of households, this as indicated by the recent 30-Year Review of South Africa's Democracy 1994-2024.

From 1994 to 2022, we have ensured that, amongst others, household access to electricity stood at 94,7%, well above the 90% targeted for grid connection as the balance is to be met through off-grid technologies. Household access to clean running water stood at 91,3%, while access to sanitation stood at 98,4%.

We recognise that cooperative governance was another critical area of South Africa's transformative journey. Enshrined in Chapter 3 of the Constitution, this principle embodies the collaborative ethos necessary for effective intergovernmental relations (IGR) across all spheres of government. At its core, cooperative governance emphasises partnership, coordination, and mutual respect amongst the national, provincial, and local spheres, recognising their distinct roles and responsibilities while fostering synergy to address common challenges and advance shared objectives.

The Intergovernmental Relations Framework Act of 2005 further solidifies the principles outlined in the Constitution, providing a comprehensive framework for structured and systematic engagement amongst government entities. This legislation establishes mechanisms for consultation,

cooperation, and conflict resolution, facilitating constructive dialogue and decision-making processes that transcend jurisdictional boundaries.

As we reflect on the accomplishments and challenges of the past year, it is evident that our commitment to fostering functional inter-governmental governance systems has yielded tangible results across various sectors.

It remains therefore CoGTA's strategic focus to ensure coordination amongst the three spheres of government to enable the delivery of basic services in accordance with government's objective to eradicate poverty, inequality and unemployment.

Guided by the need to enable a people-centred, competent and professional local government, we continued to institutionalise the District Development Model (DDM) as an operating model for the pursuit of the objects of local government. DDM IGR structures are in place and functioning in all provinces and in the majority of DDM district and metro spaces. Sector departments, in part through the support and guidance of the Department, have actively started to set-up their own internal DDM structures and arrangements and even heeded the call to identify and second senior officials to be part of the various provincial and district/metro DDM IGR platforms and structures.

One notable achievement has been the implementation of catalytic projects in 11 districts/metros. This has showcased our commitment to targeted interventions that drive sustainable development at the grassroots level. These projects serve as beacons of progress, creating socio-economic growth and enhancing the quality of life for communities.

Our efforts to resolve entrenched disputes have borne fruit, with four inter-governmental disputes formally resolved in dysfunctional municipalities. By fostering dialogue and promoting cooperative solutions, we have paved the way for enhanced service delivery and improved governance structures.

Central to our mission is the promotion of sustained good municipal governance, a cornerstone of effective public administration. Through the appointment of competent senior managers and stringent oversight mechanisms, we have observed that 46 out of 66 municipalities, or 70% in 2023, have moved from dysfunctional to stable.

In terms of legislation, the introduction of the Intergovernmental Monitoring, Support and Interventions (IMSI) Bill marks a significant milestone in our journey towards

enhanced governance frameworks. We have developed the IMSI Bill in compliance with the requirements of Section 100(3) and 139(8) of the Constitution. The aim of this Bill is to strengthen the processes and procedures of intervening by the national and provincial governments in provinces and municipalities, respectively. The Bill, amongst others, provides unambiguous, clear processes and procedures on how to deal uniformly with the invocation of Sections 100 and 139 of the Constitution.

Our focus on disaster management and climate resilience has been resolute. By implementing disaster funding arrangements, enhancing disaster risk reduction strategies, and bolstering fire services capacities, we are better equipped to respond to crises and safeguard our communities. We have, in this regard, managed to support five sector departments in the implementation of disaster funding arrangements. We have also succeeded in assessing 14 municipal disaster management plans to enhance the implementation of DRR strategies for climate protection. Added to this, 10 municipalities have been assessed on the capacity to implement the National Fire Safety and Prevention Strategy.

We will continue to work through our entity, the Municipal Infrastructure Support Agent (MISA), to create resilient infrastructure and ensure sustainable development that balances the needs of current and future generations. In this regard, while the overall performance of the Municipal Infrastructure Grant (MIG) expenditure has been commendable, challenges persist, especially in historically underperforming municipalities, primarily located in the Eastern Cape, Free State, Limpopo, Northern Cape, and North West provinces, necessitating urgent intervention.

In response, a comprehensive plan known as the Targeted Accelerated Service Delivery Plan (TASDP) has been formulated to revitalise stalled projects, upgrade existing infrastructure, and expedite service provision in areas with low spending on conditional grants.

The TASDP focuses on four provinces - Free State, KwaZulu-Natal, Northern Cape, and North West - encompassing ten municipalities with identified projects valued at R675,028,882.35.

Additionally, innovative approaches such as the implementation of MIG Schedule 6B have been explored, allowing for indirect grant implementation in persistently underspending municipalities.

We have identified 50 municipalities with chronic underspending and conducted conversion analyses in alignment with Section 20(2) of DoRA, resulting in 23 municipalities qualifying for inclusion in Schedule 6B. However, due to procedural complexities outlined in the DoRA framework, only two municipalities - Emfuleni Local Municipality in Gauteng and Uthukela District Municipality in KwaZulu-Natal - were approved for implementation under MIG Schedule 6B by the National Treasury.

Our achievements could not have been attainable without the dedication of our employees, the invaluable collaboration and support from institutions such as MISA, the Municipal Demarcation Board, SA-Cities Network, SALGA, the National House of Traditional and Khoi-San Leaders. We appreciate each and every one who has joined us in ensuring that local government delivers on its mandate. Indeed, 'Every Municipality Must Work', and this emphasises our resolve as the 7th Administration to get things right at the municipal level. We call on all South Africans to join us as we embark on this journey to advance the welfare and prosperity of our communities.

Myfarousay

Mr VF Hlabisa, MP

Minister of Cooperative Governance and Traditional Affairs

Date: 30 August 2024



4. DEPUTY MINISTER STATEMENT

We take great pride in presenting this Annual Report, which reflects the work accomplished during the period under review. Throughout this period, our primary focus has been to support municipalities in delivering essential services to the people of South Africa. Ensuring access to basic services such as water, electricity, sanitation, and waste management is fundamental to improving the quality of life for all citizens. We have worked diligently to provide the necessary support, resources, and guidance to municipalities, enabling them to fulfil their mandates effectively and efficiently.

Understanding that sustainable service provision cannot be achieved by the government alone, we have actively pursued partnerships with both government and business entities. We recognise that the challenges faced by our municipalities are complex and multifaceted, requiring a collaborative approach that leverages the strengths and resources of all sectors. Through the District Development Model (DDM), we have forged these vital partnerships, recognising the immense power of collaboration.

The DDM has been instrumental in bringing together various stakeholders, including national and provincial governments, the private sector, civil society, and local communities. By working together, we can pool resources, share expertise, and implement innovative solutions to address the unique challenges faced by each district. This collaborative approach ensures that our interventions are comprehensive, sustainable, and tailored to the specific needs of the communities we serve.

We have engaged with numerous partners to support a wide range of initiatives aimed at enhancing service delivery and promoting sustainable development. These partnerships have enabled us to undertake significant projects, from infrastructure development and maintenance to capacity-building programs and community engagement activities. By aligning our efforts with those of our partners, we have achieved greater impact and ensured that our initiatives are both efficient and effective.

Moreover, these collaborations have not only strengthened our ability to deliver essential services but have also fostered a culture of shared responsibility and collective action. We believe that the involvement of multiple stakeholders in the development process is crucial for achieving lasting change and building resilient communities. Our partnerships have demonstrated that when government, business, and civil society work together, we can overcome challenges and achieve our common goals.

We are proud to report that our concerted efforts have significantly bolstered our position on multi-level partnerships, making substantial contributions to achieving our national directives and obligations. One of our key priorities remains the creation of sustainable communities, a goal that is being realised through focused initiatives at the local government level.

Our country's climate priorities, encompassing both adaptation and mitigation strategies, have seen considerable progress. The Cabinet has endorsed several critical actions, including the establishment of the Presidential Climate Commission, the

implementation of South Africa's Low Emissions Development Strategy, the National Climate Change Adaptation Strategy, the introduction of a carbon tax, and the development of the Just Transition Framework. These actions are integral to our commitment to addressing climate change and ensuring a sustainable future.

Our climate response agenda is primarily driven through the Integrated Urban Development Framework (IUDF). The IUDF aims for spatial transformation and addresses developmental mandates across metropolitan, intermediate, and small-town contexts. It supports the localisation of Sustainable Development Goals (SDGs) within municipalities, focusing on integrated planning, efficient service delivery, urban safety, and local economic development. Achieving these objectives has required robust collaboration with both local and international partners. These partnerships are supported through various grant models such as the Integrated Urban Development Grant (IUDG), the Municipal Infrastructure Grant (MIG), and through the efforts of agencies like the Municipal Infrastructure Support Agent (MISA).

In addition to these frameworks, we have forged significant partnerships in governance, water management, and disaster mitigation with esteemed entities such as the National Business Initiative (NBI), Cell C, Sekhukhune Mining Houses, Sibanye Stillwater and Anglo American, amongst others. These collaborations have been pivotal in enhancing our capacity to address critical issues and implement effective solutions.

Our global engagements have also been instrumental in driving progress. We have partnered with international organisations like the European Union (EU) and the World Resources Institute (WRI). These collaborations focus on capacity-building initiatives, water management projects, and advancing the Just Energy Transition (JET). By leveraging the expertise and resources of these global partners, we have been able to amplify our impact and drive positive change on an international scale.

Furthermore, the Development Bank of Southern Africa (DBSA) has refocused its efforts to centre around municipalities, collaborating with them on project preparation and blended financing. This strategic shift has enabled more effective and sustainable financing solutions, supporting municipalities in their development goals.

We take immense pride in the work we have undertaken to stabilise the management of debt owed to essential service providers like Eskom and Water Boards. A key initiative in this regard has been the introduction of the Smart Meters Grant,

administered by the National Treasury. This grant is designed to provide capital and operational subsidies to co-fund smart metering systems on behalf of municipalities, with the initial focus on those currently enrolled in the municipal debt relief program.

We are also pleased to announce the signing of the Distribution Agency Agreement (DAA) between Maluti-a-Phofong and Eskom. This landmark agreement, the first of its kind in the country, addresses the outstanding debt owed to Eskom. At its core, the DAA ensures that every resident has access to the fundamental necessity of electricity. The agreement aims to restore the municipality's technical and financial stability, empowering it to meet its obligations for bulk electricity payments to Eskom while ensuring the continued delivery of electricity as a basic service to its customers.

Another significant achievement during the year under review has been our progress in reimagining the Community Work Programme (CWP). We view the CWP as a reflection of our collective responsibility, both within government and society at large, to uplift and empower every member of our community.

While the CWP focuses on providing employment, it also seeks to restore hope, dignity, and a sense of purpose to those who have been marginalised or left behind. We believe in recognizing the inherent worth and potential of every individual, regardless of their circumstances.

We have successfully relaunched the reimagined CWP under the theme "Mobilising Public and Private Sector Smart Partnerships for an Impactful CWP Toward Artisan and Enterprise Development." This theme aligns deeply with our vision for the future of the CWP as we strive to forge collaborative partnerships that will drive tangible and sustainable development.

During the launches of the programme in Gauteng and the Eastern Cape, we introduced our Smart Partners to the provinces and the affected municipalities. Our aim is to maximise the impact of the CWP by supplementing municipal service delivery at the metro, district and local levels. We are proud to have forty-two (42) Smart Private Partners who are bringing innovative and cutting-edge technologies to complement service delivery in our municipalities.

These efforts and partnerships represent our commitment to fostering sustainable development and ensuring that all South Africans benefit from improved services and opportunities. We look forward to building on these successes and continuing to work collaboratively with our partners to achieve our shared goals.



We take this opportunity to express our heartfelt gratitude to the dedicated employees of the Department, under the exceptional leadership of the Director General. Their hard work and commitment have been instrumental in enabling us to achieve the milestones detailed in this Annual Report. Moving forward, we will build on this strong foundation, leveraging our experiences and the lessons learnt to overcome any obstacles that lie ahead. While we celebrate these accomplishments, we also acknowledge the challenges we have encountered during the period under review.

We are committed to addressing these challenges headon and turning them into opportunities for growth and improvement. We remain committed to continue to strive for excellence in our service delivery and pursue our vision of creating sustainable, resilient communities across South Africa.

Lastly, we will continue to focus on our mission to support municipalities in delivering essential services, enhancing the quality of life for all South Africans. By working together and staying committed to our goals, we are confident that we will continue to make significant strides towards a brighter and more sustainable future for our nation.

Dr ND Masemola, MP

Deputy Minister of Cooperative Governance

Date: 30 August 2024



5. REPORT OF THE ACCOUNTING OFFICER

It is with great pride that we join our Executives in presenting this Annual Report, which serves as a comprehensive reflection of the work we have undertaken during the period under review. As part of a caring and responsive government, we have made significant strides in further institutionalising the District Development Model, both within our organisation and across the sector in which we operate.

The past year has presented its own set of challenges, particularly with service delivery. We have seen municipalities, especially those operating under coalition councils, struggling in some instances to run their councils effectively and thereby ensuring the delivery of essential services. These challenges have highlighted the complexities and vulnerabilities inherent in coalition governance, where differing political agendas and priorities can sometimes impede the smooth functioning of local government.

Recognising the need for clarity and cohesion within this dynamic environment, the introduction of the Municipal Structures Amendment Bill 2024, affectionately known as the 'Coalition Bill', represents a key milestone in the government's pursuit of sustainable local governance.

At its core, the Coalition Bill seeks to provide a robust legislative framework that guides the formation and operation of coalition governments within the local government sphere. By delineating clear roles, responsibilities, and mechanisms for decision-making, this Bill aims to mitigate the inherent risks and uncertainties associated with coalition governance. In doing so, it not only safeguards the stability and functionality of local

government but also ensures continuity in service delivery, a fundamental pillar of democracy.

We have also introduced the Local Government Laws Amendment Bill 2024 for public comments. We believe that this Bill represents a necessary step towards refining local government legislation. By amending key acts such as the Municipal Structures Act of 1998, Municipal Systems Act of 2000, and Municipal Property Rates Act of 2004, this Bill seeks to strengthen operational efficiencies and governance within municipalities. These amendments will greatly contribute to the capabilities of councils, ultimately leading to improved service delivery for communities.

While we acknowledge the work that still needs to be done, we equally highlight the substantial improvements we have achieved in our operations and the manner in which local government delivers services to our communities. These advancements exemplify our commitment to enhancing efficiency, accountability, and responsiveness in meeting the needs of the people we are proud to serve.

Our efforts have not only been directed at overcoming immediate challenges but also at laying a solid foundation for sustainable development and inclusive growth. By fostering collaboration amongst various stakeholders and leveraging innovative approaches, we have been able to drive impactful changes that resonate with the core values of our Department. We welcome the launch of the reimagined Community Work Programme.



This Programme is our response to the pressing need to address the challenges faced by our poorest and most economically marginalised communities. Since its establishment in 2007, the CWP has served as a guiding light, offering essential assistance and opportunities to individuals facing adversity. This has been achieved by understanding that economic empowerment and community development are connected.

We, as a Department, have undergone a transformative process where we have scrutinised and repurposed the implementation modalities of the CWP to ensure maximum and visible impact.

Our focus has shifted towards artisan and enterprise development, recognising the immense potential these sectors hold for driving economic growth and empowerment. Work is also continuing internally to ensure that the CWP branch is capacitated to be able to ensure that the Programme delivers on all its targets.

As we move forward, we remain dedicated to building on the successes of the past year and addressing any areas that require further attention. We will continue with our efforts to forge cross-functional teams within the Department and its entities that leverage one another to achieve the DCoG's vision for the local government sector.

It is this dedication to the people of South Africa that has produced an unqualified audit opinion for the Department during the year under review. It is long hours of attending to previous Post Audit Action Plans, unyielding commitment to the cause displayed by the employees of the Department, who need to be celebrated, but we are not out of the woods yet. There is still a lot to do as we aim for an even better audit outcome in the coming financial years.

Our focus will continue to be on delivering high-quality services, promoting good governance, and ensuring that the benefits of development are shared equitably amongst all citizens. In the year ahead, we also want to focus our attention on establishing governance structures that will help ensure that the Department achieves and maintains an unqualified audit opinion, in addition to exceeding its current performance score of 64%.

Overview of the financial results of the Department

Departmental receipts

Departmental Receipts		2023/2024		2022/2023		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	801	228	573	699	200	499
Transfers received				-	-	-
Fines, penalties and forfeits				-	-	-
Interest, dividends and rent on land	3 206	2 685	521	I 042	I 356	(314)
Sale of capital assets				-	-	-
Financial transactions in assets and liabilities	4 000	4 528	(528)	2 500	7 893	(5 393)
Total	8 007	7 441	566	4 241	9 449	(5 208)

The table above depicts actual receipts, projected receipts, and variances. An amount of R7.432 million was collected by the Department by 31 March 2024 against projections of R8.007 million. The revenue collected was from parking, the sale of

wastepaper and commission on insurance deductions, and interest on bank accounts for CWP Standard Bank account. It is not always possible to accurately project revenue as the Department is not a revenue-generating organisation.

Programme Expenditure

Programme I: Administration

Programme I expended R363.567 million, representing 99.6% utilisation by the end of the financial year, with a deviation of R1.371 million, constituting underspending of 0.4%. The deviation is considered immaterial and falls within an acceptable threshold, thus requiring no justification for the underspending.

Programme 2: Intergovernmental Support

Programme 2 disbursed R18.016 billion, accounting for 99.8% of expenditure by the end of the financial year, with a deviation of R30.8 million, reflecting underspending of 0.2%. This deviation is attributed to under-spending in the Municipal Infrastructure Grant (MIG) due to delays in spending after its conversion to 6B as an indirect grant during the Adjustment Estimates budget process. Additionally, the slow commencement of procurement processes delayed project finalisation, now categorised under Capital Assets due to the delayed approval of the appropriation bill.

Programme 3: Intergovernmental Policy and Governance

Programme 3 utilised R92.546 billion, representing 96.8% expenditure by the end of the financial year, with a deviation of R3.028 billion, indicating underspending of 3.2%. The underspending deviation is attributed to several factors, including delayed expenditure in the Municipal System Improvement Grant due to procurement processes

initiating in the third quarter. Outstanding invoices from the Development Bank of South Africa (DBSA) remained unprocessed by the end of the financial year, along with withholding of the Local Government Equitable Share (LGES) due to underperformance by certain municipalities in meeting conditions outlined in the Division of Revenue Act (DoRA).

Programme 4: National Disaster Management Centre

Programme 4 disbursed R2.272 billion, constituting 92.1% expenditure by the end of the financial year, with a deviation of R194.4 million, indicating an underspending of 7.9%. The deviation is attributed to several factors, including the allocation of additional budget for the Disaster Response Grant (DRG) during the Medium-term Budget Policy Statement (MTBPS), which could not be fully expended. Similarly, the additional allocation for the Disaster Recovery Grant intended for flood damage mitigation efforts across 46 municipalities in six provinces only 1.3% remained unutilised.

Programme 5: Community Work Programme

Programme 5 expended R3.602 billion, representing 102.3% utilisation by the end of the financial year, with a deviation of R80.959 million, reflecting overspending of 2.3%. The deviation is attributed to an unexpected reduction of R400 million imposed by the National Treasury, following the Minister of Finance's approval of fund reallocation to other votes under Section 30(2)(e) of the PFMA. These reallocations, incorporated into the Second Adjustment Appropriation Bill for the 2023/24 financial year, contributed to the overspending.

Trends in savings between the financial years 2016/17 and 2023/2024

Financial Year	Expenditure R '000	Saving %	Saving R '000
2015/16	68 097 537	3.99	2717 940
2016/17	69 852 230	4.54	3 169 676
2017/18	76 362 043	2.68	2 101 847
2018/19	81 814 196	3.81	3 222 815
2019/20	86 946 178	3.78	3 414 105
2020/21	103 305 842	3.41	3 636 945
2021/22	98 443 058	2.80	2 816 873
2022/23	110 709 381	3.80	4 318 057
2023/24	116 800 099	2.65	3 173 648



Programme Expenditure

Programme Name	2023/2024			2022/2023			
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
Administration	364 939	363 567	I 372	348 708	348 080	628	
Intergovernmental Support	18 046 432	18 015 620	30 812	18 535 071	18 520 496	14 575	
Intergovernmental Policy and Governance	95 574 137	92 546 145	3 027 992	87 571 768	84 106 367	3 465 401	
National Disaster Management Centre	2 466 564	2 272 132	194 432	4 270 687	3 900 043	370 644	
Community Work Programme	3 521 670	3 602 630	(80 960)	4 301 204	3 834 095	467 109	
TOTAL	119 973 742	116 800 094	3 173 648	115 027 438	110 709 081	4 318 357	

Virements

The Department applied virements in terms of the following:

Programme I: Administration

R600 thousand needed to be shifted from the goods and services allocation to increase the Transfers and Subsidies: Households (Leave Gratuity).

Programme 3: Intergovernmental Policy and Governance

R60 thousand needed to be shifted from good services allocation to increase the Transfers and Subsidies: Households (Leave Gratuity).

Programme 4: National Disaster Management Centre

R26 thousand needed to be shifted from good services allocation to increase Transfers and Subsidies: Households (Leave Gratuity and R7.095 million needed to be shifted from Goods and services to Compensation of Employees for Programme I Administration (R3 million), Programme 3 Intergovernmental Policy and Governance (R4 million) and Programme 5 Community work Programme (R4 million) and Transfers and Subsidies: Non-Profit Institution DMISA (R95 thousand).

Programme 5: Community Work Programme

In terms of Programme 5, R4 million needed to be shifted from good services allocation to increase the Compensation of Employees.

Roll overs

The total roll-over request from the 2023/24 to the 2024/25 financial year amounts to R73.073 million. These roll-overs

are vital for ensuring the continuation of initiatives aimed at improving water and sanitation services in municipalities like Emfuleni and Uthukela, thereby positively impacting the communities relying on these essential services.

Unauthorised Expenditure

The Department experienced significant overspending of R84,812,853.54 in the 2023/24 fiscal year which resulted in unauthorised expenditure, mainly due to the disbursement of wages in the CWP. This arose from directives in the Second Adjustments Appropriation Bill issued by the Minister of Finance.

Strategic focus over the short to medium-term period

The Department's medium-to long-term strategic focus is guided by the priorities of the Medium-Term Strategic Framework (MTSF). The Department developed outcomes, and outcome indicators and set targets to ensure that these priorities are realised. Part A, paragraph 3 of this Annual Report, provides details about the outcome indicators, targets, and progress made towards achieving the MTSF priorities.

Public Private Partnerships

The National Development Plan required the 6th administration to play its part in uniting South Africans of all races and classes around a common programme to eliminate poverty and reduce inequality. Part of implementing this developmental programme, DCoG as a strategic coordinating department, had the responsibility of building capabilities that bring all of society to form strong partnership that are anchored on the District Development Model (DDM). A key function of the partnership model was to drive implementation that focused on local government outcomes.

These outcomes are as follows:

- a. Effective and Efficient Internal Corporate Governance Systems
- b. Citizens engaged and participating in Government
- c. Sustained Good Municipal Governance
- d. Basic services delivered to all citizens in an effective and efficient manner
- e. Financially Viable Municipalities

Figure 1: The partnership model implemented by the Department is below:



- Discontinued key activities / activities to be discontinued.
 - None
- New or proposed key activities.
 - None
- Supply Chain Management (SCM)
 - Unsolicited bid proposals concluded for the year under review
 - During the financial year under review, the Department has abstained from finalising any unsolicited bids or proposals.
 - The Supply Chain Management processes and systems that are in place to prevent irregular expenditure are as follows:

The Department has established mechanisms and protocols aimed at identifying and preventing potential instances of irregular expenditure. The Department has appointed functional Bid Committees to uphold standards of transparency, equity, and adherence to the guidelines outlined in the Preferential Procurement Framework Act, as well as the Preferential Procurement Regulations and the pertinent National Treasury Practice Notes within the realm of Supply Chain Management.

- Challenges experienced in SCM and how they were resolved
 - The Department experienced difficulties with the implementation of the departmental procurement plan due to systematic and administrative challenges. These challenges are addressed through the respective governance structure.
- Gifts and Donations received in kind from non-related parties
 - None
- Exemptions and deviations received from the National Treasury
 - The Department did not receive any exemptions and deviations from the National Treasury.
- Events after the reporting date
 - The Department did not have any events after the reporting date.
- Other
 - None



Acknowledgement/s or Appreciation

We extend our deepest gratitude to our partners, stakeholders, and communities for their support and collaboration. Together, we are confident that we can overcome any obstacles and achieve our shared vision of a prosperous and inclusive society.

Approval and sign off

Mr MS Tshangana

Director-General of the Department of Cooperative Governance

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Date: 30 August 2024

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

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

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

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

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

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2024.

Yours faithfully

Mr MS Tshangana

Director-General of the Department of Cooperative Governance

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Date: 30 August 2024

7. STRATEGIC OVERVIEW

7.1. Vision

Efficient and effective cooperative governance system that enables resilient, safe, sustainable, prosperous, cohesive, connected and climate smart communities.

7.2. Mission

To lead the Cooperative Governance System in support of integrated planning and implementation across all spheres of government.

7.3. Values

A Commitment to public service that demonstrates energy, enthusiasm and enjoyment, professionalism, integrity, and accountability, servant leadership and a hands-on approach.

8. LEGISLATIVE AND OTHER MANDATES

The mandate of the Department is primarily derived from Chapters 3, 5, 6, 7, and 9 of the Constitution of the Republic of South Africa (1996) as well as the following legislation:

- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Property Rates Act (Act No. 6 of 2004)
- Municipal Structures Act (Act No. 117 of 1998)
- Municipal Systems Act (Act No. 32 of 2000)
- Municipal Demarcation Act (Act No. 27 of 1998)
- Disaster Management Act (Act No. 57 of 2002)
- Fire Brigade Services Act (Act No. 99 of 1987)
- Remuneration of Public Office Bearer's Act (Act No. 20 of 1998)

Our mandate is further informed by the following legislation, regulations and frameworks:

- Regulations on Conditions of Appointment of Senior Managers (2014)
- Local Government: Municipal Staff Regulations and Guidelines (2021)
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006)

- Spatial Planning and Land Use Management (Act No. 16 of 2013)
- Integrated Urban Development Framework (IUDF) 2016
- National Spatial Development Framework (NSDF)
- National Disaster Management Framework (NDMF) 2005
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- Municipal Electoral Act, 2000 (Act No. 27 of 2000)
- Division of Revenue Act (This legislation is passed annually)
- Administration and Operations: Municipal Infrastructure Support Agent in terms of section 7A (4) of the Public Service Act, 1994 (Government Notice No. R.469 in Government Gazette No. 36634 of 5 July 2013)

8.1 UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

In 2021, the DCoG finalised the Smart Cities Framework for South African Cities and issued various Circulars to guide and manage the transition relating to prior and post local government elections.

The Municipal Staff Regulations were operationalised with effect from I July 2022, and the draft Code of Conduct Regulations for Councillors was also developed during the same year. These interventions collectively are meant to strengthen governance and thereby provide a conducive environment for municipalities to perform their functions. However, while these policies and legislative interventions are positive developments for the sector, the desired impact can only be achieved if there is political stability and no intra and inter-political fighting.

During the year under review, the Cabinet approved the Local Government Laws Amendment Bill 2024 for public comments, the Municipal Structures Amendment Bill 2024, and the Intergovernmental Monitoring, Support and Interventions Bill. The DCoG also introduced the Independent Municipal Demarcation Authority Bill into Parliament in June 2022 whilst the Intergovernmental Relations Framework Amendment Bill was certified by the Office of the Chief State Law Advisor and is undergoing refinements. The aim is to conclude all these pieces of legislation during the 7th Administration.

Drawing from existing reporting tools and the State of Local Government (SoLG) report, the Department is developing a standardised municipal performance assessment tool to enable uniform reporting across provinces. The proposed municipal performance assessment tool incorporates indicators from various sources of indicators, such as MFMA Circular No. 88 of 2017; the Back-to-Basics Questionnaire; and lessons drawn from provinces that have been reported. The tool will monitor municipalities in the following areas:

- · Putting people first.
- Good governance.
- Building capable local government institutions.
- · Sound financial management.
- · Service delivery; and
- · Local economic development.

Other Applicable Policies

Our mandate is broad and touches on the functions performed by most national and provincial departments as well as the country's 257 municipalities. In executing our mandate, it is therefore important to focus on strategic priorities that will allow us to maximise our impact on reducing poverty, inequality, and unemployment with the limited resources available to us. Our strategic priorities are primarily informed by our legal mandate discussed above. Amongst others, the following policies are established to ensure sound planning practices, effective performance monitoring, reporting, and evaluation in government.

National Development Plan (NDP) 2030

The National Development Plan seeks to eradicate poverty and reduce inequality in South Africa by 2030. The government continues to make progress towards implementing the National Development Plan goals. Although efforts have been made to implement the NDP goals, a great deal remains to be done. The spheres of government, particularly the local government, face several challenges that threaten to undermine efforts to fully implement the NDP goals. The challenges facing the local government include, amongst others, poor financial management, corruption, poor capacity, weak administrative systems, and undue political interference in technical and administrative decision-making. A developmental state needs to be capable. This requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and the consistent and fair application of rules. The following interventions are recommended in the NDP:

 Relations between national, provincial, and local government should be improved through a more proactive approach to managing the intergovernmental system.

- Provinces should focus on their core functions and develop their capacity to support and oversee local government.
- Develop regional utilities to deliver some local government services on an agency basis, where municipalities or districts lack capacity.
- Use differentiation to ensure a better fit between the capacity and responsibilities of provinces and municipalities.
- Take a more proactive approach to resolving coordination problems and a more long-term approach to building capacity.
- Introduce a graduate recruitment programme and a local government skills development strategy to attract highquality candidates.
- Develop long-term skills development strategies for senior managers, technical professionals, and local government staff.

2019-2024 Medium-Term Strategic Framework (MTSF)

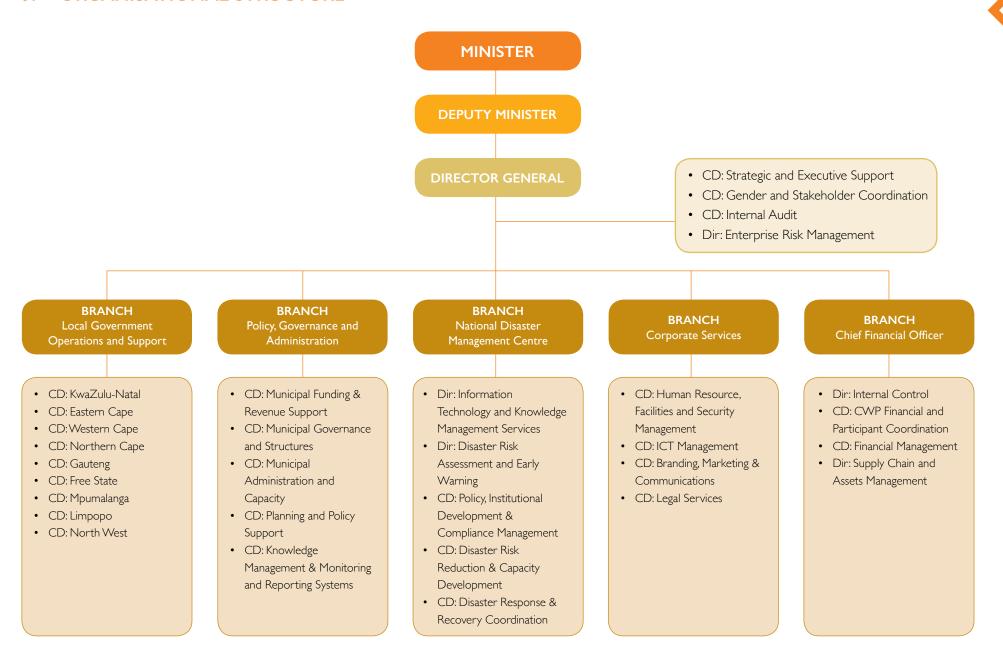
The MTSF is an integrated monitoring framework and implementation plan which serves as a roadmap towards attaining the vision of the National Development Plan over the medium-term period. It centres around the priorities of the sixth democratic administration and corresponding interventions aimed at achieving the National Development Plan goals.

The focus on implementation in the MTSF requires all three spheres of government to work collaboratively through the District Development Model (DDM) approach. The DDM bridges the gap between the three spheres of government to ensure better coordination, coherence, and integration of government planning and interventions and therefore also brings the government closer to the people. The three spheres of government must therefore work collaboratively to ensure alignment between their powers and functions, planning and budget allocation processes, and coordinated implementation.

Framework for Managing Programme Performance Information (FMPPI) 2007

The Framework for Managing Programme Performance Information is a public sector framework aimed at describing the processes for developing and implementing management systems for obtaining performance information, reporting, and using information.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

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

Name of Entity	Legislative Mandate	Financial	Nature of Operations
	8	Relationship	,
South African Local Government Association (SALGA)	 The Constitution of South Africa The Organised Local Government (OLG) Act The White Paper on Local Government The Municipal Systems Act (MSA) The Municipal Finance Management Act The Intergovernmental Relations Framework Act 	Municipal levy Grant allocation	 Lobby, advocacy and representing the interests of municipalities in legislatures and other policymaking and oversight structures and engaging with various stakeholders in public debates and other platforms in the interest of the local government. Employer Body that represents its municipalities in collective bargaining as stipulated in the Labour Relations Act. Facilitating capacity building initiatives for municipalities and representing municipalities' interests in the Local Government Sector Education and Training Authority (LGSETA). Support and advice services to enable municipalities to understand and interpret trends, policies, and legislation affecting local government and implementation thereof. Strategic profiling: Elements here refer to enhancing the profile and image of local government as an essential and credible agent for the delivery of services. Profiling needs to take place on a national level, but also in Africa and the rest of the world.
			Knowledge and information sharing to build and share a comprehensive hub of local governmental knowledge and intelligence. The knowledge hub is also a useful reference point for all who seek information on local governments.
Municipal Demarcation Board (MDB)	Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Local Government: Municipal Structures Act, 1998 (Act 108 of 1998) Constitution of the Republic of South Africa (Act 108 of 1996) Cabinet resolutions.	Grant funding	 Determine and re-determine municipal outer boundaries. Delimitation of wards for local government elections. Conduct capacity assessments of the district and local municipalities to perform their functions and exercise their powers and provide advice to Members of Executive Committee (MECs). Render advisory service in respect of matters provided for in the Municipal Demarcation Act. By way of cabinet resolution, the MDB also assists government Departments in aligning their service delivery boundaries to municipal boundaries.



Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
South African Cities Network (SACN)	It was established as a Section 21 Company in terms of the South African Companies Act, 2008.	n terms of the Grant allocation	 Knowledge and information exchange, experiences and best practices on urban development and city management amongst members. Secretariat to oversee governance, administration and programme functions. An active Board for oversight and championship. Providing thought leadership by producing and disseminating credible and continual research
			about cities and key urban themes.
			• Enable and support cities to act and speak with one voice.
			Establish strategic relations locally, regionally, and internationally to support the work of the network.



PART B PERFORMANCE INFORMATION



I. 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 134 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Increase in Services

At the end of August 2023, Stats SA released the non-financial census of municipalities for the year ended 30 June 2021. It was found that the number of consumer units receiving services from municipalities increased between 2020 and 2021. For the period under review, solid waste management showed the highest percentage increase (6,7%), followed by sewage and sanitation (5,2%), then water (3,3%) and electricity (1,6%).

The provision of free basic services (FBS) to consumer units decreased in all services between the 2020 and 2021 financial years. Of the 2.7 million identified indigents, 2.1 million indigent households benefitted from the indigent support system for water, while 1.6 million benefitted from indigent support for electricity provided by municipalities. Furthermore, 1.7 million indigent households benefitted from the indigent support system on sewage and sanitation and 1.5 million indigent households benefitted from the indigent support system on solid waste management.

Bucket toilets provided by municipalities to households increased by 14,139 (29,9%) consumer units from 47,214 to 61,353 between the 2020 and 2021 financial years.

Service Interruptions and Corruption

The 2023 AfroBarometer survey has found in 2023, that while service infrastructure covers much of the country, this does not always translate into service delivery. Most respondents expressed the view that the level of corruption in the country continues to increase, and the government is failing to control it

Most survey enumeration areas have a piped water system (81%) and access to an electricity grid (95%). However, 42% of South Africans say they went without enough water at least several times during the previous year, and 21% say they have functioning electricity only "occasionally" or not at all. Few citizens approved of the government's performance in delivering services such as water and sanitation (28%) and

electricity (12%). Both ratings are significantly worse than in 2021.

More than 8 in 10 South Africans (82%) believe corruption increased over the past year, and only 10% say the government is doing "fairly well" or "very well" at fighting it.

Declining Trusts in Public Institutions

At the end of October 2023, Stats SA released the Governance, Public Safety and Justice Survey (GPSJS) 2022/23, providing statistics on the use, experience, and satisfaction of government services, trust in public institutions, and experience of corruption for individuals aged 16 and older.

Satisfaction levels in government and public institutions for the 2022/23 period ranged from approximately 61% to 90%, with higher learning institutions (89,9%) receiving the highest satisfaction level and public housing services (61,1%) the lowest satisfaction level.

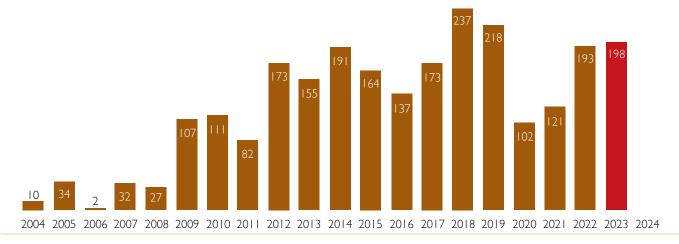
The level of trust in 10 of the 15 government/public institutions declined between 2019/20 and the 2022/23 financial year. The levels of trust in government/public institutions were higher than 50% amongst individuals aged 16 years and older in 2022/23 financial year. Levels of trust were highest for public school institutions and of concern for the DCoG, were the lowest for local government.

Limpopo (73,0%), Eastern Cape (71,8%), and Western Cape (65,1%) had the highest proportions of individuals aged 16 years and older who either trusted, or strongly trusted, the provincial government. Regarding local government, Limpopo (69,1%), Western Cape (65,9%), and Eastern Cape (65,4%) had the highest proportions of the population who either strongly trusted, or trusted, local government compared to other provinces.

Service Delivery Protests

As Figure 2 illustrates, service delivery protests have reached their lowest point in a decade in 2020 and 2021, due to COVID-19 restrictions. However, in 2022 and 2023 protests have bounced back to reach the third and fourth highest level since protests were measured in 2004.

Figure 2: Total service delivery protests 2004 - 2023



Source: Municipal IQ Municipal Hotspots Monitor

According to Municipal IQ, over the past two years, electricity and water outages have been registered as the key drivers of major service delivery protests. This indicates the necessity of investment in new electricity and water infrastructure at the municipal level, as well as bringing an end to loadshedding.

Percentage share of protests by province, 2021-2023

Province	2021	2022	2023
Eastern Cape	16%	16%	11%
Free State	7%	4%	9%
Gauteng	24%	27%	27%
KwaZulu-Natal	14%	22%	23%
Limpopo	4%	6%	4%
Mpumalanga	7%	11%	7%
Northern Cape	4%	1%	2%
North West	9%	4%	6%
Western Cape	15%	9%	11%

Source: Municipal IQ

The percentage share of protests per province has been relatively consistent across the past three years, with Gauteng, KwaZulu-Natal, and the Eastern Cape in the top three positions. In 2023, Gauteng and KwaZulu-Natal had the most protests, with these two most populous provinces recording half of all protests in the country. A further third of all protests were shared between the Western Cape, Eastern Cape, and the Free State.

2.2 Service Delivery Improvement Plan

It is significant to highlight that the Department has not developed a service delivery improvement plan because of capacity constraints in the Strategic Support Directorate. Nonetheless, as the table below demonstrates, efforts were made towards achieving the Batho Pele principles.

V	

Batho Pele arrangements with beneficiaries (consultation access, etc.) Current/actual arrangements	Desired Arrangements	Actual Achievements
Departmental website available and accessible	99.9% website uptime in line with the industry norms	During the 2023/24 financial year, the website uptime was 98% due to infrastructure downtime incidences that occurred at the State Information Technology Agency (SITA). The website tallied approximately 1.8 million total pageviews, suggesting increased awareness of CoGTA's online presence, potentially leading to improved service delivery and citizen satisfaction.
Implementation of the Workplace Skills Plan (WSP)	90% of the 2023/24 Workplace Skills Plan implemented	Implementation of the multi-year skills work plan is in progress with the Department achieving 45% of the planned training interventions.

2.3 Organisational Environment

The Department was not affected by the strikes that took place during the previous financial year as employees didn't participate in such activities except being affected by the strikes organised by the CWP participants. The CWP participants would come occasionally, close the building, and intimidate employees as they complained about their issues. The Department has engaged the participants in resolving their issues and has allowed departmental employees to work from home whenever they come, to mitigate against them being intimidated and anxious. The Department has engaged the services of the Government Technical Advisory Centre (GTAC) in December 2023 to review the organisational structure. The decision was informed by employees raising issues that some functions, which are critical to the Department, were not factored into the organisational structure and there is a resulting misalignment of functions. The GTAC has started with the review and is busy with the current Situational analysis, and conversations with employees at the SMS level and labour started in February 2024 - March 2024. In addition, individual branches were consulted. The GTAC will be expected to present the reports to the Project Steering Committee for approval for every milestone as per the Memorandum of Agreement (MoA). The project is expected to be completed in the financial year 2024/25. There were no cases of corruption from a discipline management point of view that were reported.

The reporting period saw the resignation of the Director General, as well as the Deputy Director General for Corporate Services. Fortunately, there was no service delivery disruption as the DG post was immediately filled through an external transfer as approved by the President. The DDG: Corporate Services post is still in active recruitment and is to be filled in

the first quarter of the new financial year. A consistent acting incumbent has been providing leadership in the CS area. The DDG for Local Government Operations and Support was appointed during the period which brought necessary leadership and stability to the branch. This appointment also assisted in driving the restructuring efforts to re-establish the CWP as a stand-alone branch. Collective efforts also resulted in the capacitation of the approved organisational structure, reducing the vacancy rate to 9%.

2.4 Key Policy Developments and Legislative Changes

In 2023, the DCoG embarked on a project to develop the Standard Draft By-laws (SDB) for Township Economies. This project is a response to challenges faced by South African townships which are characterised by high levels of poverty, unemployment and low incomes which often impact negatively on municipal resource base and municipal financial viability. Standard Draft By-law (SDB) for Township Economies seeks to introduce a standardised framework to encourage municipalities to think differently about promoting commercial and industrial economic activities in townships and demarcate business areas and sites to promote inclusive economic development as provided for by the Spatial Planning Land Use Management Act (SPLUMA), No 16 of 2013.

The SDB, therefore, seeks to provide a framework by-law to encourage municipalities to not only regulate planning and business operations in townships but to chart a growth path to progressively strengthen the ability of businesses to comply with applicable legislation, policies, and by-laws and eventually grow to be sustainable businesses that can solve local problems, maximise economic opportunities and contribute to job creation.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Outcome	Outcome Indicator	Baseline	Five-Year Target	Progress
Priority I: A can	able. ethical and	developmental state		
Functional intergovernmental governance systems	Legislation reviewed	Existing legislation developed and administered by the Department, and other sectoral Departments	All legislation reviewed and aligned	 The Intergovernmental Relations Amendment Bill was updated and produced after a legal opinion from the Office of the Chief State Law Advisor (OCSLA). DCoG has initiated a process to review all local government-related legislation with the view to developing a Local Government: General Laws Amendment Bill. The Local Government General Laws Amendment Bill was developed and submitted to the Governance State Capacity and Institutional Development (GSCID) Cabinet Committee on 19 March 2024, and approved by the Cabinet for publication for public comments on 27 March 2024. The Disaster Risk Management Framework was reviewed using data gathered from online consultative sessions. The reviewed Disaster Risk Management Framework was published for public comment and instead of submitting it for approval by the Minister, this project was removed from the APP projects because Cabinet mandated the NDMC to review the whole system of disaster management in July 2022. The review of the system is currently unfolding and after Cabinet approves the proposed system/model, the current Act will be reviewed followed by the drafting of a new policy framework that will replace the current Disaster Risk
	IGR structures aligned to DDM approach	IGR Structures not aligned to DDM approach	IGR Structures in place and functioning	Management Framework. The IGR structures are in place in all nine provinces.
Financially viable municipalities	Reduction in percentage of financially distressed municipalities	68% (175 of the 257 municipalities) are deemed to be in financial distress	30%	According to the latest State of Local Finance and Financial Management Report, as of 30 June 2022, the number of municipalities in distress is 61% (157 of the 257 municipalities).
Sustained Good Municipal Governance	Reduction in the percentage of municipalities that are dysfunctional or at high risk	67.3% (173 of the 257 municipalities) are deemed to be at high risk or dysfunctional	30%	The number of municipalities that moved from dysfunctional to risk or stable is 46 out of 66, translating to 70% by 31 March 2024.



Outcome	Outcome	Baseline	Five-Year	Progress
	Indicator		Target	
Priority I: A cap	able, ethical and	developmental state		
Efficient and effective internal corporate governance	rective internal implementation of corporate		90%	94,53% implementation of corporate service improvement plan was recorded at the end of the 2023/24 financial year.
systems and processes	financial management improvement plans			92,3% implementation of approved FMIP was recorded at the end of the 2023/24 financial year.
Priority 6: Socia	I cohesion and sa	fe communities		
Citizens engaged and participating in Government	Number of Departmental projects that directly engage citizens	I per year	3 per year	 In the 2023/24 FY a citizen satisfaction survey was conducted to assess citizens' satisfaction with service delivery at LG. This indicator was reworded in the revised APP to read: Number of quantitative research studies conducted on citizen satisfaction with service delivery and in line with the annual target, one (1) research study on citizen satisfaction with service delivery by 31 March 2024. In addition, 12 izimbizo were held during the MTSF period, with the last one taking place in Mpumalanga on 07 March 2024. Outcomes and commitment reports were produced for each of the izimbizo that will form part of the overall preizimbizo implementation progress tracking report.
Priority 5: Spatia	al integration, hu	man settlements and loc	al government	3 Mar 11 / 10 / 10 / 10 / 10 / 10 / 10 / 10
Basic services delivered to all citizens in an effective and efficient manner	Percentage of population with access to basic services (water, sanitation, electricity)	Water: 89% Sanitation: 83% Electricity: 90%	Water: 95% Sanitation: 95% Electricity: 95%	 The National Department of Human Settlement (2023) states that "In 2001 people who had access to a flush toilet stood at 51.9% and this increased to 70.8% in 2022" "In 2022, over four-fifths (82,4%) of households in the country had access to piped water either inside their dwelling or inside their word" assertion to Statistics.
				inside their yard", according to Statistics South Africa's (Stats SA) Census 2022. "The Census also shows that the proportion of households using electricity as the main source of energy for lighting increased significantly from 58,1% in 1996 to 94,7% in 2022", according to (Stats SA, 2022).

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Programme Purpose:	Programme Purpose: Provide strategic leadership, management, and support services to the Department.						
Sub-Programme	Sub-Programme Purpose						
Ministry	Provides administrative and logistical support to the minister, deputy minister and their support staff.						
Management	Provides the vision, policy, leadership and strategic direction of the Department and uphold and promote administrative and executive support to the Director General, corporate planning, monitoring and evaluation, and international relation.						
Internal Audit and Risk Management	Render internal audit and enterprise risk management and fraud prevention services to the Department.						
Corporate Services	Provides organisational support comprising human resources, legal services, communications, information technology facilities and security management grounded on transformation policy and coordination to enable the department to achieve its strategic objective.						
Financial Services	Provide efficient, effective, and economical daily financial and supply chain management operations, processes, systems, and support services.						
Office Accommodation	Makes payments for rental charges on all leased office space occupied by the Department, and for municipal services such as electricity, water, sewage, and waste removal.						

DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 | ANNUAL REPORT 2023/24

 Table 4.1.1: Originally tabled Annual Performance Plan until date of re-tabling.

Outcome	Output	Output	Audited Actual	Audited Actual	Planned	*Actual	Deviation	Reasons for deviations	Reasons for
		Indicator	Performance 2021/2022	Performance 2022/2023	Annual Target 2023/2024	Achievement 2023/2024 until date of re-tabling	from planned target to Actual Achievement 2023/2024		revisions to the Outputs / Output indicators/ Annual Target
Effective and Efficient Internal Corporate Governance Systems	Corporate Services Improvement Plan (CSIP) implemented	I.I Percentage implementation of approved CSIP	Achieved 90% implementation of CSIP as contained in the progress reports by 31 March 2022	Achieved 98% implementation of CSIP were approved by 31 March 2023.	90% implementation of approved CSIP by 31 March 2024	Not Achieved 49% implementation of approved CSIP by 30 September 2023.	By the end of September 2023, the Programme underachieved its planned target by 41%.	The planned annual target of 90% was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.1.2.	N/A
	Financial Services Improvement Plan (FMIP) implemented	I.2 Percentage implementation of approved FMIP	Not Achieved FMIP progress report for the period ended 3 I March 2022 will be submitted to EXCO in May 2022 due to financial year end closure	Achieved 90% implementation of approved FMIP by 3 I March 2023	90% implementation of approved FMIP by 31 March 2024	Not Achieved The Programme achieved 60% implementation of FMIP by 30 September 2023.	The Programme underachieved its planned target by 30% at the end of September 2023.	While the expectation suggests 90%, the actual achievement as per target was above by 30%, some targets within plan were planned for the next third and fourth quarter. The planned annual target of 90% was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual performance achieved by the Programme is recorded in Table 4.1.2.	N/A

Outcome	Output	Output	Audited Actual	Audited Actual	Planned	*Actual	Deviation	Reasons for deviations	Reasons for
		Indicator	Performance 2021/2022	Performance 2022/2023	Annual Target 2023/2024	Achievement 2023/2024 until date of re-tabling	from planned target to Actual Achievement 2023/2024		revisions to the Outputs / Output indicators/ Annual Targets
	Procurement spend on entities owned by women, youth and persons with disabilities	procurement spend on entities owned by women procurement spend on entities owned by women by 31 March 2024 The Programme achieved 41% on procurement spent on entities owned by women at the end of september in the spend of spending and spending achieved 41% on procurement spent on entities owned by women at the end of spending achieve planned target in the spending	The Programme overachieved its planned target by 1% at the end of September 2023.	A significant number of responses to requests for quotations from entities owned by women led to the target being exceeded.	N/A				
	disabilities	I.3b Percentage procurement spend on entities owned by youth	New Indicator	New Indicator	30% procurement spend on entities owned by youth by 31 March 2024	Achieved The Programme achieved 31% on procurement spent on entities owned by youth at the end of September 2023.	The Programme overachieved its planned target by 1% at the end of September 2023	More suppliers owned by youth which led to submitting written price quotations, responded to the invitation for quotations.	N/A
		I.3c Percentage procurement spend on entities owned by persons with disabilities	New Indicator	New Indicator	7% procurement spend on entities owned by persons with disabilities by 31 March 2024	Not Achieved The Programme achieved 0% on procurement spent on persons living with disabilities at the end of September 2023.	The planned target of 7% in relation to procurement spent on entities owned by persons with disabilities was not achieved at the end of September 2023.	During the second quarter of the 2023/24 financial year, it was observed that there was a limited number of entities owned by persons with disabilities which negatively affected the performance recorded. Despite this, the Department will continue to extend invitations to persons living with disabilities through the Central	N/A



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 | ANNUAL REPORT 2023/24

 Table 4.1.2: Report against the re-tabled Annual Performance Plan.

Outcome	Output	Output	Audited Actual	Audited Actual	Planned	**Actual Achievement	Deviation from planned	Reasons for deviations
		Indicator	Performance	Performance	Annual Target	2023/2024	target to Actual	
			2021/2022	2022/2023	2023/2024		Achievement 2023/2024	
Effective and Efficient Internal Corporate Governance Systems	Corporate Services Improvement Plan (CSIP) implemented	I.I Percentage implementation of approved CSIP	Achieved 90% implementation of CSIP as contained in the progress reports by 31 March 2022.	Achieved 98% implementation of CSIP was approved by 3 I March 2023.	90% implementation of approved CSIP by 31 March 2024	Achieved 94,53% implementation of approved CSIP by 31 March 2024.	The Programme overachieved its planned target by 4,53% by 31 March 2024.	The branch overachieved on four targets: disciplinary cases were finalised within 90 days; the cases registered were successfully litigated; activities in the internal business process digitisation plan were implemented; and impact-based external an internal Communications Strategy and action plans were implemented.
	Financial Services Improvement Plan (FMIP) implemented	I.2 Percentage implementation of approved FMIP	FMIP progress report for the period ended 31 March 2022 will be submitted to EXCO in May 2022 due to financial year end closure	Achieved 90% implementation of approved FMIP by 31 March 2023	90% implementation of approved FMIP by 31 March 2024	Achieved The Programme achieved 92,3% implementation of the FMIP by 3 I March 2024. The breakdown is as follows: • Sub-target one implemented at 100% (Interim Financial Statements). • Sub-target two implemented at 99.99% (Payment of invoices). • Sub-target three implemented at 82% (IFWE). • Sub-target four implemented at 80% (Suspense account- final figure after the closure). • Sub-target five implemented at 100% (Procurement).	The Programme overachieved its planned target by 2,3% by 31 March 2024.	While the two (2) targets were achieved at an average of 81%, the overachievements were due to credible Interim Financial Statements (IFS) submitted to National Treasury (NT), as well as invoices paid within 30 days and procurement spent.

come	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
	Procurement spend on entities owned by women, youth and persons with disabilities	I.3a Percentage procurement spend on entities owned by women	New Indicator	New Indicator	40% procurement spend on entities owned by women by 3 I March 2024	Achieved Achieved 46.83% in terms of procurement spend on entities owned by women.	By 31 March 2024, the Programme overachieved its planned target by 6,83%.	A significant number of responses to requests fo quotations from entities owned by women led to the target being exceeds
		I.3b Percentage procurement spend on entities owned by youth	New Indicator	New Indicator	30% procurement spend on entities owned by youth by 31 March 2024	Achieved The percentage achieved in relation to entities owned by youth is 32.54%.	By 31 March 2024, the Programme overachieved its planned target by 2,54%.	The target was exceeded due to the large number of responses to requests for quotations from entities owned by youth.
		1.3c Percentage procurement spend on entities owned by persons with disabilities	New Indicator	New Indicator	7% procurement spend on entities owned by persons with disabilities by 31 March 2024	Achieved The percentage achieved in relation to entities owned by persons with disabilities is 10.32%.	The Programme overachieved its planned target by 3.32% at the end of the 2023/24 financial year.	The target was exceeded due to the large number of responses to requests for quotations from entities owned by persor with disabilities



Sub-Programme Expenditure

Programme I:		2023/2024			2022/2023	
Administration	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
Ministry	32 792	32 592	200	39 879	39 736	143
Management	27 223	27 217	6	28 123	27 890	233
Corporate Services	167 217	166 734	483	159 573	159 468	105
Financial Services	55 889	55 888	I	54 637	54 539	98
Internal Audit and Risk Management	11 709	11 125	584	83	11 782	49
Office Accommodation	70 109	70 011	98	54 665	54 665	-
Total	364 939	363 567	I 372	348 708	348 080	628

Strategy to overcome areas of under performance

No action is required as Programme I achieved all its planned targets during the reporting period.



4.2 Programme 2: Intergovernmental Support

Programme purpose: Facilitate and coordinate improved functionality of provinces and municipalities. Strengthen coordination across the different spheres of government and support improved delivery of services to households and communities

and communities	
Sub-Programme	Sub-Programme Purpose
Management for intergovernmental support	Provides strategic leadership to the Programme to ensure compliance and the achievement of departmental targets in line with the district development model.
Municipal and Provincial governance support and capacity building	Oversee improved service delivery through the development, implementation and monitoring of integrated plans, and Section 154 support plans for each of the nine provinces.
Municipal infrastructure delivery support	Ensures alignment between One Plans for each identified district and metro that sets out the service delivery challenges and opportunities for growth and development in each area; infrastructure development plans; and annual performance plans. This is to support the development, implementation, and monitoring of municipal infrastructure projects by informing and supporting municipal, district, and metro funding mechanisms, and grants.
Transfer: Municipal Infrastructure Grant	A grant is transferred to municipalities to supplement their capital budgets to address the infrastructure investment priorities of poor households.
Transfer: Municipal Infrastructure Support Agent	A transfer to MISA to assist municipalities in building in-house capacity and providing technical support for the sustained development of municipal infrastructure.
Transfer: Integrated Urban Development Grant	A grant is transferred to intermediate city municipalities to supplement their capital budgets for the implementation of the objectives of the integrated urban development framework.

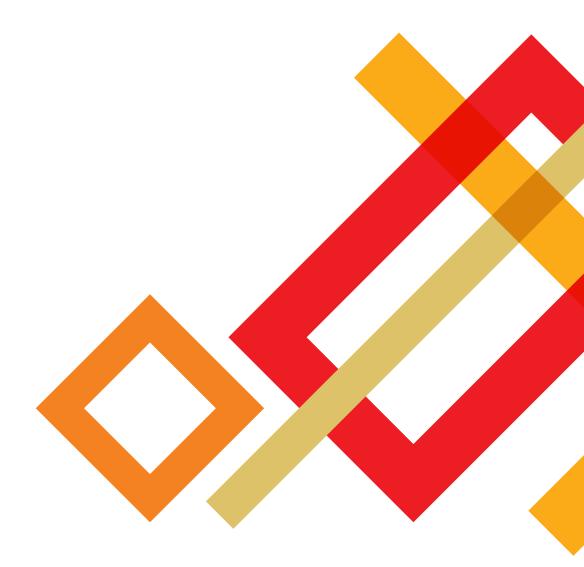


 Table 4.2.1: Originally tabled Annual Performance Plan until date of re-tabling.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
Functional inter-gov- ernmental governance systems	DDM Institution- alised across all spheres of government	2.1 Regulations in terms of the Intergovern- mental Relations Framework Act (IGRFA) gazetted	New indicator	New indicator	Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazetted by 30 September 2023	Not Achieved Draft regulations were published for public comment on 04 August 2023 for a 30-day period.	The Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) were not gazetted at the time of reporting.	Significant substance and legal concerns were raised during the extensive intergovernmental consultations and dialogues that had to be addressed. Therefore, the OCSLA had to be approached on two occasions to provide detailed legal opinions, which thereafter had to be commented on during the extended public comment period.	The initial target date was changed to 31 March 2024 given the significant substance and legal concerns raised during the extensivi intergovernmental consultations and dialogues and that Regulations had to be submitted to the OCSLA.
		2.2 IGRFA amendment bill submitted to Parliament	New indicator	New indicator	IGRFA amendment bill submitted to Parliament by 3 I March 2024	Not Achieved IGRFA Amendment Bill was presented at various IGR Forums, including Cabinet Cluster Committees such as GSCID cluster of DGs and CoGTA MINMEC. The first draft of the SEIAS was also produced at the time of reporting.	IGRFA amendment bill was not submitted to Parliament at the time of reporting.	Significant substance and legal concerns were raised during the extensive intergovernmental consultations and dialogues that had to be addressed. Therefore, the OCSLA had to be approached on two occasions to provide detailed legal opinions, which thereafter had to be commented on during the extended public comment period.	N/A

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
		2.3 Number of districts/ metros that implemented at least one DDM catalytic project	New indicator	New indicator	One catalytic project implemented in 15 districts/metros by 31 March 2024	Not Achieved 7 Districts or Metros were supported to implement the DDM Catalytic Projects at the time of reporting.	A negative deviation of 8 relating to District or Metros supported to implement the DDM Catalytic Projects by 30 September 2023.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.2. I	This was revised to clarify that the catalytic projects are implemented from the approved DDM One Plans
	Long standing disputes on water and electricity resolved	2.4 Number of dysfunctional municipalities in which longstanding disputes on water and electricity are resolved through DDM	New indicator	New indicator	Long-standing disputes on water and electricity resolved in 22 dysfunctional municipalities by 31 March 2024	Not Achieved There were no disputes resolved during the reporting period.	Long-standing disputes on water and electricity were not resolved in 22 dysfunctional municipalities by 30 September 2023.	There was no baseline of IGR disputes formally declared in the municipality.	The indicator was removed as there was no baseline of IGR disputes formally declared in the municipality. This indicator is reported on the operational plan.
Sustained Good Municipal Governance	Implemented Municipal Support and Intervention Plans (MSIPs).	2.5 Number of dysfunctional municipalities with MSIP's developed and implemented	New indicator	New indicator	22 dysfunctional municipalities with MSIPs developed and implemented by 31 March 2024.	Achieved A total of 65 dysfunctional municipalities developed and implemented the MSIPs at the end of the reporting period.	By 30 September 2023, the Programme had overachieved its planned target by 43.	The MSIP Framework requires that all dysfunctional municipalities be supported.	Indicator was not conforming to SMART principle, and it was a duplication of 2.5 and 2.6. A decision was taken to merge the two.



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Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
	Functional municipalities	2.6 Percentage of municipalities that are dysfunctional or at High Risk	New indicator	New indicator	60% of municipalities are dysfunctional or at high risk by 31 March 2024.	Not Achieved The indicator was not conforming to the SMART principle, and it was a duplication of 2.5 and 2.6. A decision was taken to revise this indicator.	The performance was not recorded as the indicator did not conform to the SMART principle.	A decision was taken to revise this indicator as it was not clear:	Indicator was not conforming to SMART principle, and it was a duplication of 2.5 and 2.6. A decision was taken to merge the two.
Citizens engaged and participating in Government	Functional ward committees	2.7 Percentage of dysfunctional ward committees for which intervention plans are implemented	New indicator	New indicator	Intervention plans implemented for 50% of dysfunctional ward committees by 3 I March 2024	Not Achieved All 9 provinces were in the process of assessing the functionality of ward committees based on the criteria set out in the national framework at the time of reporting.	The intervention plans were not implemented in dysfunctional ward committees.	All nine provinces were in the process of assessing the functionality of ward committees based on the criteria set out in the national framework at the time of reporting.	The indicator was revised from percentages to numbers to ensure that it was accurately measured. The focus changed to monitoring the functionality of ward committees in selected seven dysfunctional municipalities.



Programme 2	2: Intergovernr	mental Support							
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
Basic services delivered to	Municipal Infrastructure	2.8 Percentage	New indicator	New indicator	10% of MIG	Achieved	60% of MIG receiving	The annual target was	A decision was taken to use the
delivered to all citizens in an effective and efficient manner	Infrastructure	of MIG receiving municipalities spending at least 85% of MIG allocations by the end of the municipal financial year			receiving municipalities spending at least 85% of 2022/23 MIG allocations by 30 June 2023	70% of MIG-receiving municipalities had spent at least 85% of 2022/23 MIG allocations by 30 June 2023. Note: The 2023/24 MIG started at the commencement of the municipal financial year. As at the end of September 2023, 68% of MIG receiving municipalities had spent at least 10% of the 2023/24 MIG allocations.	municipalities had spent 85% and more of the 2022/23 MIG allocations by the end of June 2023.	inaccurately stated in the APP.	performance of 2023/24 MIG in the fourth quarter of the 2023/24 national financial year quarter as an annual target and not to use the performance of the 2022/23 MIG in the first quarter of the national financial year, which is the fourth quarter of the 2022/23 municipal financial year and the MIG.



Programme 2	2: Intergovernm	nental Support							
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
		2.9 Number of MIG receiving dysfunctional municipalities spending at least 10% of MIG allocations on infrastructure repairs and refurbishment by the end of the municipal financial year	New indicator	New indicator	5 MIG-receiving dysfunctional municipalities spending at least 10% of 2022/23 MIG allocations on infrastructure repairs and refurbishment by 30 June 2023.	Achieved 21 MIG-receiving dysfunctional municipalities spending at least 10% of 2022/23 MIG allocations on infrastructure repairs and refurbishment by 30 June 2023. Note: The 2023/24 MIG started at the commencement of the municipal financial year. As of the end of September 2023, 7 MIG-receiving dysfunctional municipalities had spent at least 4% of the 2023/24 MIG allocations on infrastructure repairs and refurbishment.	16 MIG receiving dysfunctional municipalities spending 10% and more of 2022/23 MIG allocations on infrastructure repairs and refurbishment by 30 June 2023.	The annual target was inaccurately stated in the APP.	A decision was taken to use the performance of 2023/24 MIG as at the fourth quarter of the 2023/24 national financial year quarter as an annual target and not to use the performance of 2022/23 MIG in the first quarter of the national financial year, which is the fourth quarter of the 2022/23 municipal financial year and the MIG.



 Table 4.2.2: Report against the re-tabled Annual Performance Plan.

Outcome	Output	Output Indicator	Audited	Audited	Planned Annual Target	**Actual Achievement	Deviation	Reasons for
			Actual Performance 2021/2022	Actual Performance 2022/2023	2023/2024	2023/2024	from planned target to Actual Achievement 2023/2024	deviations
Functional intergovernmental governance systems	DDM Institution- alised across all spheres of government	2.1 Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazetted.	New indicator	New indicator	Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazetted by 31 March 2024	Not Achieved Updated draft Regulations, following the legal opinion from the Office of the Chief State Law Advisor (OCSLA) by the end of February 2024. In March 2024, a request for approval of final gazetting was submitted to the Minister.	Regulations in terms of the Intergovern- mental Relations Framework Act (IGRFA) were not gazetted by 31 March 2024.	Draft regulations were only signed by the Minister and Deputy Minister on 3 I March 2024 and submitted for fin gazetting to be concluded in QI of the 2024/25 financial year.
		2.2 IGRFA Amendment Bill submitted to Parliament	New indicator	New indicator	IGRFA Amendment Bill submitted to Parliament by 31 March 2024	Not Achieved IGRFA amendment bill presented at GSCID cluster committee of DGs. Updated draft amendment bill, following the legal opinion from OCSLA on 01 March 2024 and the conclusion of intergovernmental dialogues and consultations.	IGRFA Amendment Bill was not submitted to Parliament by 3 I March 2024	The Presidency issued a formal communication in February 2024 indicating that new bills should not be submitted to Cabinet, but that it should stand over to the 2024/25 financia year.
		2.3 Number of districts/ metros supported to implement at least one DDM catalytic Project from the approved DDM One Plan	New indicator	New indicator	15 districts/metros supported to implement at least one DDM catalytic project from the approved DDM One Plan by 31 March 2024	Not Achieved I I districts/metros were supported to implement at least one DDM catalytic project from the approved DDM One Plan by 31 March 2024.	A negative deviation of 4 was recorded by 31 March 2024.	The Departmen is dependent on the functionality of the Provincial and District DDM structures to convene meetings where progress on the catalytic projects is presented.

Programme 2:	Intergovernmer	ntal Support						
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Sustained Good Municipal Governance	Functional municipalities	2.4 Percentage of municipalities supported through MSIP to move from dysfunctional, to at risk, or stable category in terms of the SoLG.	New indicator	New indicator	10% of municipalities supported through MSIP to move from dysfunctional, to at risk, or stable in terms of the SoLG by 31 March 2024	Achieved The number of municipalities that moved from dysfunctional to at risk or stable is 46 out of 66, translating to 70% by 31 March 2024. The State of Local Government Report 2023 was approved by the DDG by 31 March 2024.	The Programme overachieved its planned target by 60% by 31 March 2024. The support provided through the multi-sectoral teams as well as the deployment of LG experts resulted in more municipalities being supported.	Municipal Support Intervention Plans were developed for all dysfunctional and at low/medium risk municipalities, and those municipalities were supported to improve to better categories.
Basic services delivered to all citizens in an effective and efficient manner	Municipal Infrastructure	2.5 Percentage of MIG- receiving municipalities spending at least 60% of 2023/24 MIG allocations.	New indicator	New indicator	75% of MIG-receiving municipalities spending at least 60% of the 2023/24 MIG allocations by 31 March 2024	Not Achieved 69% of MIG receiving municipalities spending at least 60% of the 2023/24 MIG allocations by 31 March 2024.	6% of MIG- receiving municipalities failed to spend at least 60% of 2023/24 MIG allocations by 31 March 2024.	Delays in project workflow processes managed by the municipalities, in particular in supply chain management.
		2.6 Percentage of MIG- receiving dysfunctional municipalities spending up to 8% of MIG allocations on water services infrastructure repairs and refurbishment.	New indicator	New indicator	25% MIG-receiving dysfunctional municipalities spending up to 8% of MIG allocations on water services infrastructure repairs and refurbishment by 31 March 2024	Not Achieved 20% MIG-receiving dysfunctional municipalities spending up to 8% of MIG allocations on water services infrastructure repairs and refurbishment by 31 March 2024.	5% MIG-receiving dysfunctional municipalities failed to spend up to 8% of MIG allocations on water services infrastructure repairs and refurbishment by 31 March 2024.	Municipalities have not adequately identified projects for repairs and refurbishment in 2023/24.



Programme 2:	Intergovernme	ntal Support						
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Citizens engaged and participating in Government	Number of monitoring reports on the functional performance of ward committees	2.7 Monitoring reports on the functional performance of 25% of ward committees in 7 municipalities	New indicator	New indicator	2 Reports on monitoring the functional performance of 25% of ward committees in 7 municipalities by 31 March 2024	Not Achieved 2 reports on monitoring the functional performance of the ward committees in 6 municipalities by 31 March 2024.	The Programme recorded a negative deviation of I in relation to the 7 targeted municipalities by 31 March 2024.	The discrepancies noted in the 2023/24 APP addendum resulted in the non-alignment between the annual and quarterly targets, i.e. The annual target refers to "2 reports on monitoring the functional performance of 25% of ward committees in 7 municipalities by 31 March 2024", whereas the third and fourth quarterly targets refer to "1 report on monitoring the functional performance of 25% of ward committees in 3 municipalities respectively.



Sub-Programme Expenditure

Programme 2:		2023/2024			2022/2023	
Intergovern- mental Support	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
Management: Intergovernmental Support	20 420	19 608	812	5 406	4 215	1 191
Municipal and Provincial Governance Support and Capacity Building	80 525	80 525		74 184	71 019	3 165
Transfer: Municipal Infrastructure Grant	16 371 585	16 341 585	30 000	16 842 001	16 842 001	0
Transfer: Integrated Urban Development Grant	l 172 448	l 172 44 8		I 085 368	I 085 368	0
Transfer: Municipal Infrastructure Support Agent	401 454	401 454		400 216	400 216	0
Total	18 046 432	18 015 620	30 812	18 407 175	18 402 819	4 356

Strategy to overcome areas of underperformance

The table below provides an overview of the strategies to address areas of underperformance.

Outcome	Output	Output Indicator	Reasons for deviations	Action Plan
Programme 2:	Intergovernme	ntal Support		
governmental governance systems across all spheres o	Institutionalised	2.1 Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazetted.	Draft regulations were only signed by the Minister and Deputy Minister on 31 March 2024 and submitted for final gazetting to be concluded in Q1 of the 2024/25 financial year.	gazetted early in QI of the
		2.2 IGRFA Amendment Bill submitted to Parliament.	The presidency issued a formal communication in February 2024 indicating that new bills should not be submitted to Cabinet, but that it should stand over to the 2024/25 financial year.	IGRFA amendment bill to the NHTKL and Cabinet committees during QI of the
		2.3 Number of districts/ metros supported to implement at least one DDM catalytic Project from the approved DDM One Plan	The Department is dependent on the functionality of the Provincial and District DDM structures to convene meetings where progress on the catalytic projects is presented.	its internal controls to ensure accurate reporting including regular review of the project

Outcome	Output	Output Indicator	Reasons for deviations	Action Plan
Programme 2:	Intergovernme	ntal Support		
Basic services delivered to all citizens in an effective and efficient manner	Municipal Infrastructure	2.5 Percentage of MIG receiving municipalities spending at least 60% of 2023/24 MIG allocations.	Delays in project workflow processes managed by the municipalities, in particular in supply chain management.	To improve the MIG expenditure, the DCoG will engage with all underspending municipalities between April and June 2024 in all provinces.
		2.6 Percentage of MIG-receiving dysfunctional municipalities spending up to 8% of MIG allocations on water services infrastructure repairs and refurbishment.	Municipalities have not adequately identified projects for repairs and refurbishment in 2023/24.	DCoG, MISA, and DWS will play a larger role in supporting municipalities in the identification of 2024/25 water service repairs and refurbishment projects.
Citizens engaged and participating in Government	Number of monitoring reports on the functional performance of ward committees	2.7 Monitoring reports on the functional performance of 25% of ward committees in 7 municipalities	The discrepancies noted in the 2023/24 APP addendum resulted in the non-alignment between the annual and quarterly targets, i.e. the annual target refers to "2 reports on monitoring the functional performance of 25% of ward committees in 7 municipalities by 31 March 2024", whereas the third and fourth quarterly targets refer to "1 report on monitoring the functional performance of 25% of ward committees in 3 municipalities respectively.	This indicator does not form part of the 2024/25 Annual Performance Plan owing to the function not being provided for in the departmental structure. Therefore, no action plan is required.

4.3 Programme 3: Intergovernmental Policy and Governance

	te efficient municipal administrative systems. Coordinate policy research and nal resilience in provinces and municipalities
Sub-Programme	Sub-Programme Purpose
Management for intergovernmental policy and governance	Provides strategic leadership to the Programme to ensure compliance and the achievement of departmental targets in line with its mandate.
Research and knowledge management	Develops and implements an integrated monitoring and reporting system for local government and also facilitates and supports the management and analysis of data and information and conducts research and evaluation to enhance policy-making and support programmes.
Municipal Funding and Revenue Support	Provides support and monitors municipalities in the implementation of the free basic services policies including legislative reporting required in terms of the Division of Revenue Act in relation to the local government equitable share, and oversees the regulation of valuation and rating of properties in terms of the Municipal Property Rates Act (MPRA) inclusive of monitoring and supporting municipalities' implementation, as well as the oversight of provinces on their responsibilities not limited to monitor municipal tariff policy framework and the tariffs levied by municipalities in relation to tariff policies and by-laws.
Municipal Governance	Ensures appropriate division of powers and functions between local and district municipalities, and the delegation of powers and functions to provinces and municipalities through the development of legislation that deals with interventions in provincial government and in municipalities, which includes the promotion of ethics; implementing an anti-corruption strategy in directing and supporting municipal governance policy development and implementation, in collaboration with law enforcement agencies in confronting corruption and maladministration and malfeasance in municipalities.
Municipal Administration and Capacity	Builds institutional capacity in municipalities through the provision of efficient, transparent and fair regulatory frameworks for local public administration and human resources, including monitoring and supporting of the implementation of such frameworks. Determines the remuneration of Councillors and senior managers in municipalities, monitors and enforces compliance with the Appointment Regulations, Municipal Performance Regulations, and Disciplinary Regulations for senior managers through competency assessment for senior managers, as well as rollout training and workshops on the implementation of the Municipal Staff Regulations.
Development Planning	Coordinates the implementation of the Integrated Urban Development Framework (IUDF) and National Framework for Local Economic Development to ensure institutionalisation of long-term infrastructure planning and asset management practices through Small Towns Regeneration Strategy and the Smart Cities Framework
Transfer: Local Government Equitable Share	The share of nationally-raised revenue payable to local government in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households, and the creation of greater institutional capacity in weaker municipalities.
Transfer: Municipal Demarcation Board	A transfer to fund operational activities such as capacity assessments, ward delimitation, and boundary redeterminations. This entity's budget is transferred in full to the Board.
Transfer – South African Local Government Association	A transfer to fund operational activities in SALGA, including its participation in intergovernmental structures and legislatures.
Transfer – South African Cities Network	Develops and implements an integrated monitoring and reporting system for local government and also facilitate and supports the management and analysis of data and information and conducts research and evaluation to enhance policy-making and support programmes.
Indirect Grant: Municipal Systems Improvement Grant	To assist municipalities in performing their functions and stabilise institutional and governance systems as required by the Municipal Systems Act and related local government legislation.

 Table 4.3.1: Originally tabled Annual Performance Plan until date of re-tabling.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
	Local Government Legislative Review report and Local Government General Laws Amendment Bill	3.I Local Government General Laws Amendment Bill submitted to Cabinet and Parliament	New indicator	New indicator	Draft Local Government: General Laws Amendment Bill submitted to Cabinet by 31 March 2024	Not Achieved Schedule of comments / proposals developed and submitted to the Legislative drafters to develop the Draft Local Government: General Laws Amendment Bill ("the Bill"). On 27 September 2023, the Bill was consulted with the following stakeholders during the Local Government Legislative and Good Governance Forum: Provincial CoGTAs; SALGA; and National Treasury.	The Draft Local Government: General Laws Amendment Bill was not submitted to Cabinet by 30 September 2023.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.3.2.	The revision was due to the lengthy legislated process to be undertaken prior to the introduction of the Bill to Parliament the output indicator and the annual target were revised from submission of the Bill to Parliament to submission to Cabinet Committee.
Financially viable municipalities	Improved Revenue management in dysfunctional municipalities	3.2 Number of Dysfunctional municipalities with increased revenue	New indicator	New indicator	22 dysfunctional municipalities with increased revenue by 31 March 2024.	Not Achieved No progress was recorded in relation to dysfunctional municipalities with increased revenue by 30 September 2023.	A negative deviation of 22 was recorded by 30 September 2023.	Increasing municipal revenue is the responsibility of municipalities making it beyond the Department's control. Therefore, this indicator was revised to focus on that which is within the Department's control which is to make recommendations for improving revenue in municipalities.	Management did not have control over the achievement of the targets. The achievement is main dependent on the implementation of municipalities' policie on revenue and debroollection.

Programme 3	3: Intergovernm	ental Policy and C	Governance						
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
		3.3 Percentage decrease in debt owed to dysfunctional municipalities	New indicator	New indicator	I 10% decrease in debt owed to dysfunctional municipalities by 3 I March 2024	Not Achieved 0% decrease in debt owed to dysfunctional municipalities by 30 September 2023.	A negative deviation of 10% was recorded by 30 September 2023.	Decreasing debt is the responsibility of municipalities making it beyond the Department's control. Therefore, this indicator was revised to focus on that which is within the Department's control which is to make recommendations for decreasing debt in municipalities.	Management did not have control over the achievement of the targets. The achievement is mainly dependent on the implementation of municipalities' policies on revenue and debt collection.
Sustained Good Municipal Governance	Competent senior managers appointed in municipalities	3.4 Number of municipalities where all senior managers meet the prescribed competency requirements	New indicator	New indicator	66 municipalities where all senior managers meet the prescribed competency requirements by 31 March 2024	Not Achieved No progress was made in relation to municipalities where all senior managers meet the prescribed competency requirements by 30 September 2023.	A negative deviation of 66 was recorded by 30 September 2023.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.3.2.	The indicator was revised as the appointment of senior managers is the sole responsibility of municipalities who must ensure that senior managers meet the prescribed competency requirements.



Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
	Concluded disciplinary cases	3.5 Percentage of reported cases of allegations of financial misconduct, fraud and corruption by municipal staff members where disciplinary proceedings were concluded	New indicator	New indicator	50% of reported cases of allegations of financial misconduct, fraud and corruption by municipal staff members where disciplinary proceedings were concluded by 31 March 2024.	No reported cases of allegations of financial misconduct, fraud and corruption of allegations of financial misconduct, fraud and corruption by municipal staff members were received by 30 September 2023.	There is no deviation since there were no cases reported during the reporting period.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.3.2.	The indicator was revised as the investigation of cases of financial misconduct, fraud, and corruption is the sole responsibility of municipalities, and the Department relies on municipalities to report such cases to the Department for recording on the database for misconduct of staff members.
	Consequences for breach of codes of conduct	3.6 Percentage of cases of breach of the code of conduct for councillors where appropriate sanctions were applied	New indicator	New indicator	Appropriate sanctions applied in 50% of cases of breach of the code of conduct for councillors by 31 March 2024	Not Achieved Appropriate sanctions applied in 17.6% of cases of breach of the code of conduct for councillors by 30 September 2023.	A negative deviation of 32.4% was recorded by 30 September 2023.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.3.2.	The indicator was revised as the finalisation of the breaches to the Code vests with the Speaker, Council, and MEC responsible for local government, and not the Minister and this placed a limitation on the achievement of the desired percentages on breaches of the Code.



Programme 3:	Intergovernme	ental Policy and G	overnance						
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
		3.7 Percentage of cases of breach of the code of conduct for senior management where appropriate sanctions were applied	New indicator	New indicator	Appropriate sanctions applied in 50% of cases of breach of the code of conduct for senior management by 31 March 2024	Achieved 100% of cases of breach of code of conduct for senior management with sanction applied by 30 September 2023.	The Programme overachieved its planned target by 50% at the end of September 2023.	Only one case of breach of code of conduct for senior management was received by 30 September 2023.	The indicator was revised as the finalisation of the breaches of the Code must be dealt with in terms of the disciplinary procedures of the municipality and is not the responsibility of the Department, and this placed a limitation on the achievement of the desired percentages on breaches of the Code.
Citizens engaged and participating in Government	Improved citizen satisfaction in service delivery	3.8 Percentage of municipalities with improved citizen satisfaction with service delivery	New indicator	New indicator	10% of municipalities with improved citizen satisfaction with service delivery by 31 March 2024	Not Achieved No progress was recorded as there was no target for this indicator at the end of the reporting period.	A negative deviation of 10% was recorded by 30 September 2023.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.3.2.	The indicator and targets were revised as they were outside the control of the Department.



Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
Basic services delivered to all citizens in an effective and efficient manner	Spatially just and transformed national space economy	3.9 Number of municipalities with SPLUMA compliant SDFs	New indicator	New indicator	30 municipalities with SPLUMA compliant SDFs by 31 March 2024.	Not Achieved 10 Municipal SDFs assessed and are deemed SPLUMA compliant.	20 municipalities were not yet assessed by 30 September 2023.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.3.2.	The indicator was revised as the responsibility to develop SPLUMA compliant SDF lies with municipalities and the Departmen may make recommendations the enhance compliance with SPLUMA.
		3.10 Number of intermediate city municipalities with capital expenditure frameworks aligned to the Integrated Urban Development Framework	New indicator	New indicator	5 intermediate city municipalities with capital expenditure frameworks aligned to the Integrated Urban Development Framework by 3 I March 2024.	Not Achieved No progress was recorded as there was no target for this indicator at the end of the reporting period.	5 intermediate city municipalities with capital expenditure frameworks were not yet aligned to the Integrated Urban Development Framework by 30 September 2023.	The planned annual target was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.3.2.	To align the target with the strategic objectives of the IUDF.



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 Table 4.3.2: Report against the re-tabled Annual Performance Plan

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Municipal Good Governance	Local Government Legislative Review report and Local Government General Laws Amendment Bill	3.1 Development of Local Government General Laws Amendment Bill and submitted to Cabinet Committee	New indicator	New indicator	Local Government: General Laws Amendment Bill submitted to Cabinet by 31 March 2024.	Achieved Local Government: General Laws Amendment Bill submitted to Cabinet by 31 March 2024.	N/A	N/A
Financially viable municipalities	Revenue improve- ment recommen- dations proposed for implemented in municipalities	3.2 Number of municipalities where revenue improvement recommendations are proposed for implementation by municipalities.	New indicator	New indicator	Revenue improvement recommendations proposed for implementation by 22 municipalities in the 2023/24 FY by 31 March 2024.	Achieved Revenue improvement recommendations have been proposed for implementation by 22 municipalities in the 2024/25 municipal financial year.	N/A	N/A
	Revenue improve- ment recommen- dations proposed for implemented in municipalities	3.3 Number of municipalities where credit control and debt collection recommendations are proposed for implementation by the municipalities.	New indicator	New indicator	Credit control and debt collection recommendations proposed for implementation by 22 municipalities in the 2023/24 FY by 31 March 2024.	Achieved Credit control and debt collection recommendations have been proposed for implementation by 22 municipalities in the 2024/25 municipal financial year.	N/A	N/A
Sustained Good Municipal Governance	Competent senior managers appointed in municipalities	3.4 Number of reports on corrective actions analysed and recommended to MECs to ensure that competent senior managers are appointed.	New indicator	New indicator	4 Reports on the number of received appointments reports for senior managers analysed and corrective actions recommended to MECs by 31 March 2024.	Not Achieved 3 quarterly reports on the number of received appointment reports for senior managers analysed and corrective actions recommended to the MEC developed by 31 March 2024.	A negative deviation of I was recorded by 31 March 2024.	During the first quarter of the 2023/24, there was no target. However, the revised APP had 4 targets when the Q1 target was already reported against.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
	Recorded cases of financial misconduct, fraud and corruption cases	3.5 Number of reports on reported cases of financial misconduct, fraud, and corruption cases recorded	New indicator	New indicator	4 Reports reported cases of financial misconduct, fraud, and corruption recorded and included on the database for misconduct of staff members by 31 March 2024	Achieved 4 quarterly reports on reported cases of financial misconduct, fraud, and corruption recorded on the database for misconduct of staff members developed by 3 I March 2024.	N/A	N/A
	Recorded cases of breaches of Codes of Conduct	3.6 Number of reports on reported cases for breach of the Code of Conduct for Councillors recorded	New indicator	New indicator	4 Reports on reported cases of breach of the Code of Conduct for Councillors recorded by 31 March 2024	Achieved 4 quarterly reports on reported cases of breach of the Code of Conduct for councillors recorded developed by 31 March 2024.	N/A	N/A
		3.7 Number of reports on reported cases of breach of the Code of Conduct for municipal staff members recorded	New indicator	New indicator	4 Reports on reported cases of breach of the Code of Conduct for municipal staff members recorded by 31 March 2024.	Achieved 4 quarterly reports on reported cases of breach of code of conduct for municipal staff members recorded on the database for misconduct of staff members developed by 31 March 2024.	N/A	N/A
	Intergovernmental Monitoring, Sup- port and Interven- tions (IMSI) Bill	3.8 Intergovernmental Monitoring, Support and Interventions (IMSI) Bill submitted to Cabinet Committees.	New indicator	IMSI Bill was not submitted to Parliament by 31 March 2023	IMSI Bill submitted to Cabinet for approval to submit to Parliament by 31 March 2024.	Achieved IMSI Bill submitted to Cabinet for approval to submit to Parliament by 31 March 2024.	N/A	N/A



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Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviation
delivered to all tra citizens in an na	Spatially just and transformed national space economy	3.9 Number of intermediate city municipalities (ICMs) with capital expenditure frameworks (CEFs) aligned to the Integrated Urban Development Framework (IUDF)	New indicator	New indicator	5 ICMs with CEFs aligned to the strategic objectives of the IUDF by 31 March 2024.	Not Achieved No progress was made in terms CEFs that aligned to the strategic objectives of the IUDF by 31 March 2024.	The Programme underachieved its planned target by 5 ICMs by the end of the 2023/24 financial year.	Delays in the appointment of the service provider due to delays in the procurement process.
		3.10 Number of municipalities where improvement measures to enhance SDF compliance with SPLUMA are recommended	New indicator	New indicator	30 municipal SDFs assessed and recommendations provided for SPLUMA compliance by 31 March 2024.	Achieved 30 Municipal SDFs assessed, and recommendations provided for SPLUMA compliance by 3 I March 2024.	N/A	N/A
	Research conducted on citizen satisfaction in service delivery in municipalities	3.11 Number of quantitative research studies conducted on citizen satisfaction with service delivery.	New indicator	New indicator	I research study on citizen satisfaction with service delivery by 3 I March 2024.	Achieved A research study on citizen satisfaction with service delivery was concluded by 31 March 2024.	N/A	N/A



Sub-Programme Expenditure

Programme 3:		2023/2024			2022/2023	
Intergovernmental Policy and	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Governance	R'000	R'000	R'000	R'000	R'000	R'000
Management: Intergovernmental Policy and Governance	9 975	9 975	-	3 515	2 791	724
Municipal Administration and Capacity	15 456	15 242	214	16 350	16 271	79
Municipal Funding and Revenue Support	26 635	26 601	34	51 964	48 362	3 602
Development Planning	25 759	25 759		10 396	2 629	7 767
Municipal Governance	17 394	17 393		22 097	17 361	4 7360
Research and Knowledge Management	17 610	17 516	94	16 850	16 197	6 530
Transfer: Municipal Demarcation Board	73 104	73 104		74 340	74 340	
Transfer: South African Cities Network	8 538	8 538		8 508	8 508	0
Transfer: South African Local Government Association	36 408	36 408		36 280	36 280	0
Transfer: United Cities and Local Governments of Africa	8 00 1	-	8 00 1	7 973	-	7 973
Transfer: Local Government Equitable Share	95 188 741	92 261 856	2 926 885	87 311 493	83 937 761	3 373 732
Municipal Systems Improvement Grant	146 516	53 753	92 763	139 898	63 544	76 354
Total	95 574 137	92 546 145	3 027 992	87 699 664	84 224 044	3 475 620

Strategy to overcome areas of under performance

The table below provides an overview of the strategies to address areas of underperformance.

Outcome	Output	Output Indicator	Reasons for deviations	Action Plan
Programme 3: I	ntergovernmen	tal Policy and Governance		
Sustained Good Municipal Governance	Competent senior managers appointed in municipalities	corrective actions analysed and recommended to MECs to ensure that competent	During the first quarter of the 2023/24, there was no target. However, the revised APP had 4 targets when the Q1 target was already reported against.	implemented to ensure accuracy and alignment between the quarterly targets
Basic services delivered to all citizens in an effective and efficient manner	Spatially just and transformed national space economy	city municipalities (ICMs)	Delays in the appointment of the service provider due to delays in the procurement process.	acceleration plan with the

4.4 Programme 4: National Disaster Management Centre

	romote an integrated and coordinated system of disaster management with special nd mitigation by all role-players and stakeholders
Sub-Programme	Sub-Programme Purpose
Management for the National Disaster Management Centre	Provides strategic leadership to the Programme to ensure compliance and the achievement of departmental targets in line with its mandate.
Disaster Policy, Institutional Development and Compliance	Manage and oversee the development of disaster management regulatory frameworks, the functioning of Institutional Structures, and the assessment of compliance with disaster management legislation.
Disaster Risk Reduction and Capacity Development	Facilitate the mainstreaming of disaster risk management (DRM) and disaster risk reduction (DRR) within development programmes and projects by stakeholders across all spheres of government. Key to this overarching objective is the facilitation of the development and implementation of disaster risk reduction (DRR) frameworks, disaster management plans, and criteria on the assessment of disaster management plans. Linked to this also is the promotion of education, training, and public awareness amongst role players and communities.
Disaster Preparedness, Response and Recovery Coordination	Coordinate and develop national disaster response and recovery strategies and plans. Develop and implement guidelines and templates for disaster damage assessments, classification, and declaration processes. Develop national seasonal contingency plans to ensure seasonal hazard preparedness, response, and recovery. Develop and implement Standard Operating Procedures (SOPs) for response and recovery management efforts/systems. Coordinate and activate the National Disaster Operations Centre during disaster response and recovery interventions. Coordinate and activate joint operation committees to respond to various hazards and disasters. Establish and implement mechanisms for funding disaster risk management. Develop and implement disaster funding guidelines and frameworks. Oversee and coordinate the implementation of reconstruction and rehabilitation projects that incorporate the "Build Back Better" principle. Coordinate the development and implementation of post-disaster review reports.
Disaster Relief Grant	Municipal Disaster Response Grant is a conditional allocation aimed at urgent repairs for damaged municipal infrastructure as a result of disasters. Transfers are made only when a disaster has been declared and all grant conditions are met by the organ of the state.
Municipal Disaster Recovery Grant	A Municipal Disaster Recovery Grant is a conditional allocation that aims to rehabilitate and reconstruct municipal infrastructure damaged by disasters. Transfers are made only when a disaster has been declared and all grant conditions met.
Provincial Disaster Response Grant	A provincial Disaster Response Grant is a conditional allocation that aims to provide immediate relief to provincial sector departments for legally classified disasters as per the Disaster Management Act, 2002. Transfers are made only when grant conditions have been met.

 Table 4.4.1: Originally tabled Annual Performance Plan until date of re-tabling.

Outcome	Output	aster Manageme	Audited Actual	Audited Actual	Planned	*Actual	Deviation	Reasons for	Reasons for
Outcome	Сигрис	Indicator	Performance 2021/2022	Performance 2022/2023	Annual Target 2023/2024	Achievement 2023/2024	from planned target to Actual	deviations	revisions to the Outputs / Output
						until date of re-tabling	Achievement 2023/2024		indicators/Annual Targets
Functional intergovernmental governance systems Functional Disaster Management Framework Management Framework	4.1. Number of sector departments implementing disaster funding arrangements in terms of the Disaster Management Act	A model for disaster funding arrangements developed and approved by 3 I March 2022	Achieved Report indicating two sector Departments supported in the implementation of disaster funding arrangements by 31 March 2023	4 sector departments implementing disaster funding arrangements in terms of the Disaster Management Act by 31 March 2024.	Not Achieved 2 sector departments implementing disaster funding arrangements in terms of the Disaster Management Act by 30 September 2023.	A deviation from the annual planned target concerning sector departments implementing disaster funding arrangements regarding the Disaster Management Act at the end of September 2023 reflected an underachievement of 2.	The planned annual target of 4 sector departments implementing disaster funding arrangements in terms of the Disaster Management Act was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme is recorded in Table 4.4.2.	To align the annual target with the quarterly targets. The annual target was captured as 4 sector departments implementing disaster funding arrangements in terms of the Disaste Management Act, whereas the quarterly targets added up to 26 sector departments.	
		4.2. Number of municipalities in priority disaster areas implementing a disaster management strategy to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act	Achieved 10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through implementation of the applicable disaster management plans i.e., Ngaka Modiri Molema; Dr Kenneth Kaunda; Dr Ruth Segomotsi Mompati; Ehlanzeni; Vhembe; Sekhukhune; uMkhanyakude; Madibeng; uThukela; and uMzinyathi	Achieved 10 municipalities in priority disaster areas and I sector Department (DoH) supported to prevent, prepare and mitigate disaster risks through the implementation of applicable disaster management plans by 31 March 2023.	I 4 municipalities in priority disaster areas implementing a disaster management strategy to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act by 3 I March 2024.	Not Achieved 6 district municipalities in priority disaster areas were assessed on the implementation of disaster risk management. strategies to prevent, prepare for, and mitigate disaster risks in terms of the Disaster Manage- ment Act by 30 September 2023.	8 district municipalities in priority disaster areas were not assessed on the implementation of disaster risk management. strategies to prevent, prepare for, and mitigate disaster risks in terms of the Disaster Management Act by 30 September 2023.	The planned annual target of 14 regarding the assessment of district municipalities in priority disaster areas was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme is recorded in Table 4.4.2.	The indicator was revised to ensure alignment with the departmental strategic focus, budget, and MTSF.

Programme	4: National Dis	saster Managem	ent Centre						
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
Sustained Good Municipal Governance	Improved functionality of Municipal- ities through implemen- tation of the National Fire Safety and Prevention Strategy.	4.3 Number of municipalities implementing the National Fire Safety and Prevention Strategy	New Indicator	New Indicator	10 municipalities implementing the National Fire Safety and Prevention Strategy by 31 March 2024.	Not Achieved 2 municipalities (Matjhabeng & Metsimaholo) implementing the National Fire Safety and Prevention Strategy.	By the end of September 2023, there was a negative deviation of 8 from the annual planned target relating to the implementation of the National Fire Safety and Prevention Strategy.	The annual planned target of 10 municipalities implementing the National Fire Safety and Prevention Strategy was not yet due for reporting at the end of the second quarter of the 2023/24 financial year. The actual annual performance achieved by the Programme at the end of the reporting period is recorded in Table 4.4.2.	The indicator was revised due to inputs from the Minister, DM, and DG. The request was for all Programmes to have "implementation" as a target and not "assessments"



 Table 4.4.2: Report against the re-tabled Annual Performance Plan.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Basic services delivered to all citizens in an effective and efficient manner	Implementation of disaster funding arrangements by sector departments as per the Disaster Management Act, 2002 for immediate response to the effects of the disaster	4.1 Number of sector departments supported on the implementation of disaster funding arrangements in terms of the Disaster Management Act.	A model for disaster funding arrangements developed and approved by 31 March 2022.	Achieved Report indicating two sector Departments supported in the implementation of disaster funding arrangements by 31 March 2023	5 Sector departments supported on the implementation of disaster funding arrangements by 3 I March 2024.	Achieved 5 sector departments supported on the implementation of disaster funding arrangements by 3 I March 2024. The support was provided to the following departments: DHS, DALRRD, DSD, DOT and DFFE.	N/A	N/A
	Implementation of DRR strategies to prevent, prepare and mitigate disaster risks and enhance climate protection through applicable disaster management.	4.2 Number of municipal disaster management plans assessed to enhance implementation of disaster risk reduction (DRR) strategies for climate protection.	Achieved 10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through implementation of the applicable disaster management plans i.e., Ngaka Modiri Molema; Dr Kenneth Kaunda; Dr Ruth Segomotsi Mompati; Ehlanzeni; Vhembe; Sekhukhune; uMkhanyakude; Madibeng; uThukela;	Achieved Ten municipalities in priority disaster areas and I sector Department (DoH) supported to prevent, prepare and mitigate disaster risks through the implementation of applicable disaster management plans by 3 I March 2023	14 municipal disaster management plans assessed to enhance implementation of DRR strategies for climate protection by 31 March 2024.	Achieved 14 district municipalities in priority disaster areas were assessed through their disaster management plan to check the implementation of disaster risk reduction (DRR) strategies, to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act by 3 I March 2024. The 14 district municipalities are Chris Hani, Fezile Dabi, Sedibeng DM, Bojanala DM, uMgungundlovu, uThukela, Mopani, Ehlanzeni, Frances Baard, Garden Route, Xhariep, Amajuba, Cape winelands and Sarah Baartman.	N/A	N/A

Programme 4: Na	Programme 4: National Disaster Management Centre								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
Sustained Good Municipal Governance	Implementation of the Fire Services Legislative framework	4.3 Number of Municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy	New indicator	New indicator	10 municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2024.	Achieved 10 municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2024	N/A	N/A	
	Disaster Management System reviewed.	4.4 Overhauled system of disaster management approved.	New Indicator	New Indicator	Proposed Revised Disaster Management system submitted to Cabinet by 31 March 2024.	 Consultations were held with the National Disaster Management Advisory Forum on February 12, 2024, and the Head of Centre's and Provincial CoGTA structures. Further consultations were undertaken with SALGA, including study tour visits to Malawi in the week of March 15, 2024, and Brazil on March 21–24, 2024. 	The proposed Revised Disaster Management System was not submitted to Cabinet by 31 March 2024.	The draft Cabinet proposal was finalised at the beginning of March 2024. NDMC requested assistance from GTAC to advise and enhance the quality of the draft report. NDMC also engaged all relevant structures, and SALGA requested that NDMC not process the draft proposal as there were outstanding international benchmarking tours from their side.	



Sub-Programme Expenditure

Programme 4:		2023/2024			2022/2023	
National Disaster Management Centre	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Centre	R'000	R'000	R'000	R'000	R'000	R'000
Management: Head National Disaster Management Centre	36 729	32 322	4 407	55 250	42 523	12 727
Disaster Policy, Institutional Development and Compliance	8 044	7 981	63	12 382	8 07 I	4 311
Disaster Risk Reduction and Capacity Development	10 247	9 447	800	4 997	4 095	902
Disaster Preparedness, Response and Recovery Coordination	15 582	14 637	945	18 068	9 952	8 116
Municipal Disaster Recovery Grant	I 505 387	l 334 573	170 814	3 318 741	3 318 741	0
Disaster Response Grant	890 575	873 172	17 403	861 248	516 661	344 587
Total	2 466 564	2 272 132	194 432	4 270 687	3 900 043	370 644

Strategy to overcome areas of underperformance

The table below provides an overview of the strategies to address areas of underperformance.

Outcome	Output	Output Indicator	Reasons for deviations	Action Plan				
Programme 4: National Disaster Management Centre								
Sustained Good Municipal Governance	Disaster Management System reviewed.	4.4 Overhauled system of disaster management approved.	The draft Cabinet proposal was finalised at the beginning of March 2024. NDMC requested assistance from GTAC to advise and enhance the quality of the draft report. NDMC also engaged all relevant structures, and SALGA requested that NDMC not process the draft proposal as there were outstanding international benchmarking tours from their side.	The NDMC has partnered with SALGA to ensure that consultations reach all municipalities.				

4.5 Programme 5: Community Work Programme

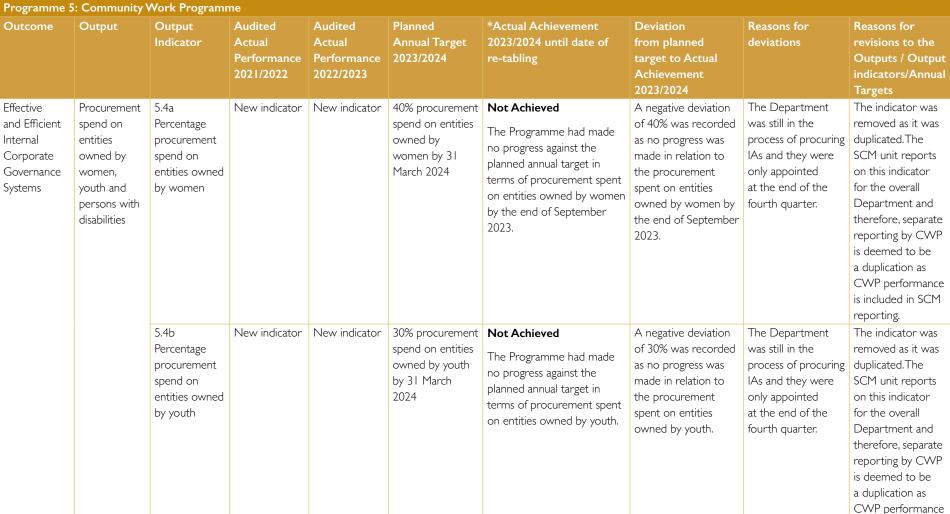
	Programme purpose: To create income security and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment.						
Sub-Programme	Sub-Programme Purpose						
CWP policy research	The CWP Policy research seeks to delve into periodic systemic in-depth evaluation and analysis of the implementation modalities of the Programme's ability to achieve the theory of change and its impact on the problem statement. In this regard, ongoing work must be undertaken to determine the extent to which there can be innovative initiatives built into the Programme to improve its implementation toward ascertaining the achievement of its strategic intent. Additionally, CWP Policy research facilitates the gathering of insights and knowledge to facilitate the development of innovative and cutting-edge products to improve the implementation modalities of the Programme and its impact.						
CWP coordination, partnerships and implementation	Provide basic income security as well as protective gear, tools and materials, training, professional service, and Programme overhead funding.						
CWP monitoring and evaluation	Provide evidence-based CWP policy-making and reporting.						





 Table 4.5.1: Originally tabled Annual Performance Plan until date of re-tabling.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets
Citizens engaged and participating in Government	CWP participants enrolled in programme	5.1 Number of People participating in the CWP sustained income model	Achieved 250 000 people participating in the programme by 31 March 2022	Achieved 273 848 people participated in the programme by 31 March 2023	230 000 people participating in the CWP sustained income model by 31 March 2024	Achieved 268 196 people participated in CWP sustained income model by the end of September 2023.	The Programme overachieved its planned target by 38 196 at the end of September 2023.	The reason for overachievement is that the Estimate of National Expenditure (ENE) allocation for the wage components allowed for the enrollment of additional participants.	The reason for the revision was to ensure alignment with the ENE wage allocated budget.
		5.2 Number of people participating in the new CWP sustainable exit strategies model	Not Achieved 15 942 CWP participants trained by 31 March 2022.	Not Achieved 15 942 CWP participants trained by 31 March 2023.	20 000 people participating in the new CWP sustainable exit strategies model by 31 March 2024	Not achieved The Programme had made no progress against the planned annual target relating to participation in the new CWP sustainable model by the end of September 2023.	No action was undertaken to reduce the number of participants as planned. As a result, none of the 20 000 participants exited from the Programme.	The 20 000 reduction that was planned was not achieved as it was not pursued because of the ENE wage allocation budget which allowed for the enrolment of additional participants.	The reason for the revision was to ensure alignment with the ENE wage allocated budget.
		5.3 Percentage of women, youth and persons with disabilities participating in the Programme	New indicator	New indicator	55% women, 30% youth and 2% persons with disabilities participating in the programme by 31 March 2024	Not Achieved Vomen: 80% Youth: 20% PWD: 2.2%	Women: 25%Youth: -10%PWD: 0.2%	The reason for the underperformance is that young people find the current useful work projects unappealing, and as a result, they are reluctant to enrol in the Programme.	The indicator was updated to distinguish between each category's performance because poor performance in one had an impact on the indicator's overall performance.





is included in SCM reporting.

Programme	Programme 5: Community Work Programme										
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators/Annual Targets		
		5.4c Percentage procurement spend on entities owned by persons with disabilities	New indicator	New indicator	7% procurement spend on entities owned by persons with disabilities by 31 March 2024	Not Achieved The Programme had made no progress against the planned annual target in terms of procurement spent on entities owned by persons with disabilities.	A negative deviation of 7% was recorded as no progress was made in relation to the procurement spent on entities owned by persons with disabilities.	The Department was still in the process of procuring IAs and they were only appointed at the end of the fourth quarter.	The indicator was removed as it was		
	Unqualified audit outcome	5.5 Percentage of material irregularities and qualification paragraphs from previous financial years resolved	New indicator	New indicator	100% of material irregularities and qualification paragraphs from previous financial years resolved by 31 March 2024	Not Achieved 100% of material irregularities and qualification paragraphs from previous financial years were not resolved by the end of September 2023. The financial loss was determined and quantified. These were communicated to the IAs and the recovery process was initiated. Letters for final accounts were issued for both C2 and C3. Approval for retention payout for 2 Implementing Agents was granted and payments were processed.	A negative deviation of 100% was recorded as the Programme had made no progress against the planned annual target in terms of material irregularities and qualification paragraphs from previous financial years.	Delays due to unresolved disputes by Implementing Agents and further reconciliations and assets under investigation.	N/A		



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 Table 4.5.2: Report against the re-tabled Annual Performance Plan.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Citizens engaged and participating in Government	CWP Participants enrolled in the Programme	5.1 Number of people participating in the Community Work Programme (CWP) by target date	Achieved 250 000 people participating in the programme by 31 March 2022	Achieved 273 848 people participated in the programme by 31 March 2023	255 000 people participating in the Programme by 31 March 2024	Achieved 269,889 people participated in the CWP by 31 March 2024.	The Programme overachieved its annual target by 14 889.	The reason for overachievement is that site managers were permitted to recruit 10% more than the allocated numbers to mitigate the risk of non-attendanc of participants as a result of absenteeism, attrition rate, and participants exiting the Programm
		5.2 Percentage of women participating in the CWP	New indicator	New indicator	55% of women participating in the CWP by 31 March 2024	Achieved 79.86% of women participated in the CWP by 31 March 2024.	The Programme overachieved its annual target by 24.86%.	In contrast to any other designate groups, women exhibit greater interest in the Programme.
		5.3 Percentage of youth participating in the CWP	New indicator	New indicator	40% of youth participating in the CWP by 31 March 2024	Not achieved 20.18% of youth participated in the CWP by 31 March 2024.	The Programme underperformed by 19.82%.	The Programme was not previous attractive to young people due to the nature of the useful work undertaken.
		5.4 Percentage of persons with disabilities participating in the CWP	New indicator	New indicator	2% of persons with disabilities participating in the CWP by 3 I March 2024	Achieved 2.2% of persons with disabilities participated in the CWP by 31 March 2024.	The Programme overachieved its annual target by 0.2%.	The Department made deliberate efforts to identify and enrol persoliving with disabilities.
		5.5 Number of participants trained in various skills by target date	Not Achieved 15 942 CWP participants trained by 31 March 2022.	Not Achieved 15 942 CWP participants trained by 31 March 2023.	25 500 Participants trained by 3 I March 2024	Not achieved During the period under review, no participants were trained.	The Programme recorded a negative deviation of 25 500.	No training has been undertaken due to the absence of implementing agents that resulted in in-year budget cuts.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Effective and Efficient Internal Corporate Governance Systems	Unqualified audit outcome	5.6 Percentage of material irregularities and qualification paragraphs from previous financial years resolved	New indicator	New indicator	100% of material irregularities and qualification paragraphs from previous financial years resolved by 31 March 2024	MI 2: The amount recovered to date is 89% (R1,048,653.50 of R1 189 163). The balance of 11% is dependent on the finalisation of the mediation, arbitration, and disputes by two Implementing Agencies (IAs). MI 4: The amount recovered to date is 53% (R11,635,810.04 and R22,183,472.18). The majority of the outstanding amount relates to Iketsetse NPO, and the recovery of this IA would lead to 89% recovery. There is currently an arbitration case with Iketsetse and the case is at an advanced stage. This will be finalised during April 2024, as the dates of April 14 and 15 have been set for the Iketsetse counterclaim.	The Programme recorded a negative deviation of 100%.	Delays in resolving disputes. The mediation, arbitration, and disputes by two Implementing Agencies are not yet finalised. Furthermore, then is currently an arbitration case with Iketsetse and Mediation case with Insika Foundation.



Linking performance with budgets

Programme 5:		2023/2024		2022/2023		
Community Work Programme	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
CWP coordination, partnerships and implementation	3 513 814	3 595 593	(81 779)	4 177 665	3 745 864	431 801
CWP monitoring and evaluation	7 856	7 037	819	123 539	88 231	35 308
Total	3 521 670	3 602 630	(80 960)	4 301 204	3 834 095	467 109

Strategy to overcome areas of underperformance

The table below provides an overview of the strategies to address areas of underperformance.

Outcome	Output	Output Indicator	Reasons for deviations	Action Plan
Programme 5: 0	Community Wo	rk Programme		
Citizens engaged and participating in Government	participating overnment enrolled in the over		The Programme was not previously attractive to young people due to the nature of the useful work undertaken.	 A circular will be issued to all sites to ensure that, moving forward, only youth are enrolled in the programme until the target is met. Smart partners will be encouraged to attract young people to participate in the programme. A policy is being reviewed to ensure youth enrollment in the programme.
		5.5 Number of participants trained in various skills by target date	No training has been undertaken due to the absence of implementing agents that resulted in inyear budget cuts.	 Implementing Agents have been appointed for six months. Training will be undertaken by smart partners and the targeted numbers will be increased, particularly the youth.
Effective and Efficient Internal Corporate Governance Systems	Unqualified audit outcome	5.6 Percentage of material irregularities and qualification paragraphs from previous financial years resolved	Delays in resolving disputes. The mediation, arbitration, and disputes by two Implementing Agencies are not yet finalised. Furthermore, there is currently an arbitration case with Iketsetse and Mediation case with Insika Foundation.	Expedite the resolution of the disputes and, if they go beyond engagements, refer the cases to Legal Services Unit.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The table below provides details regarding the transfer of payments to public entities.

N	14.			
Name of Public	Key Outputs of the	Amount	Amount spent	Achievements of the Public
Entity	Public Entity	transferred to the Public Entity	by the Public	Entity
Municipal Demarcation Board	 Legal notices published in line with the resolutions of the Board in terms of Section 21 and 21(5) of the MDA for boundary redeterminations. Research Reports prepared. Awareness and education activities completed. 	R 73 104 000	R74,712,000	 MDA Section 21 and 21(5) notices published for boundary re-determinations. The MDB considered 309 proposals, and finally redetermined 61 cases, 13 proposals were deferred as they require further interventions. Two research reports prepared. 22 awareness and education activities completed.
Municipal Infrastructure Support Agent	 Reduced non-revenue water in dysfunctional municipalities. Dysfunctional municipalities increasing job creation through mainstreaming LIC on municipal infrastructure projects. Improved municipal infrastructure asset management practices SPLUMA compliant municipal spatial plans, policies, structures and systems were reviewed. Improved functionality of dysfunctional Wastewater and Water Treatment Works (WWTWs) Improved service delivery through technical capacity development in dysfunctional municipalities. Improved infrastructure resilience to climate change in dysfunctional municipalities. 	R401 454 000	R317,205,454.00	 During the 2023/24 financial year, 23 local municipalities were supported with improved infrastructure procurement practices, applying various procurement strategies. Four plans towards spatial transformation in the Eastern Seaboard Region (ESD) were completed, in addition to four catalytic projects prepared for investment mobilisation within the ESD region. MISA has made inroads in addressing the dilapidated road network and for the 2023/24 FY, over 200 km of roads have received rehabilitation and associated road infrastructure like stormwater drainage and roads furniture was also upgraded.



Name of Public Entity	Key Outputs of the Public Entity	Amount transferred to	Amount spent by the Public	Achievements of the Public Entity
Litercy	T done Entirey	the Public Entity	Entity	_ Indicy
	 Approved intergovernmental implementation plans and financing of the Eastern Seaboard Development. Catalytic projects prepared for investment within the Eastern Seaboard Development. Municipalities with access to funding through the leveraging of national transfers to unlock private sector investments. 			 Technical skills programmes undertaken in the 2023/24 FY were aimed at upskilling and reskilling municipal officials who are responsible for municipal infrastructure planning, delivery, operation, and maintenance. At the same time, skills development programmes for unemployed youth were implemented with the view of creating a technical skills pipeline for local government. Although these capacity building initiatives prioritised the 22 dysfunctional municipalities, opportunities were also given to participants in other municipalities across the country. MISA assisted 10 municipalities through the programme of Energy Efficiency Demand Side Management (EEDSM) to reduce the cost of energy acquisition and the associated penalties by continuously monitoring energy use and managing appliance schedules. The focus was on three components that are (i) demand response (DR), (ii) distributed energy resources (DER), and (iii) energy efficiency (EE). Through the implementation of a risk adjusted strategy by MISA in certain provinces and interventions like MIG 6B, re-gazetting to Districts, etc. assisted municipalities to expedite their MIG expenditure and delivery of projects to the communities. Support provided to Land Development Applications (LDA) in addition to the establishment and training of Municipal Planning Tribunals (MPT), resulted in 15 municipalities implementing their Spatial Planning and Land Use Management Act (SPLUMA) plans. Through the support provided by MISA, 10 dysfunctional municipalities were able to implement their flood risk resilient infrastructure to combat climate change.

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
South African Local Government Association	Operational and membership fees	R36 408 000	R36, 408, 000.00	Achieved 87% during the 2023/24 financial year. The Annual Report shall be submitted upon completion and before the legislative deadline.

5.2. Transfer payments to all organisations other than public entities

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

LOCAL GOVERNMENT EQUITABLE SHARE TRANSFERS (LGES)

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
256 Municipalities	Metropolitan, Local and District municipalities	The local government equitable share is an unconditional grant that supplements the revenue that municipalities can raise themselves provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities with the least potential to cover these costs from their revenues	(Internal Finance Unit to provide input)	R92,261,856,000.00	N/A	N/A

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

Name of transferee	Purpose for which the funds were to be used		Amount transferred	Reasons why funds were not transferred
Kareeberg Local Municipality	The local government equitable share is an unconditional grant that supplements the revenue that municipalities can raise themselves and provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities with the least potential to cover these costs from their own revenues.	R35,728,000	R0.00	The budgeted funds were offset, due to misuse of conditional grants by the municipality in the previous year.

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

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
South African Cities Network	Non-Profit Institution	Operations	Yes	R8, 538, 000	-	-

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

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for	Amount transferred	Reasons why funds were not transferred
United Cities and Local Government of Africa (UCLGA).	The funding was meant to support the operations of the Southern Africa Regional Office and strategic projects undertaken by UCLGA.	R8, 001, 000	N/A	Entity discontinued



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 I: Integrated Urban Development Grant (IUDG)

Department/ Municipality to whom the grant has been transferred	Mogale City, Ray Nkonyeni, uMhlathuze, Polokwane, Steve Tshwete, Sol Plaatjie, Drakenstein, Stellenbosch and George Local Municipalities.
Purpose of the grant	To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal sources of capital finance in order to increase funding for public investment in economic infrastructure.
	• To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.
Expected outputs of	Number of new water connections meeting minimum standards.
the grant	Number of new sewer connections meeting minimum standards.
	Number of dwellings provided with connections to the main electricity supply by the municipality.
	Percentage of known informal settlements receiving integrated waste-handling services during the financial year.
	Additional square metres of parks provided during the financial year.
	Additional square metres of outdoor sports facilities provided during the financial year.
	Additional square metres of public open space provided during the financial year.
	Number of additional community halls provided during the financial year.
	Number of additional libraries provided during the financial year.
	Percentage of unsurfaced roads graded within the financial year.
	Percentage of surfaced municipal road lanes which has been resurfaced and resealed.
	Length of non-motorised transport paths built over the financial year.
	Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs.
	Number of specialised vehicles for waste management (as defined in annexures A and B of the norms and standards for specialised waste vehicles) purchased to service the poor.
Actual outputs achieved	The 2022/23 municipal budget cycle began on the 1st of July 2022 and ended on the 30th of June 2023 when the Department's budget cycle had already started, as such the 2022/23 service delivery performance for the IUDG is outlined below:
	Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for:
	9,731 households provided with basic water and sanitation services.
	319 households provided with electricity.
	 Community Infrastructure Constructed (New Infrastructure and Upgrading and Renewal of Existing Infrastructure):
	Two Landfill Solid Waste Disposal Sites Developed and One Transfer Station.
	One swimming pool was constructed.
	One sport and recreation facility was developed.
	16.53 kilometres of municipal roads developed.
	19.75 kilometres of municipal roads upgraded and rehabilitated.
	67 streetlights and 10 high-mast lights installed.
	Four community halls developed.
	1,194 FTEs created using the EPWP guidelines for the above outputs.



department

	The 2023/24 municipal budget cycle started in July 2023 and ends in June 2024 and therefore the outputs achieved below are up to the end of the Department's budget cycle (March 2024):
	Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for:
	625 households provided with sanitation services.
	Community infrastructure constructed (new infrastructure and upgrading and renewal of existing infrastructure):
	12 high-mast lights installed.
	720m road and 100m stormwater
	• 56 FTEs created using the EPWP guidelines for the above 2023/24 financial year outputs.
Amount per amended DORA	RI,172,448,000.00
Amount transferred (R'000)	RI,172,448,000.00
Reasons if amount as per DORA not transferred	Not applicable — all the allocated funds, including adjusted allocations, were transferred to municipalities.
Amount spent by the department/ municipality (R'000)	The Department has transferred R1 172 448 000.00 and of the transferred the amount the municipal cumulative expenditure is R805,182,834.90.
Reasons for the funds unspent by the entity	The spending year for the IUDG started on 01 July 2023 and will end on 30 June 2024.
Monitoring	Monitoring and oversight meetings/workshops
mechanism by	Monthly, quarterly and annual reporting
the transferring	Project site visits and verifications

Conditional Grant 2: Municipal Systems Improvement Grant (MSIG)

Department/ Municipality to whom the grant has been transferred	The Municipal Systems Improvement Grant (MSIG) is an indirect grant, allocated in terms of schedule 6B of the Division of Revenue Act, and is not transferred to municipalities, but spent by the Department of Cooperative Governance (DCoG), to address municipal institutional capacity building challenges.
Purpose of the grant	To assist municipalities in performing their functions and stabilise their institutional and governance systems as required in the Municipal Systems Act and related local government legislation
Expected outputs of the grant	 Number of municipalities supported on governance and institutional matters through the District Development Model (DDM) approach, on the integration and coordination of support and capacity building interventions, including amongst others, support on the following outputs: development of comprehensive institutional diagnostic analysis/assessments to determine skills, systems, performance, institutional gaps and main constraints impeding effectiveness and sound municipal performance, development of institutional improvement plans towards the institutionalisation of the DDM and implementation of One Plans.
	Number of municipalities supported to improve their municipal systems through the DDM National Strategic Hub (Results Management Office)
	Number of municipalities provided with support to effectively implement the Integrated Urban Development Framework (IUDF)
	Number of municipalities receiving support to improve their records management systems.
	Number of municipalities with upgraded or improved Information and Communications Technology (ICT) infrastructure and strengthened ICT Governance through support.
	 Number of municipalities promoting ethical conduct through the development and maintenance of a web-based case management system to institutionalise measures to expeditiously address incidents of unethical conduct, breach of the Code of Conduct for Municipal Staff, substandard performance and to strengthen enforcement measures.
	Number of municipalities receiving support on Human Resource and Organisational Development as well as Disciplinary Management

- Number of municipalities assisted in piloting and validating prototype staff establishments tailored to their specific categories.
- Number of municipalities supported in the implementation of Municipal Staff Regulations.
- Number of municipalities supported in the preparation of an institutional recovery plan and the implementation thereof, where appropriate (including assisting municipalities to review and prepare organograms, policies, by-laws performance information and capacity building on governance)
- Number of municipalities supported to improve their recruitment and selection systems by strengthening assessment mechanisms such as competencies, exams, group exercises.
- Number of assessments and evaluations undertaken to determine the readiness of the adoption and implementation of the Smart Cities Framework at the selected municipalities and develop a Support Programme for Smart City Initiatives as per the Smart Cities Framework Number of municipalities supported in conducting cost of supply studies for water and electricity (municipal tariff data management) and related matters.
- Number of municipalities supported in the improvement of their data management.
- Number of municipalities provided with revenue protection and interventions that include reviewing municipal revenue enhancement strategies and enforcement measures, establishing other revenue streams, technology usage, billing data management, tariff structure and setting, systems audits and trading services (water, electricity), business remodelling.
- Number of municipalities supported on the implementation of the Municipal Property Rates Act.
- Number of municipalities supported in various governance aspects, including performance information, ICT governance, municipal audit outcomes, oversight structures, anti-corruption, and capacity building.
- Number of municipalities supported in the improvement of economic development planning/initiatives (Economic Planning Strategies and Red Tape Reduction Initiatives).
- Number of municipalities supported with the development of master plans and feasibility studies.
- Number of municipalities supported in establishing operations technical governance systems and/or automating basic service delivery systems.
- Number of municipalities supported in reviewing and developing climate change adaptive Spatial Development Plans and the related Land Use Plans and Policies

Actual outputs achieved

Cost of supply studies in water distribution (bulk water tariffs).

The Phase 2 final tariff review and structure reports were completed for the following municipalities:

- Msukaligwa Local Municipality
- Kopanong Local Municipality
- Phumelela Local Municipality
- Mangaung Metropolitan Municipality
- iLembe District Municipality
- Mafube Local Municipality
- Vhembe District Municipality
- Bushbuckridge Local Municipality

The service provider is still in Phase I data collection in Lekwa-Teemane Local Municipality and has completed a progress report.

• A report on the Existing Situational Assessment which addresses the following tasks for Bela Bela Local Municipality has been developed as follows: Data collection (95% complete), Data cleansing (100% complete), Water demand and loss determination (60% complete), Financial review (0% complete), and Consolidated As-is Assessment (0% complete). The project will continue in the 2024/25 financial year.

Pilot and validation of municipal prototype staff establishments achievements:

- Diagnostic analysis report
- Mapped municipal capabilities
- Piloted prototype staff establishment
- Validated and reviewed staff establishment



Review of local government competency framework and assessment batteries achievements:

- Literature Review
- Workshops and consultation with DCoG
- Develop job descriptions and draft Competency Frameworks
- Data Collection
- Design broad background for the hypothetical municipality and developing exercises
- Design the rating scales and guidance for scoring
- Initial pilot of exercises with a representative selection of poor and high performers
- Pilot of new material and reporting

Training on municipal staff regulations achievements:

- Training of members of Municipal Councils in all 257 Municipalities
- Training of Municipal Human Resource Functionaries in all 257 Municipalities

Data management (Revenue):

- Aligned revenue value chain processes that impact the credibility of customer information for accurate and complete billing
- Updated customer information
- · Investigated and identified incorrect billing
- · Verify all billing data in relation to ownership data
- · Perform valuation roll reconciliation against the billing system
- · Provided training to municipal staff and transferred skills during on revenue management reforms
- Reviewed internal controls and made recommendations on key areas that may affect the integrity of data including revenue management-related policies
- Assisted with the development of effective internal controls to perform the reconciliations of accounting records for all sources of revenue

Records management:

- Improved efficiency, preventing misplaced/loss of information, thereby reducing risks and consequences
- Created awareness of the importance of records management and risks of non-compliance by the municipality
- Trained the municipality in effective Records management
- Ensured that municipal Policies and Procedures related to Records Management were up to date and in alignment with the latest regulations i.e., POPIA, PAIA, PAJA, MFMA, and NARSSA
- Improved general security related to Records management, including recommendations for improved facilities
- Provided guidance and recommendations related to good business practices related to Records management

Amount per amended DORA

R146,516,000.00

Amount transferred Reasons if amount

Not applicable, funds are spent by the Department N/A

as per DORA not transferred Amount spent by

R40,935,343.21

the department/ municipality Reasons for the funds

unspent by the entity

Lack of cooperation by municipalities, unsuccessful bidders challenging the supply chain management outcome, slow implementation of projects, and late appointment of service providers, generally contributed to the low spending of the grant

Monitoring mechanism by the transferring department

- Monthly performance monitoring meetings.
- · Monthly, quarterly, and annual reporting.
- · Project steering committee meetings.

Conditional Grant 3: MIG Grant

Department/ Municipality to whom the grant has been transferred	Municipalities
Purpose of the grant	 To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities. To provide specific funding for the development of asset management plans for infrastructure servicing the poor.
Expected outputs of the grant	The MIG is a schedule 5 (direct grant) to municipalities. Infrastructure includes the construction of new infrastructure and the upgrading and renewal of existing infrastructure that includes: Basic water and sanitation services Central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites Sport and recreation facilities Street and community lighting Public facilities Municipal roads (also maintenance) Also included, work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs. Other areas include: Specialised vehicles for waste management servicing the poor: Repairs and refurbishment of water services infrastructure servicing the poor: Asset management planning development. Maintaining project management capacity at a municipal level to support the MIG programme and other schedule 5B grants.
Actual outputs achieved	 The MIG is a municipal grant, which implies funds are spent between 1 July and 30 June. Municipalities have until 30 June 2024 to achieve outputs against their implementation plans. The 2023/24 MIG Annual Report required in terms of Section 10 of the Division of Revenue Act, 2023 will express the outputs achieved in 2023/24 which is due to National Treasury on 30 October 2024.
Amount per amended DORA	R16,341,585,000
	R16,341,585,000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	As of the end of March 2024, R 11,443,495,000 (70%) of the MIG 2023/24 of allocation has been reported by municipalities as spent.
Reasons for the funds unspent by the entity	The MIG is a municipal grant, which implies funds are spent according to municipal financial years (between I July and 30 June). Municipalities have until 30 June 2024 to spend the MIG funds.
Monitoring mechanism by the transferring department	Project monitoring is undertaken by DCoG, provinces and sector Departments through spot checks and municipal engagements. Expenditure monitoring includes the submission of proof of payments by the municipalities on projects, verified by provinces and confirm nationally through the MIG-MIS.

Conditional Grant 4: Municipal Disaster Recovery Grant

	•
Department/ Municipality to whom the grant has been transferred	The Municipal Disaster Recovery Grant was allocated to five municipalities in KwaZulu-Natal based on the disaster that took place in 2019. An allocation of R150.101 million was made available to the municipalities to reconstruct and rehabilitate the damaged infrastructure. An expenditure of 75% was reported by the five municipalities in the KwaZulu-Natal Province. The municipalities that benefitted are listed below:
	e-Thekwini Metropolitan Municipality
	KwaDukaza Local Municipality
	Ray Nkonyeni Local Municipality
	uMuziwabantu Local Municipality
	uMzumbe Local Municipality
	In 2023/24 financial year, the National Treasury approved the rollover applications from the 2022/23 Municipal Disaster Recovery Grant Allocation for municipalities in the Western Cape and KwaZulu-Natal provinces. An amount of R2,828,266.00 was approved for municipalities in KwaZulu-Natal and Western Cape to continue with the implementation of the projects. The municipalities are continuing with the implementation of the projects.
	In the 2023/24 an amount of R1,184,472 (R1.1 billion) was transferred to municipalities in KwaZulu-Natal, Limpopo, Mpumalanga and Eastern Cape Provinces to reconstruct and rehabilitate the damaged infrastructure in the provinces as a result of the February 2023 floods.
Purpose of the grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.
Expected outputs of the grant	Municipal infrastructure damaged by a disaster reconstructed and rehabilitated.
Actual outputs achieved	Reconstruction and rehabilitation of municipal infrastructure damaged by the floods. The National Treasury allocated R1.200 billion through the Adjusted Estimates of National Expenditure (AENE) to municipalities in the Eastern Cape, Limpopo, Mpumalanga and Kwazulu Natal to reconstruct the damaged infrastructure because of the February 2023 floods. R1.3 billion was transferred to municipalities through the Recovery Grant.
Amount per amended DORA	R1,505,387 (R1.5 billion)
Amount transferred	R1,334,573,000 (R1.3 billion)
Reasons if amount as per DORA not transferred	Erroneous allocation to the municipalities because of the 2019 disasters.
Amount spent by the department/ municipality	0% As the funds were transferred only in February/March 2024.
Reasons for the funds unspent by the entity	Erroneous allocation to the municipalities because of the 2019 disasters.
Monitoring	Attends and participates in provincial project steering committee meetings
mechanism by	Conduct project site visits and stakeholder engagements to monitor progress
the transferring department	Analyse submitted reports, identify areas of concern for appropriate actions and interventions
aopai emene	Provide guidance and support to grant recipients in the implementation of interventions
	• Issue regular reminders to the grant recipients on the submission of performance and financial reports, supporting documentation as well as outstanding matters
	Issuance of non-compliance letters to non-complying grant recipients
the contract of the contract o	

Conditional Grant 5: Municipal Disaster Response Grant

Department/ Municipality to whom the grant has been transferred	In the 2023/24 financial year, the Department transferred the Municipal Disaster Response Grant to 75 municipalities in the Gauteng, North West, Northern Cape, Limpopo, Mpumalanga, Western Cape, Eastern Cape, KwaZulu-Natal and Free State provinces between June 2023 -March 2024, to address damages caused by the floods that occurred in February, June, September, December 2023 and January 2024.
Purpose of the grant	To provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section $2(1)(b)$ of the Disaster Management Act.
Expected outputs of the grant	 Emergency repair of critical infrastructure Emergency provision of critical goods and services
Actual outputs achieved	Critical municipal infrastructure repaired and restored to ensure continued and reliable service delivery.
Amount per amended DORA	 Initial combined allocation for Disaster Response Grants was R518,575 with the breakdown as follows: Municipal Disaster Response Grant (MDRG): R372,732 Provincial Disaster Response Grant: R145,843 (converted to MDRG) Replenishment: MDRG: R372,000 Total Allocation: R890.575 million
Amount transferred	A total of R873.172 million was transferred to 75 municipalities for the repairs of damages due to the 2023 and 2024 disasters.
Reasons if amount as per DORA not transferred	An amount of R17.403 million remained unspent in 2023/24 financial year. Provincial Disaster Management Centres (PDMCs) and affected municipalities failed to meet the submission deadline and submit the required information.
Amount spent by the department/ municipality	64% of the allocated amounts was spent by the receiving municipalities.
Reasons for the funds unspent by the entity	PDMCs and affected municipalities failed to meet the submission deadline and submit the required documentation.
Monitoring mechanism by the transferring department	 Attends and participates in monthly provincial project steering committee meetings Conduct project site visits and stakeholder engagements to monitor progress Analyse submitted reports, identify areas of concern for appropriate actions and interventions Provide guidance and support to grant recipients in the implementation of interventions Issue regular reminders to the grant recipients on the submission of performance and financial reports, supporting documentation as well as outstanding matters Issuance of non-compliance letters to non-complying grant recipients Escalation of critical areas of concern to the executive and relevant structures for interventions

6.2. Conditional grants and earmarked funds received

The Department did not receive conditional grants and earmarked funds.



DONOR FUNDS

7.1. Donor Funds Received

The table below presents the amount received during the reporting period.

Name of donor	Metbank South Africa
Full amount of the funding	R75,500
Period of the commitment	None
Purpose of the funding	Sponsoring a venue for a two-day CWP Strategic Planning Session and an Engagement with CWP Smart Partners.
Expected outputs	To convene a CWP Branch Strategic Planning Session and an engagement with CWP Smart Partners.
Actual outputs achieved	Successful CWP Strategic Planning Session convened with deliverables and outcomes, as well as a fruitful engagement with CWP Smart Partners to present their value propositions towards the enhancement of the CWP to the Director General, the Chief Financial Officer, and other senior officials.
Amount received (R'000)	R75,500 paid directly to the Royal Elephant Hotel and Conference Centre.
Amount spent by the department (R'000)	N/A
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	N/A

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance, and asset management plan

For the year under review, no capital investment was incurred, and no maintenance-related information was recorded.

The table below details the progress made towards the implementation of the Asset Management Plan during the 2023/24 financial year:

- A service provider has been appointed to develop an asset management system, and the process of developing the system is underway.
- Annual Asset Verification for the 2023/24 financial year was conducted in all provinces.
- The disposal of assets was also undertaken in all provinces. These were broken down into 4 disposals and were recommended by the Loss Control Committee and approved by the Director General.
- Asset under investigation was completed for all provinces and assets not found recovered from implementing agents and other assets written off and approved by the Director General.
- 80% of assets with R1 value were fairly valued and a balance of 20% will be completed during the 2024/25 financial year.
- No procurement of assets during the financial year except for the asset-related accruals paid during the financial year.



PART C GOVERNANCE

I. INTRODUCTION

A commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Citizens want assurance that the Department has good governance structures in place to effectively, efficiently, and economically utilise the state resources, which is funded by the taxpayer:

2. RISK MANAGEMENT

The Department has adopted an enterprise-integrated risk management approach. This approach is implemented by employees at every level of the organisation and applied in strategic settings. It is also designed to identify potential events that may affect the organisation.

A Risk Management Unit within the Department under the leadership of the Chief Risk Officer, is responsible for facilitating the process of identifying, reviewing, managing, and monitoring risks. This involves performing risk identifications and assessments at strategic, operational, functional and at project levels. Furthermore, the Department conducts fraud risk assessments and ethics risk assessments. Through these processes, the Department's Top Strategic Risk Profile is developed. The divisional and operational risk registers are compiled and risk mitigation strategies that are monitored on a quarterly basis by Top Management, the Combined Assurance Forum, and Risk Management Committee (RMC) quarterly, are implemented. Emerging risks are identified and reported by Management to the Risk Management Committee on a quarterly basis.

The Department has an approved risk management policy and strategy. An annual risk management implementation plan, which is approved by the Accounting Officer on recommendation of the Risk Management Committee, is in place and the implementation thereof is monitored on a quarterly basis.

A Risk Management Committee (RMC) has been established to assist the Accounting Officer to execute his responsibilities on risk management and is chaired by an independent Chairperson. The RMC has terms of reference, which guide its activities and areas of focus. It meets quarterly to review the effectiveness of risk management in the Department and recommends areas of improvement to the Accounting Officer. The Risk Management Committee Chairperson also tables the Risk Management Committee report to the Audit Committee of the Department for its oversight responsibility on the Department's risk management.

During the reporting period, the RMC reviewed the risk management and business continuity policies and frameworks. Risk assessments were conducted at strategic, operational, and major project levels. Emerging risks were reviewed and reported quarterly as well. The Audit Committee independently monitors the effectiveness of the system of risk management and advises the Department accordingly.



The table below outlines the top 10 strategic risks facing DCoG as at 31 March 2024:

No	Risks	Inherent risk rating (01-Apr-23)	Residual risk rating (31-Mar-24)	Risk Exposure
۱.	Appointment of senior managers in municipalities who do not meet the prescribed requirements	High	High	\leftrightarrow
2.	Insufficient or ineffective citizen engagement platforms and structures	High	Medium	+
3.	Political instability and interference in the operations of municipalities	Extremely High	High	+
4.	Dysfunctionality of municipalities	High	Medium	+
5.	Ageing/deteriorating municipal infrastructure	Medium	Low	+
6.	Insufficient capacity to deliver on the mandate of the Department	Extremely High	Medium	+
7.	Material misstatements on the financial statements	Extremely High	High	+
8.	CWP not effectively managed	High	High	\leftrightarrow
9.	Cyber threats/vulnerabilities on ICT systems	High	High	\leftrightarrow
10.	Negative perceptions of the leadership and culture of the Department	High	Medium	+

Risk Exposure Legends:

↑	Risk exposure increased.
+	Risk exposure decreasing.
\leftrightarrow	Risk exposure unchanged/mitigations not yet implemented.

3. FRAUD AND CORRUPTION

The Department maintains anti-corruption and whistleblowing policies and a strategy. Fraud risks were identified, managed, and reported. Regular awareness campaigns were conducted through available mediums to all employees, with emphasis on whistleblowing reporting procedures as well as on prevention and detection of fraud and corruption. The reporting procedures outline and emphasise the process of reporting allegations of fraud and corruption, the investigation process, and feedback mechanisms.

4. MINIMISING CONFLICT OF INTEREST

All designated employees are required to disclose their financial interests annually. During the reporting period, all designated employees declared their financial interests within the stipulated timeframes. In addition, concerted efforts were made to ensure the management and assessment of applications for performing remunerative work outside the public service, lifestyle reviews, disclosure of gifts, and

courtesies. Where there is evidence of non-compliance, consequence management is applied.

CODE OF CONDUCT

The Department complies with the Code of Conduct for the Public Service. The Code of Conduct for the Public Service outlines the expected conduct of every public service employee. It also states that ethics risks must be—assessed, managed, and reported. The Ethics Committee continues to convene and monitor compliance with the Code of Conduct and provides recommendations to the Accounting Officer.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety (OHS) Committee has been appointed, meeting quarterly and as and when required. A total of 12 Health and Safety Representatives (HSR) have been appointed and trained. The Health and Safety Representatives conduct monthly inspections in all departmental buildings. The consolidated health and safety inspection reports are presented to the OHS Committee for



noting and input. A total of 15 fire marshals and 13 first aiders have been appointed and trained. Emergency evacuation drills are conducted annually in all departmental buildings. Emergency evacuation maps and OHS signage are displayed in all buildings. Emergency assembly points have been marked and are easily reachable from all buildings.

7. PORTFOLIO COMMITTEES

During the period 2023/24 Financial Year, the Department engaged with the Portfolio Committee on Cooperative Governance and Traditional Affairs. The Portfolio Committee also had meetings with various entities, including municipalities, provinces, and law enforcement agencies. The table below summarises the key activities and issues highlighted by the Portfolio Committee during the interaction with the Department:

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
18 April 2023		2023/24 Annual Performance Plans	The Department of Cooperative Governance revised Organisational Structure and a memorandum relating to the employment and remuneration of the personnel replacing CWP Implementing Agents should be furnished to the Portfolio Committee immediately.	It is worth noting that the Department did not replace the CWP Implementing Agents when their contracts expired on 31 March 2023. However, the Department took over all sites and implementation of the Programme. A Circular issued to the provinces with names and contact numbers of responsible departmental officials per province was provided to the Portfolio Committee.	Yes
02 May 2023		Engagement on African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development	The Committee agreed to send the African Charter to the National Assembly for approval.	N/A	Yes
09 May 2023		Engagement with AGSA on First Special Report on Flood Relief Funds	 The Committee welcomed the report, but Members of Parliament were concerned by the lack of urgency to address flood relief measures, assist in the humanitarian needs and reconstruction within the communities, and monitor the progress of the project Programmes. The chairperson stated that there was a need for the Committee to conduct site visits in KwaZulu-Natal to do its assessment and compile a report of findings. 	 The Department was not prepared and ready to react and provide flood relief timeously but had learnt a great deal from previously implemented COVID-19 measures and the floods. The real-time audit report helped to assess the areas of lack and how to strengthen the structures to assist communities effectively. The Cabinet instructed the Department to overhaul the disaster management system in the country to deal with issues of coordination and timely response. Out of COVID-19, the Department has repurposed its structures to deal primarily with the issues of floods so that the disasters are dealt with as they occur. The National Disaster Management Centre will ensure that it conducts site visits in all disaster grant management projects. 	Yes

Meeting Date	Resolution	Subject	Details	Response by the Department	Resolved (Yes/No)
				 Regarding non-expenditure of grants, the Department has engaged with affected Municipal Managers and Chief Financial Officers to assist in fast-tracking expenditure. 	(TESTITE)
17 May 2023		SALGA's role in local government constitutional interventions	 Members of Parliament were generally concerned about the number of municipal interventions, highlighting that the country was in a crisis in terms of local government. Members of Parliament also criticised the reactionary nature of the interventions. Members said the presentation showed that municipalities were obliged to meet over 70 legislative requirements. To whom were these reports sent to? The problem was that the entities that received the reports may not have the capacity to deal with the reports and capacitate the municipalities to function. It seemed the reports burdened municipalities, taking attention away from bringing services to the people. This matter needed to be looked at. There was concern that there was no coordinated effort, and what was advised was blatantly ignored as municipalities continued to do things in an old-fashioned manner. 	 As the Department was at the centre of coordination, what was envisaged in Sections 40 and 41 of the Constitution must find expression on how the three spheres of government worked so that Section 153 of the Constitution was well-coordinated. Hence, the approach of the District Development Model and syndicating of all resources in all spheres of government. This was to ensure interventions that were rolled out as a result ought to become significantly impactful in changing the quality of lives of our people. The Department would work with SALGA to ensure all Constitutional obligations were met and all spheres of government could respond and play their part. The Department would do everything in its power to ensure collaboration in working together with all spheres of government. 	Yes
31 May 2023		Workshop on Community Works Programme	 Members of Parliament raised questions about the National Youth Development Agency (NYDA) agreement. Specifically, they sought clarification on the termination date of the contract between the Department and NYDA and the aspects of the contract that would be affected. Members enquired about the potential consequences for Implementing Agents (IAs) that had violated the terms of the contract and whether they had been placed on a blacklist. Another clarity-seeking point was whether the National Treasury had provided any recommendations. 	 The Department explained that, currently, there was only one existing contract between the Department and an Implementing Agent, while the others had completed their full life span or were nearing the end of their contracts. Consequence measures had been implemented. The Department had identified irregularities related to the IAs, and appropriate processes were being followed to ensure that those who transgressed faced the consequences. 	Yes



Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			Regarding the remuneration of participants, Members of Parliament expressed concern over the delay in payment as some CWP participants had not received any payment at all.	The Department reassured the Committee that all participants had received their payments for April 2023 and all participants would receive their payments by 25 June.	
			 Members enquired about the implications of establishing a Results Management Office and also sought information on who was currently responsible for ensuring the quality of work in the Department. 	 The Department would manage costs when it came to the Results Management Office to avoid escalation and the RMO would help the Department build capacity considering its increasing and complex mandate. 	
			Members of Parliament pointed out that 78% of the assets were not found on the designated sites during audits. Consequently, they wanted to know if there would be any investigation into this matter.	The Department needed to be sensitive on forensic investigations as the matter was with the Hawks, but the Committee would have to inform the Department when it needed a full report on the matter.	
			Members enquired about ongoing disciplinary actions and the number of officials involved in these irregularities and wanted to know if any measures had been taken to halt these irregularities from recurring.	 Deputy Minister of CoGTA, bemoaned the level of entitlement by the IAs to the extent that they were adamant that the contract would inevitably be renewed. He promised the Members that the Department would continue 	
			Members of the Portfolio Committee sought clarity on the future role of IAs, as their contracts were coming to an end and would not be renewed to prevent ongoing irregular expenditures. Members also raised issues about.	 managing difficulties related to this project and assured them that things were getting better now. When commenting on the exit strategy, the Deputy Minister cautioned against the urge to make people feel that they were 	
			 Members also raised issues about the need to address syndicates within the industry. Site managers should possess management skills due to the nature of the labour force they oversaw. 	make people feel that they were being pushed out, but instead, they should rather be given proper tools to be able to sustain their lives beyond the Programme. At the time, a transition was being managed and with much precision and great practice.	

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
09 June 2023		Briefing by National Disaster Management Centre on disaster risk reduction strategies for upcoming winter season	 The Committee was concerned about how the NDMC responded to disaster due to the low capacity of fire stations in different municipalities. They noted the Department's lack of cooperation with provincial departments, the lack of disaster prevention methods and how disaster management plans were not well curated. Members observed that with technology development, the Department could use Artificial Intelligence methods to improve their services and reduce corruption. It would be good for the Department to train municipalities with effective and reliable disaster management skills and plans. With the current cholera outbreak, no campaigns were educating citizens about the disease and how to manage or prevent it. Prevention measures were very vital to save money that government could be using to fix one thing over and over because of the damage caused by disasters. The Committee asked that the Department provide the Committee with a report listing the fire stations in each municipality indicating their readiness with domestic fire, field fire, and rescue and how many people each station served in their radius. They further asked that the Department include the readiness of the call centres in each province because many citizens had complained about calls not being answered in times of need. 	 NDMC Head responded that the centre had a Fire Services Seminar in City of Gqeberha to indicate the need for repositioning fire services in the country, since the equipment was no longer in good condition to perform its job. NDMC was busy with funding models for districts to increase the capacity of the fire stations and had signed a Memorandum of Understanding (MoU) with SANTAM Insurance for procuring fire engines and equipment for struggling municipalities. Some districts were challenged with capacity. He agreed that NDMC needed to embrace technology and use it to deal with some issues. A team was busy reviewing the Master Systems Plan to bring in some technologies that could be deployed in disaster management in fire services. Not all provinces had adopted the decentralisation process to take fire services to communities but had resorted to creating programmes like the 'Bucket Brigade' to train community members to be active during fire instances. The NDMC had a strategy that dealt with prevention, ensuring that proper fire risk assessments were done. This meant going to the municipality space to ensure that the strategy was implemented, that necessary resources were allocated, and that municipalities could deal with any kind of fire outbreak. The NDMC was raising awareness about tightening up risk reduction measures every season to deal with all identified hazards. The NDMC was on high alert should anything happen so they could coordinate efforts to mitigate the effects of whatever hazards could be experienced within any given season. 	Yes

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
				 The NDMC worked with provinces and municipalities to identify historically at-risk areas and gave community members as much awareness as possible. The NDMC was in the process of concluding the state of readiness assessment across all provinces and municipalities. After this assessment, the Minister would be approached about establishing the ministerial board of fire services according to the Fire Brigade Services Act. The NDMC would ensure they include domestic fire, field fire, and rescue criteria in the report and send it to the Committee as requested. 	
II October 2023		Briefing on DCoG 2022/23 Annual Reports	 The Department of Cooperative Governance should furnish the Portfolio Committee with a report detailing the actions taken to hold into account those responsible for the R3.4 billion irregular expenditure relating to the Community Work Programme. The Department of Cooperative Governance should improve administrative support and capacity of CWP site managers, and consider prioritising the participation of local Small, Medium, and Micro Enterprises over the big corporates who are often not sufficiently familiar with local realities. The Portfolio Committee should consider discussing the outcomes of the forensic investigations relating to the Community Work Programme. In this regard, the Department of Cooperative Governance should furnish the Committee with all the relevant forensic reports that will inform the discussion. The Department of Cooperative Governance should lead from the front and improve its audit outcomes as to be in a better position to make credible recommendations towards better municipal audit outcomes. 		Yes

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			To ensure that its Municipal Intervention and Support Packages gain traction, the Department of Cooperative Governance should institute consequences management against those municipalities that fail to implement the packages. To ensure that its Municipal Intervention, the Department of Cooperative Governance should institute consequences management against those municipalities that fail to implement the packages.	 The Department has developed a plan and it is in place to review all the audit qualifications that were experienced over the past years. There are strategies in place to address the negative audit outcomes and close off on the material irregularities. There has been some success and progress is noticeable in reducing the balances on the material irregularities and irregular expenditure. The Department is currently conducting another assessment of municipalities using the Municipal Performance Assessment Tool (MPAT) developed together with the National Treasury in terms of Circular 88 (Rationalisation of Planning, Budgeting and Reporting Requirements). The central feature of the tool is the promotion of self-assessment by municipalities. The process will culminate in a consolidated report that will be presented to the Committee once it has been processed by Cabinet before the end of March 2024. Based on the outcomes of this report, further measures to support municipalities (Municipal Intervention and Support Packages, i.e. Sec I 54 Support) and or the invocation of intervention measures (Sec I 39) will be considered and implemented, first by provinces and where the latter fail, the National Executive. 	
18 October 2023		Briefing by DCoG on Section 139 intervention: Mangaung Metropolitan Municipality, Enoch Mgijima and Lekwa Local Municipalities	 Members of Parliament requested the Department to clarify the extent of the failure that resulted in Section 139(7) being invoked. Sections 79 and 80 as being functional in the three municipalities, members requested more details about this functionality, whether the functionality was on paper, or work was being done. 	Department stated that the underlying reason Mangaung Metropolitan Municipality was still dysfunctional was because of the coalition within the municipality. The other reason was that there was a change of leadership with the recent permanent executives appointed, and additional issues included a motion of noconfidence in the leadership of the municipality.	Yes



Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			 The Committee enquired about the underlying reasons for the Mangaung Council to still be unstable. The Portfolio Committee should be provided with a historical timeline and for political and administrative impediments that resulted in officials leaving their positions. Regarding the R1.2 billion Eskom debt owed by Enoch Mgijima Municipality, members asked that the Department furnish the Committee with the unemployment rate including the collection rate, in terms of switching off power for the companies and residents that are not paying. Members asked if the FRPs have a starting and ending date, or if they were just open, noting that the Financial Recovery Plans in Enoch Mgijima Local Municipality had not yet implemented the FRPs. Members enquired about the costs for the personnel sent to assist the municipality in terms of the intervention and who was responsible for such. Members asked how these municipalities adopted unfunded budgets while under the national administration. The Committee asked whether the diagnostic assessment was on the performance of Lekwa Local Municipality by CoGTA since it was preceded by a court decision. Members asked about the implications of the court's decision and about the lessons learnt from this so that in the future, the state will not be driven by the courts to carry out its constitutional mandate. 	 The audit outcomes of the three municipalities were largely influenced by the reporting on the state of assets as such reporting was found wanting by the AG. However, this was work in progress. In addition, the records of these municipalities were incomplete, but the Department was nonetheless working with the municipalities to resolve the issues. On the issue of the Eskom debt, this is not exclusive to Lekwa Local Municipality but also cut across Enoch Mgijima Local Municipality and Mangaung Metropolitan Municipality including other municipalities in the country. The administrators in the three municipalities were no longer in place and that the FRPs were being implemented by the management and leadership personnel. The FRPs were formal documents approved by the Minister of Finance and were still applicable and continuously reported on. On the case of Lekwa Local Municipality, the court forced the dissolution of the council that was in place, and a new council had not yet been established. This is what the civic groups were trying to achieve in Enoch Mgijima Local Municipality, hence taking the municipality to court. The Director General had been engaging Provincial Heads of Departments (HoDs) to look at the reasons behind such happenings, including interventions that could be implemented to improve the situation. This included the approval of unfunded budgets by the municipality. Regarding the cost associated with deploying administrators to the municipalities, in Mangaung Metropolitan Municipality, it was CoGTA. 	

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
I5 November		Briefing on the	Members of Parliament pointed	DCoG intended to ensure that service delivery was not impacted in these municipalities, hence the conversion of a portion of the Municipal Infrastructure Grant to implement projects that municipalities struggled with. The presentation was not just	Yes
2023		Independent Municipal Demarcation Authority Bill: Final deliberations; and Municipal Support and Improvement Plans: implementation progress report	 out that the 66 dysfunctional municipalities identified in the report were not necessarily a true reflection of the reality on the ground, as most municipalities in the country were, in fact, dysfunctional. It was also pointed out that the ward committees were not as effective as the report suggested, as municipal officials did not always cooperate with these committees. The Committee asked when the uniform reporting mechanism on Circular 88 and uniform indicators would be completed. The Committee repeatedly raised the particular case of a senior citizen who relies on electrical power for his medical support devices and whose difficulties under loadshedding had not been adequately addressed by the Department. Members were concerned that citizens in similar situations were not being taken care of. Members requested timelines on filling vacancies in municipalities, particularly in key technical positions. They asked if the Department was able to fill those vacancies to ensure the municipalities were being monitored and were delivering services. Questions arose over the plans of the Department and the Municipal Infrastructure Support Agent to address service backlogs, as this was not adequately addressed in the progress report. 	focusing on 66 dysfunctional municipalities. But the rest of the municipalities, in terms of the Section 154 accord, were being provided for by the Department and the provinces. The functionality of ward committees was a matter that fluctuates all the time. The Department used a standard framework to assess their functionality. The capacity of these committees was not the same across the country.	

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			 The Committee questioned the Department on why municipalities are still adopting unfunded budgets. It was suggested that the Department look at the debtors' books of municipalities, as this is often used to overstate their budgets. Members asked what the role of national and provincial government is in assisting municipalities with their budget planning. They wanted to know if any consequence management exists for councils that adopt unfunded budgets. How will the Department employ consequence management in these dysfunctional municipalities, where Municipal Public Accounts Committee (MPAC) groups are non-existent? 	 The Department was aware that some municipalities used conditional grants to pay salaries. The Minister had directed [the Department] to meet with the provinces with poor MIG performances, particularly concerning conditional grant allocation. They were meeting with municipalities to ensure they did not run into those situations. 32% of municipalities had unfunded budgets dating as far back as 2010. This raised questions about the credibility of municipal budgets. One of the aspects of the Department's assessment framework was the credibility of the budget. The reason for the dysfunctionality of MPAC groups was two-fold: on the one hand, there was still a lack of understanding from the MPAC committees around the nature of the investigations they had to undertake. On the other hand, new committees were reluctant to address the historical amounts that they inherited from the previous council. National and provincial support structures were working with the MPAC committees to make them understand what they should investigate and how they link up with other structures involved in the investigations. Despite all the investment in MPACs, they were not seeing enough traction in the Programme for unauthorised, irregular, and fruitless and wasteful (UIFW) expenditure investigations. 	
21 February 2024		2022 African Peer Review Mechanism for South Africa; Flood disasters	 One of the biggest concerns Members of Parliament had relates to the ability of rescue teams to optimally perform their duties. Members were concerned that despite the fact that the NDMC had an updated database and had to act within 48 hours following a disaster, the NDMC still had no idea of its disaster management capabilities, nor that of its support structures. 	The NDMC informed the meeting that linkages would be made between the NDMC, the Western Cape Province, and Gauteng in terms of capabilities. Previously when disasters happened, NGOs would be the first on site with municipal responses following.	Yes

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			 Members further added that national budgets and policies were not aligned with realities on the ground. Presently, district municipalities have shouldered a heavy burden of responsibility. Responsibilities that they were hard-pressed to meet. The committee expressed concern at South Africa's lack of state readiness to respond to large scale humanitarian disasters. Members criticised the human resource deficiencies in various provinces and asked how the NDMC would remedy the lack of minimum standards in provinces. Members welcomed the presentation and called on the NDMC to provide more real-time training opportunities for South African Search and Rescue Teams with a focus on urban search and rescues. 	by the NDMC, followed by continuous additional training sessions. It was important to have a multidisciplinary team that mostly comprises technicians from Gauteng. • Preliminary data indicates that there was a need to amend the Disaster Management Act (DMA) 57 of 2002.	



Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
				• It was noted that once the review process had been finalised, many shortcomings would be addressed. The NDMC had already engaged the United Nations (UN), the South African Local Government Association (SALGA) and universities on best practice.	
				Members were further informed that flood committees and other statutory committees such as Disaster Management Planning Committees had been established. One issue that the NDMC has prioritised is in-depth engagement with traditional authorities, particularly regarding the allocation of land on floodplains.	
				Members were also told that projects implemented by the NDMC were funded through disaster grants. Following a disaster, the relevant municipality would conduct an assessment. The assessment would then be submitted to a joint operation committee comprised of relevant departments such as the Regional Human Settlement, Social Development and Health Departments.	

8. SCOPA RESOLUTIONS

During the 2023/24 financial year, the Department was invited to appear before the Standing Committee on Public Accounts (SCOPA) for the Committee to decide on all the outstanding unauthorised expenditures of the Department that were submitted by the National Treasury relating to previous years. There were no resolutions that required implementation by the Department. Below are some of the issues raised.

Meeting Date	Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
19 September 2023		Hearings on unauthorised expenditure: DCoG, Ministers	 The members welcomed the detailed report from CoGTA. They commented on the statement that there were no investigations done into the matter, and pointed out that sometimes investigations did not mean that someone needed to be found guilty - it was just a way of understanding what had happened and what preventative measures could be taken. It also helped to know how the situation could have been better managed, even though there was value for money. The chairperson responded that there was an indication that each of the transactions had undergone a process of verification. The chairperson concluded that the Committee would indicate its decision on the matter at the necessary time. 	The Department of Cooperative Governance and Traditional Affairs said the unauthorised expenditure had taken place in 2006/07 when it was still the Department of Provincial and Local Government (DPLG) and had occurred as a result of the Nhlapo Commission, which was tasked with dealing with and traditional leaders and legal counsels assisting in the process of acknowledgment of traditional leaders.	N/A

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The table below provides details regarding prior modifications to audit reports.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Qualified audit opinion	2019/20	The Departmental Assets Register was reconstructed.
The qualification was based on the following:		A Service provider was also appointed to develop an Asset Management System.
Asset;		,
Goods; and		Further controls were implemented to ensure that goods and services are correctly accounted for and
• Services		reported in the books of the Department.



10. INTERNAL CONTROL UNIT

During the year under review, Internal Control implemented the Post Audit Action Plan to address all audit matters raised by the AGSA. The unit also focused on addressing long outstanding cases of irregular, fruitless and wasteful expenditure.

II. INTERNAL AUDIT AND AUDIT COMMITTEES

INTERNAL AUDIT

Objectives and Key Activities of the Audit Committee

The Internal Audit Activity (IAA) is responsible for evaluating the control environment and assisting the Audit Committee (AC) to fulfil its responsibilities. During the financial year under review, the IAA also provided the AC and the Director-General (DG) with assurance on whether internal controls, risk management, and governance processes are adequate and effective.

The purpose, authority and responsibility of IAA is stated in the Internal Audit Charter which is endorsed by the DG and approved by the AC. The Chief Audit Executive reports administratively to the DG and functionally to the AC.

a) Internal Audit Objective

The objective of the IAA is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It assists the Department in accomplishing its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

b) Internal Audit Key Activities

The IAA through engagements with internal stakeholders and the Audit Committee developed a comprehensive three-year rolling plan, incorporating the 2023/24 annual plan that was approved by the AC.

IAA executed the risk-based audits assignment as per the annual plan. Included in the areas audited are Business Continuity Management, Performance Information, Financial Statements, Contract Management, Records Management, Procurement Processes, Community Work Programme, Cyber Security Review, ICT Governance and Strategy and Risk Management. The results of those audits indicated an overall control weakness and management undertook to address those identified weaknesses, through a comprehensive action plan.

IAA provides recommendations to management with regard to internal controls, risk management, and governance processes. IAA also provides management advisory services when requested by management as and when necessary. IAA reports quarterly to the AC on progress against the approved annual plan.

AUDIT COMMITTEE

Objectives and key activities of the Audit Committee

Objectives of the Audit Committee

The primary objective of the Audit Committee is to advise the Executive Authority, the DG, and the management staff of the Department in the effective discharge of their responsibilities with regard to risk management, control, and governance.

Key activities of the Audit Committee

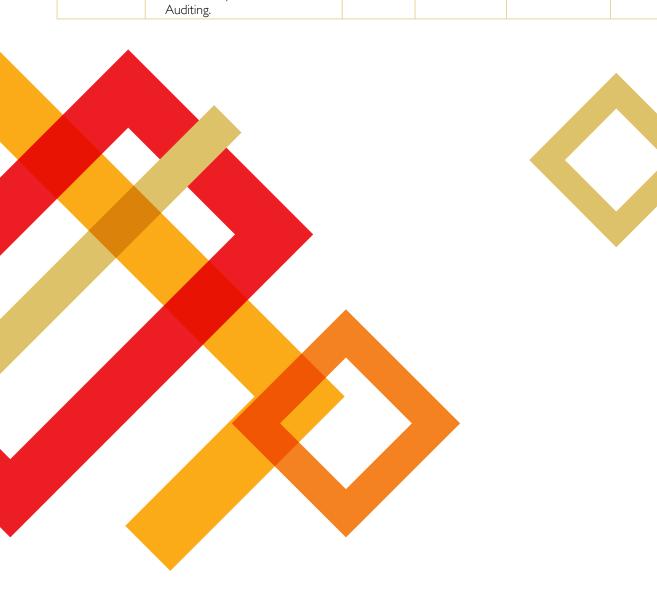
- The Audit Committee is responsible for the following key activities:
- Evaluating and recommending approval of the draft Annual Financial Statements and Annual Performance report for submission to the external auditors for audit purposes, under the guidance of the DG and CFO.
- Review the report of significant changes to the Institution's risk register and provide regular feedback to the DG and Executive Authority on the adequacy and effectiveness of risk management, including recommendations for improvement.
- Review the adequacy of processes to monitor the Department's system of internal controls including information technology, security, and control.
- Review the Department's compliance with the performance management and reporting systems.
- Review whether the management of the Department has considered legal and compliance risks as part of the risk assessment. Review the effectiveness of the system for monitoring compliance with laws, regulations, ethics, policies, and rules concerning conflict of interest and follow-up on instances of non-compliance.
- Review and approve the Internal Audit Charter after it is submitted to the DG for recommendation or acceptance.
- Review and approve internal audit plans, scope, and any major changes to it, ensuring that the audit plan sufficiently addresses the critical risk areas of the Department and there is appropriate coordination with the external auditor.

- Review quarterly reports from Internal Audit in line with the approved plans. Review significant findings and recommendations by Internal Audit as well as management responses and action plans. Review implementation of Internal Audit recommendations by management.
- Review the findings and recommendations by External Audit and management responses thereof. Review implementation of external auditor's recommendations by management.

Audit Committee Members Qualifications, Appointment and Meeting Attendance

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Dr P Dala (Chairperson)	 PhD (Information Technology) Masters (Information Technology); BSc Hons (Computer Science); Bachelor of Information Technology; Certified Information Systems Auditor (CISA); Certified Information Security Manager (CISM); Certified Information Systems Security Professional (CISSP); Lead Auditor ISO 27001 (LA ISO 27001); Certified in the Governance of Enterprise Information Technology (CGEIT); Certified in Risk and Information Systems Control (CRISC); Certified Ethical Hacker (CEH); and Computer Hacking Forensic Investigator (CHFI). 	External	N/A	Initial appointment: I July 2020 as a Member and Chairperson from I4 May 2021. Second term appointment: Chairperson 01 July 2023.	N/A	9/9
Mr L. Makibinyane	 Degree in Bachelor of Engineering with Honours; Post Graduate Certificate Management Development; and Masters in Business Leadership (MBL). 	External	N/A	Initial appointment: 01 July 2020 Second term appointment: 01 July 2023.	N/A	9/9
Ms. Crystal Abdoll	 Chartered Accountant – CA (SA) 1997; Post Graduate Diploma: Certified Internal Auditing; Certificate in the Theory of Accounting; B Compt Hons; and B Com Accounting. 	External	N/A	Member appointed on 14 May 2021	N/A	9/9

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Sathiaseelan (Sathie) Gounden	 B. Compt.; Post-graduate Diploma in Accountancy (CTA); Chartered Accountant (SA); Certificate in Forensic Accounting and Fraud Examination; and Executive Leadership Development Institute. 	External	N/A	Member appointed on 14 May 2021	N/A	9/9
Noziphiwo Phumeza Lubanga	 Executive Development Programme (EDP); BCom: Internal Auditing; Internal Audit Quality Assessor/ Validator; Certificate: Internal Control and Risk Management; and National Diploma: Internal 	External	N/A	Initial appointment: 01 July 2020 Second term appointment: 01 July 2023.	N/A	9/9



12. AUDIT COMMITTEE REPORT

The Audit Committee ("the Committee") is pleased to present its report for the financial year ended 31 March 2024.

Audit Committee Responsibility

The Committee has complied with its responsibilities arising from sections 38 (I) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 3.1. Furthermore, the Committee has adopted a formal terms of reference as its Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

Effectiveness of Internal Control

An assessment of the findings identified by the Internal Audit as well as the audit and management reports presented to the Committee by the Auditor-General of South Africa (AGSA), reveals that the internal control environment, risk management, and governance processes are partially adequate and partially effective, with room for improvement. As a result, the Committee has identified the following key areas of concern that should be addressed:

- Asset Management Community Work Programme;
- · Compliance Monitoring;
- Expenditure Management;
- ICT; and
- Procurement and Contract Management.

The Committee is satisfied that Internal Audit provided assurance in terms of governance, risk management, and control as per the approved risk-based audit plan. At the end of the financial year, the following audit engagements were reported as complete as per the approved risk-based audit plan:

- Annual Financial Statements Review;
- Annual Performance Information Report Review;
- · Business Continuity Management Review;
- Community Work Programme Site Visits Audit (AGSA Direct Assistance);
- Contract Management Audit;
- Cyber Security Review;
- Departmental Planning Review: Draft 2024/25 Annual Performance Plan;
- Financial Management Audit;
- Follow-up Audit: AGSA and Internal Audit Findings;

- ICT Strategy and Governance Review;
- Interim Financial Statements Review;
- Management of the Community Work Programme Audit;
- Post Audit Action Plan Adequacy Review;
- Procurement Process Review;
- Quarter 2 Performance Information Review;
- Quarter 4 Performance Information Review;
- Records Management Audit;
- Revised 2023/24 Annual Performance Plan Review; and
- Risk Management Audit.

In-Year Management and Monthly/Quarterly Reports

The Department has reported quarterly to the National Treasury and the Executive Authority as required by the PFMA. The Committee as well as assurance providers provided Management with recommendations to improve the quality of financial and non-financial information reporting (performance information, information communication technology, risk management, human resource management, legal, and compliance) during the year under review.

Evaluation of Financial Statements and Annual Performance Report

The Committee has reviewed:

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



Auditor-General of South Africa (AGSA) Report

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

Conclusion

The Committee would like to express our appreciation to the Executive Authority and Accounting Officer for their leadership and support as well as all other assurance providers and most importantly commend the Department for the significant improvement in the audit opinion from a qualification to unqualified with material findings relating to compliance. The Committee implores Management to address the aforementioned concerns raised by the Committee as well as the audit findings identified by Internal Audit and the material findings identified by AGSA relating to compliance, by addressing the root cause of the control deficiencies in pursuit of a clean audit outcome (unqualified with no material findings).

P.Dala

Dr. Prittish Dala

Chairperson of the Audit Committee Department of Cooperative Governance

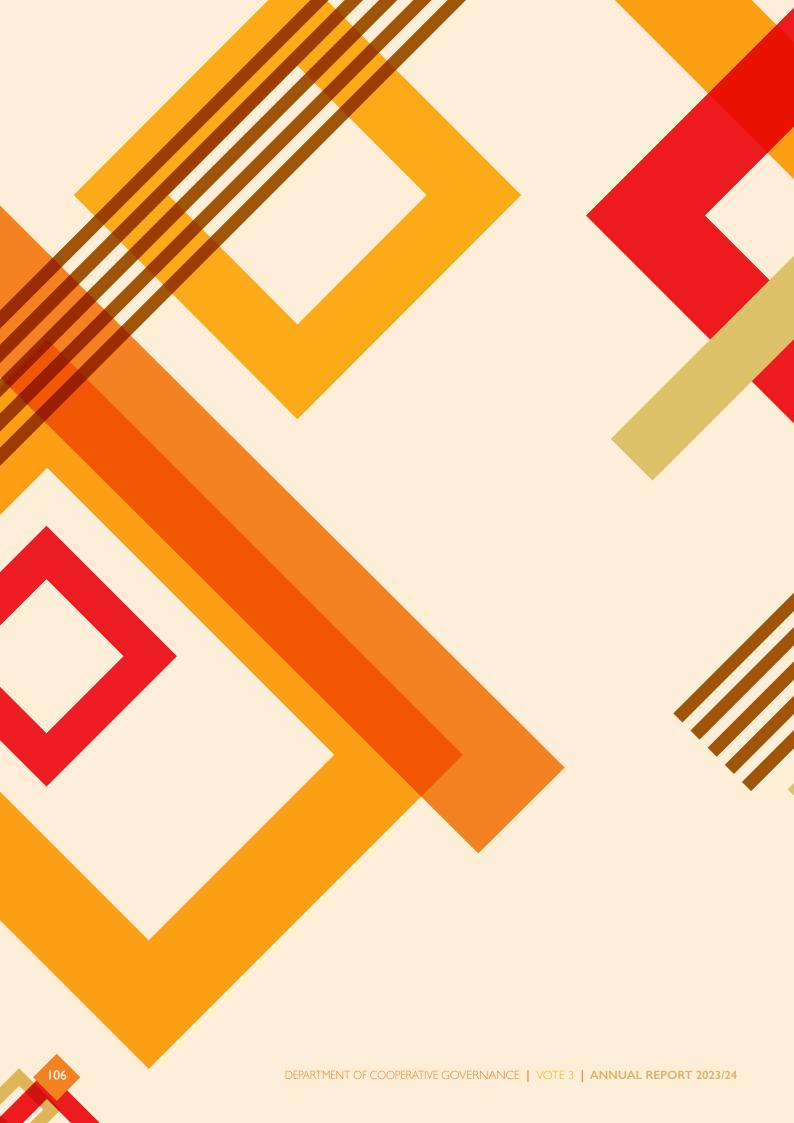
Date: 8 August 2024

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE 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 I-8) with regards to the following: Response Discussion Criteria Yes / No (include a discussion on your response and indicate what measures have been taken to comply) Determining qualification criteria for the issuing No Not applicable of licenses, concessions, or other authorisations in respect of economic activity in terms of any law? Developing and implementing a preferential Yes The departmental Supply Chain Management Policy is aligned procurement policy? with Section 10 of the B-BBEE Act of 2013 and the Preferential Procurement Regulations, 2022 to ensure compliance. Determining qualification criteria for the sale of No Not applicable state-owned enterprises? Developing criteria for entering partnerships with No The Department does have the capacity to enter into strategic partnerships with the private sector, as evinced by MoUs we the private sector? have signed. What the Department may need to do is to come up with the criteria used to determine these partnerships. Determining criteria for the awarding of incentives, No Not applicable grants, and investment schemes in support of

Broad-Based Black Economic Empowerment?







I. INTRODUCTION

This section of the Annual Report contains information prescribed by the Minister for Public Service and Administration. Furthermore, it provides details regarding an overview of the Department's human resources.

2. OVERVIEW OF HUMAN RESOURCES

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

Organisational Structure Review

The current organisational structure was approved by the Minister of Cooperative Governance and Traditional Affairs in concurrence with the Minister for Public Service and Administration on 27 May 2022, however at the implementation stage it became evident that the structure was found not fit for purpose to execute the departmental mandate as some Key legislated functions are not catered for (or not adequately catered for) in the organisational structure, such as Public Participation, Integrated Development Plans (IDPs), and Community Works Programme (CWP). The Department then sourced the services of Government Technical Advisory Services (GTAC) to assist with the review of the organisational structure, which is planned to be finalised by 30 June 2024.

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

The reporting period saw a change of executive leadership at both political and top management. This provided an invigorating change of culture with a greater focus on accountability and service delivery impact. Recruitment efforts supported this organisational fit with thorough screening and selection complemented by technical exercises and competency assessments.

During the reporting period, the Department was able to successfully capacitate its organisational structure and achieve a vacancy rate of 8.82%. The interventions implemented to monitor the adherence to recruitment service standards and increase reporting on the time of fill of vacant posts in the 2023/24 performance cycle yielded results and will continue to be implemented to maintain a vacancy rate below 10%. In quarter 3 of the financial year, the DPSA issued Circular 49 of 2023 and the Directive on the implementation of control measures aimed at assisting executive authorities in managing

fiscal sustainability during the process of creating and filling of posts. This has resulted in multiple vacancies not being filled as PERSAL has been frozen for filling. In addition to this, the Compensation of Employees Budget provided by the National Treasury is not sufficient to fill all positions. Due to these challenges, the time to fill posts has been delayed. The vacancy rate is below 10%, however, it could be further reduced were these challenges not experienced.

Through active workforce planning, the Department conducted an awareness session for retirement planning. Whilst only 3% of staff are over the age of 60, they are largely in middle and senior management posts. The Department is also increasing employee retention efforts for the transfer of skills and knowledge management.

Through implementing the HR Business Partnership Model, Human Resources could better understand the line functions it services to co-create sustainable and effective peoplecentred solutions.

Employee performance management

In the 2023/24 financial year, all staff members were assessed and moderated against what they contracted upon. Those who were eligible and qualified were rewarded through the pay progression incentive as per the Incentive Policy framework. It is important to note that the performance bonus incentive, has been phased out as of the 2021/22 financial year. The Department strives to ensure 100% compliance with performance contracting at all levels.

Training and Development

In the 2023/24 financial year, there were one thousand four hundred and sixty-four (I 464) training needs identified across all levels based on the personal development plans. Of the identified needs, two hundred and sixteen (216) individual training needs were addressed. Furthermore, professionals in Internal Audit, Finance, Risk, HR, and ICT amongst others renewed and or registered with their professional bodies. It is envisaged that some of the challenges impeding the achievement of the plans such as reluctance to attend training interventions and competing strategic needs, will be addressed.

Employee Wellness Programmes

The Department held four employee wellness sessions on blood donation to encourage employees to contrite in donating blood through a partnership with SANBS. The blood donation is done quarterly, even though the uptake is low as employees do not participate as expected. The unit also encourages and promotes blood donations through

workshops. The Department has offered its employees the following prevention programmes: Provision of 24-hours telephone counselling, face-to-face counselling, monthly health promotion posters through internal media, health screening (blood pressure, TB, cancer, glucose, eye testing, ear testing, and weight), HIV and AIDS awareness and voluntary testing, and financial wellness sessions.

Highlight achievements and challenges faced by the Department, as well as future human resource plans or goals

- Appointment of a service provider to assist employees 24/7 through face-to-face and online counselling.
- Conducted workshops on Employee Health and Wellness.

The 2023/24 WSP was approved for implementation. However, the Department achieved 50% of the 90% of training interventions planned. There has been resistance from staff regarding the outcomes of the skills audit, and the resistance, resulted in a reluctance to attend the scheduled training interventions. Furthermore, there are competing strategic needs that also hamper the delivery of these interventions as staff pulled out of the training interventions for varying reasons.

During the reporting period, the Department was able to successfully capacitate its organisational structure and achieved a vacancy rate of 8.82%.

The implementation of the HR Business Partnership Model provided Human Resources with a better understanding of the support required by line functions.

The challenge identified during the reporting period is the moratorium placed on the filling of posts which could hinder the Department's ability to deliver on its strategic priorities.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The human resources oversight statistics of the Department of Cooperative Governance are outlined in this section.

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period | April 2023 to 3 | March 2024:

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	363 569	163 730	141	7 160	45	691
Intergovernmental Support	18 015 620	64 919	0	0	0.4	854
Intergovernmental Policy and Governance	92 546 145	84 785	128	15 916	0.1	839
National Disaster Management Centre	2 272 132	24 828	292	3 932	1.1	920
Community Work Programme	3 602 628	17 225	0	55 467	0.5	674
Total	116 800 094	355 487	I 561	82 475	0.30	769



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)	843	0,2%	3	281
Skilled (Levels 3-5)	20 053	5,6%	66	304
Highly skilled production (Levels 6-8)	52 795	14,8%	119	444
Highly skilled supervision (Levels 9-12)	136 541	38,3%	174	785
Senior and Top Management (Levels 13-16)	146 504	41,1%	102	1436
Total	356 736	100%	464	769

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

Programme	Sala	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
Administration	140 006	85,5%	720	0,4	3 179	1.9	4 973	3	
Intergovernmental Support	68 697	105,8%	65	0,1	I 047	1,6	l 4l3	2,2	
Intergovernmental Policy and Governance	61 818	72,9%	76	0,1	886	I	l 80 l	2	
National Disaster Management Centre	21 933	88,3%	0	0	248	I	233	0,9	
Community Work Programme	14 650	85,1%	110	0,6	371	2,1	536	3	
Total	307 104	86,4%	971	0.3	5 730	1.6	8956	3	

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period | April 2023 to 3 | March 2024:

Salary band	Sal	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	
Lower skilled (Levels 1-2)	182	21,6%	0	0	0	0	0	0	
Skilled (Levels 3-5)	14 700	73,3%	136	0,7	4	5,6	2 030	11,1	
Highly skilled production (Levels 6-8)	40 708	77,1%	568	1,1	2 2 1 6	4,2	4 003	7,5	
Highly skilled supervision (Levels 9-12	119 026	87,2%	267	0,2	I 525	1,1	2 344	1,8	
Senior management (Levels 13-16)	132 488	90,4%	0	0	876	0.60	580	0,4	
Total	307 104	86,1%	971	0,3	5 73 1	1,6	8 957	2,5	

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 in 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 at 31 March 2024:

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	275	252	8%	5
Local Government Operations and Support	82	74	10%	0
Policy, Governance and Administration	110	101	8%	0
National Disaster Management Centre	33	27	18%	0
Total	500*	454	9%	5

^{*}Excludes Minister, Deputy Minister and two Special Advisers

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	I	I	0	I
Skilled (3-5)	68	63	7.3%	3
Highly skilled production (6-8)	129	118	9%	0
Highly skilled supervision (9-12)	189	173	9%	I
Senior management (13-16)	113	99	12.3%	0
Total	500*	454	9%	5

^{*}Excludes Minister, Deputy Minister and two Special Advisers

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Senior management	113	99	12.39%	0
Total	113	99	12.39%	0

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 at 31 March 2024:

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	I	I	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	4	80%	I	20%
Salary Level 14	28**	23	82%	5	18%
Salary Level 13	79	71	90%	8	10%
Total	113	99	88%	14	12%

^{**} Re-instatement of Chief Director previously dismissed from service.

Table 3.3.2 SMS post information as at 30 September 2024:

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	I	I	100%	0	0%
Salary Level 16	0	0	0	0	0
Salary Level 15	5	4	80%	I	20%
Salary Level 14	27	22	81%	5	19%
Salary Level 13	79	74	94%	5	6%
Total	112	101	90%	11	10%

Table 3.3.3 Advertising and filling of SMS posts for the period | April 2023 to 3 | March 2024:

SMS Level	Advertising	Filling o	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	I	0
Salary Level 16	0	0	0
Salary Level 15	l	0	0
Salary Level 14	2	0	l
Salary Level 13	2	Į.	0
Total	5	2	I

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

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within twelve months

The post at SL 16 was filled through an external transfer following approval by the President.

The process to fill the post at SL 15 is at a stage of interviews; however, the Directive issued by DPSA (Circular No. 49 of 2023 of October 17 October 2023) which requires departments to first receive concurrence from the Department of Public Service and Administration before filling any vacancy, is currently being implemented by ensuring that all processes outlined in the Directive are adhered to. This post has been vacant for 11 months at the time of reporting and will most likely be filled in the new financial year.

The post at SL 14 is at the shortlisting stage, however, the Directive issued by DPSA (Circular No. 49 of 2023 of October 17 October 2023) which requires departments to first receive concurrence from the Department of Public Service and Administration before filling any vacancy, is currently being implemented by ensuring that all processes outlined in the Directive are adhered to. These posts will most likely be filled in the new financial year, subject to the available budget.

The vacant post at SL13 is in the process of filling after the interviews were finalised and concurrence was being sought at DPSA as per Circular No. 49 of 2023 of 17 October 2023.

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

Reasons for vacancies not filled within six months

None

Reasons for vacancies not filled within twelve months

None

3.4 Job Evaluation

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 | April 2023 to 31 March 2024

No jobs were evaluated during the year under review.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period | April 2023 to 3 | March 2024:

During the period under review, there were no employees whose positions were upgraded due to their posts being upgraded.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period | April 2023 to 3 | March 2024:

During the period under review, there were no employees with salary levels higher than those determined by job evaluation by occupation.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period | April 2023 to 3 | March 2024:

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

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period | April 2023 to 3 | March 2024:

Salary band	Number of employees at beginning of period-I April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	I	0	0	0
Skilled (Levels 3-5)	68	3	4	5.9%
Highly skilled production (Levels 6-8)	108	19	5	4.6%
Highly skilled supervision (Levels 9-12)	149	31	10	6.8%
Senior Management Service Bands A	73	3	2	2.7%
Senior Management Service Bands B	19	3	l	5.3%
Senior Management Service Bands C	4	I	I	25%
Senior Management Service Bands D	I	I	I	100%
Contracts	75	5	7	9.3%
Total	498#	66	31	6.2%***

^{***}Turnover rate calculated as the number of terminations and transfers out during the year compared to the number of employees at the beginning of the period.

#The employees at the beginning of the year excludes two employees who were reinstatement during the year. It should be noted that these two employees are not counted in the appointment and transfer in as reinstatement is regarded as a withdrawal of previous termination.

Table 3.5.2 Annual turnover rates by critical occupation for the period | April 2023 to 3 | March 2024:

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Management Service	97	7	7	7.2%
TOTAL	97	7	7	7.2%

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 | April 2023 to 3 | March 2024:

Termination Type	Number	% of Total Resignations
Death	I	3.2
Resignation	13	41.9
Expiry of contract	7	22.6
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	3	9.7
Transfer to other Public Service Departments	7	22.6
Other	0	0
Total	31	100
Total number of employees who left as a % of total employment		100

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

Occupation	Employees I April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Senior Management Service	97	2	2.06	0	0
Total	97	2	2.06	0	0

Table 3.5.5 Promotions by salary band for the period | April 2023 to 3 | March 2024:

Salary Band	Employees I April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)		0	0	0	0
Skilled (Levels3-5)	68	I	1.5	0	0
Highly skilled production (Levels 6-8)	108	6	5.6	0	0
Highly skilled supervision (Levels 9-12)	149	10	6.7	0	0
Senior Management (Level 13-16)	97	0	0	0	0
Total	423##	17	4.02	0	0

Excludes contract employees as at 01 April 2023.

3.6 Employment Equity

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

Occupational category		Mal	е			Fema	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	122	5	7	5	123	3	3	6	274
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	72	2	0	I	105	2	0	5	187
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	I	0	0	0	I
Total	194	7	7	6	229	5	3	П	462
Employees with disabilities	I	0	0	0	I	0	0	0	2

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

Occupational band		Mal	e		Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3		I	0	I	0	0	0	6
Senior Management	36	3	5	3	41	I	2	3	94
Professionally qualified and experienced specialists and midmanagement	83	l	l	2	81	2	l	3	174
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	39	2	0	I	70	2	0	5	119
Semi-skilled and discretionary decision-making	33	0	0	0	35	0	0	0	68
Unskilled and defined decision- making	0	0	0	0	I	0	0	0	I
Total	194	7	7	6	229	5	3	П	462

Table 3.6.3 Recruitment for the period | April 2023 to 3 | March 2024:

Occupational band		Mal	е			Fema	ıle		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	3	0	0	0	3	0	0	0	6
Professionally qualified and experienced specialists and midmanagement	8	l	0	0	4		0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	23	0	0	0	13	0	0	0	36
Semi-skilled and discretionary decision-making	I	0	0	0	2	0	0	0	3
Unskilled and defined decision- making	0	0	0	0	0	0	0	0	0
Total	37	ı	0	0	22	I	0	0	61
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period | April 2023 to 3 | March 2024:

Occupational band		Mal	e			Fema	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and midmanagement	6	0	0	0	4	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	4	0	0	0	6
Semi-skilled and discretionary decision-making	0	0	0	0	I	0	0	0	I
Unskilled and defined decision- making	0	0	0	0	0	0	0	0	0
Total	8	0	0	0	9	0	0	0	17
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period | April 2023 to 3 | March 2024:

Occupational band		Mal	е			Fema	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	I	0	I	0	0	2
Senior Management	2	0	0	0	2	0	0	I	5
Professionally qualified and experienced specialists and midmanagement	2	0	0	0	9	0	0	0	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	0	0	0	5	0	0	0	8
Semi-skilled and discretionary decision-making	2	0	0	0	3	0	0	0	5
Unskilled and defined decision- making	0	0	0	0	0	0	0	0	0
Total	9	0	0	I	19	I	0	I	31
Employees with Disabilities	0	0	0	0	0	0	0	0	0

 Table 3.6.6 Disciplinary action for the period | April 2023 to 3 | March 2024:

During the reporting period, no disciplinary actions were taken.

 Table 3.6.7 Skills development for the period | April 2023 to 3 | March 2024:

Occupational category		Mal	е			Fema	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	I	I	2	10	3	3	I	30
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	31	0	0	I	35	3	0	0	70
Clerks	23	0	0	I	29	0	0	I	54
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	13	0	0	0	10	0	0	0	23
Total	76	I	I	4	84	6	3	2	177
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2023:

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	I	I	l	100%
Salary Level 16	0	0	0	0%
Salary Level 15	5	2	2	100%
Salary Level 14	34	21	19	90%
Salary Level 13	85	74	66	89%
Total	125	98	88	90%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as at 31 May 2023:

Reasons

- The Department has automated PMDS through the SmartGov system. Due to some technical glitches, 3 SMS members were unable to sign on time but did sign.
- One SMS member was unable to sign due to being placed on additional establishment because of the restructuring process the Department had embarked on.
- One SMS member was unable to sign due to a lack of clarity as to who the SMS member should report to since the Chief Director was seconded to one of the municipalities, and the SMS member was not aware of the Acting Chief Director.
- Two SMS members did not sign on time and reasons were not provided.
- Three SMS members were not due for submission because they were on suspension. 2 of the SMS members are Chief Directors and 1 Director.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as at 31 May 2023:

Reasons

No disciplinary actions were taken.

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender, and disability for the period 1 April 2023 to 31 March 2024:

There were no performance rewards granted during the reporting period.

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period | April 2023 to 3 | March 2024:

There were no performance rewards granted during the reporting period.

Table 3.8.3 Performance Rewards by Critical Occupation for the period | April 2023 to 3 | March 2024:

There were no performance rewards granted during the reporting period.

Table 3.8.4 Performance-related rewards (cash bonus), by salary band for Senior Management Service for the period | April 2023 to 3 | March 2024:

During the period under review, performance-related rewards (cash bonus), by salary band for senior management service were not granted.

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 | April 2023 to 3 | March 2024:

None

Table 3.9.2 Foreign workers by major occupation for the period | April 2023 to 3 | March 2024:

None

3.10 Leave utilisation

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

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

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)	0	0	0	0	0	0
Skilled (levels 3-5)	417	76.5	66	17.5	6.3	412
Highly skilled production (levels 6-8)	840	77.8	105	27.9	8	I 385
Highly skilled supervision (levels 9 -12)	895	70.1	137	36.3	6.5	2 667
Top and Senior management (levels 13-16)	439	80.4	69	18.3	6.4	2 175
Total	2,591	75.4	377	100	6.9	6 639

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	5	100	2	15.4	2.5	5
Highly skilled production (Levels 6-8)	180	100	9	69.2	20	275
Highly skilled supervision (Levels 9-12)	19	100	2	15.4	9.5	65
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	204	100	13	100	16	345

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 from being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period | January 2023 to 3 | December 2023:

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5	I	5
Skilled (Levels 3-5)	I 388	81	17
Highly skilled production (Levels 6-8)	2914	134	22
Highly skilled supervision (Levels 9-12)	3 974	183	22
Senior management (Levels 13-16)	2 444	105	23
Total	10,725	504	21

Table 3.10.4 Capped leave for the period | January 2023 to 3 | December 2023:

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2024
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	39
Highly skilled production (Levels 6-8)	0	0	0	10
Highly skilled supervision (Levels 9-12)	0	0	0	29
Senior management (Levels 13-16)	0	0	0	46
Total	0	0	0	32

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

Table 3.10.5 Leave payouts for the period | April 2023 to 3 | March 2024:

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting With Resignation (Workdays)	676	51	13 255
Annual - Discounting: Unused Vacation Credits (Workdays)	222	4	55 500
Annual – Discounting: Contract Expiry (Workdays)	136	12	11 333
Annual - Gratuity: Death/Retirement/Medical Retirement (Work)	350	4	87 500
Capped - Gratuity: Death/Retirement/Medical Retirement (Work)	298	2	149 000
Total	I 682	73	23 041

3.11 HIV/AIDS and Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure:

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
All employees	HIV and AIDS awareness raising sessions, HIV voluntary counselling
	and testing.

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes:

Question	Yes	No	Details, if yes
I. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	V		Mr Sonwabo Shibane: Position: Director: Specialised HR Services
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.	V		There are two officials at the level of Director and Deputy Director. A budget is provided in the Chief Directorate: Human Resource Facilities and Security Management when required.
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.	V		 The Department has availed the following prevention programmes to its employees: Provision of 24-hour telephone counselling Face-to-face counselling Monthly health promotion posters through internal media Health screening (blood pressure, TB, cancer, glucose, eye testing, ear testing, and weight)

Question	Yes	No Details, if yes
		HIV and AIDS awareness and voluntary testing
		Financial wellness session
		Blood Donation
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I 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.	V	The Department has established the Employment Equity Forum to address all matters relating to transformation. Members of the Committee are appointed in terms of sections 16 and 17 of the Employment Equity Act as amended, and the committee is chaired by the Chief Director: HRFS and has representatives from PSA and NEHAU and representatives from each branch.
5. Has the department reviewed its employment policies	$\sqrt{}$	The following policies are updated for inclusivity:
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.		 Policy on Prevention and Elimination of Harassment Policy on Health and Productivity and Wellness Management
		Policy on Human Resource Development
		Policy on Occupational Health and Safety
		Policy on Special Leave
		Policy on Remote Working Arrangement
		Policy on working hours and Overtime
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	V	 The Department protects employees through the following measures: Provision of 24-hour counselling for debriefing and support Awareness sessions addressing HIV and AIDS stigma. Policy on Health and Productivity and Wellness Management which prohibits discrimination on the basis of HIV status. Policy on disciplinary. Grievance process and service standards that afford employees the opportunity to lodge a complaint.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	V	The Department affords employees an opportunity for voluntary counselling and testing during the health screening session. An additional platform is created during a blood donation drive for employees to do a health screening, including HIV counselling and testing.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	V	 The impact of the programme is monitored through the following measures: Employee Health and Wellness (EHW) Operational Plan with annual indicators System Monitoring Tool.
		EHW Annual Report.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period | April 2023 to 3 | March 2024:



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 | April 2023 to 3 | March 2024:

Outcomes of disciplinary hearings	Number	% of Total
Final written warning		100%
Total	I	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period | April 2023 to 3 | March 2024:

Type of misconduct	Number	% of total
Negligence	I	100%
Total	l	100%

Table 3.12.4 Grievances logged for the period | April 2023 to 31 March 2024:

Grievances	Number	% of Total
Number of grievances resolved	l	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	I	100%

Table 3.12.5 Disputes logged with Councils for the period | April 2023 to 3 | March 2024:

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 | April 2023 to 3 | March 2024:

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

Table 3.12.7 Precautionary suspensions for the period | April 2023 to 3 | March 2024:

Number of people suspended	
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	155
Cost of suspension(R'000)	R600 000

3.13 Skills development

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

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

Occupational category	Gender	Number of	ls identified at start of t	rt of the reporting period		
		employees as at I April 2023	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and	Female	51	0	257	0	257
managers	Male	55	0	165	0	165
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate	Female	88	0	251	0	251
professionals	Male	89	0	262	0	262
Clerks	Female	96	0	257	0	257
	Male	51	0	165	0	165

Occupational category Gender Number of Training needs identified at start of the re-					he reportin	g period
		employees as at I April 2023	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Service and sales workers	Female	0	0	0	0	0
	Male	0	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	0	0	0	0	0
Plant and machine operators and	Female	0	0	0	0	0
assemblers	Male	0	0	0	0	0
Elementary occupations	Female	17	0	30	0	30
	Male	23	0	77	0	77
Sub Total	Female	252	0	795	0	795
	Male	218	0	669	0	669
Total		470	0	1464	0	1464

 Table 3.13.2 Training provided for the period | April 2023 to 3 | March 2024:

Occupational category	Gender	Number of	Training	provided within the re	porting per	iod
		employees as at I April 2023	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and	Female	51	0	28	I	29
managers	Male	55	0	13	0	13
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate	Female	88	0	38	9	47
professionals	Male	89	0	32	6	38
Clerks	Female	96	0	30	19	49
	Male	51	0	24	3	27
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery	Female	0	0	0	0	0
workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and	Female	0	0	0	0	0
assemblers	Male	0	0	0	0	0
Elementary occupations	Female	17	0	10	2	0
	Male	23	0	13	0	13
Sub Total	Female	252	0	106	31	125
	Male	218	0	82	9	91
Total		470	0	188	40	216

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 | April 2023 to 31 March 2024:

There were no recorded cases of injury on duty throughout the review period.

3.15 Utilisation of Consultants

The following tables relate 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 | April 2023 to 3 | March 2024:

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand (R'000)
Appointment of a service provider to provide ICT skills for the development of a CWP asset and management information system (for two years via SITA contract 183)	5	24 months	14 779 800
Appointment of a service provider to develop capital expenditure frameworks for five intermediate city municipalities	5	6 Months	6 422 284

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand (R'000)
2	10	30 Months	21 202 084

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

Project title	Percentage ownership by HDI groups	Number of consultants from HDI groups that work on the project
None		

Table 3.15.3 Report on consultant appointments using Donor funds for the period | April 2023 to 3 | March 2024:

Project title	Total Number of consultants that worked on project	Duration (Workdays)	Donor and contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration (Workdays)	Total contract value in Rand
None			

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

Project title	Percentage ownership by HDI groups	Number of consultants from HDI groups that work on the project
None		

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period I April 2023 to 31 March 2024

No employee-initiated severance packages were granted during the 2023/24 financial year.



PART E PFMA COMPLIANCE REPORT

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

I.I. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	3 405 305	3 598 176
Prior year error	6 755	93 265
	3 412 060	3 691 441
Add: Irregular expenditure relating to the current year confirmed (Various)	60 939	-
Add: Irregular expenditure relating to the current year confirmed (Redefine Properties)	8 010	6 394
Add: Irregular expenditure relating to the current year confirmed (Iron Mountain)	-	105
Add: C2 (April 2018- September 2021, paid 2022/23 FY)	-	15 255
Add: - C3 PM Fees	738	172 369
Add: - C3 Procurement	32 470	281 074
Add: - Retention Fees (C1, C2 & C3)	33 535	-
Less: Prior year amounts condoned	-	(753 617)
Less: Prior year amounts not condoned and removed	(2 79 669)	(7 716)
Closing balance	756 083	3 405 305

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	674 575	2 836 843
Irregular expenditure that relates to the prior year and identified in the current year	6 755	93 265
Irregular expenditure for the current year	74 753	475 197
Total	756 083	3 405 305

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	67 694	994 242
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	12 800	2 411 063
Total	80 494	3 405 305

- Out of the closing balance of Irregular Expenditure amounting to R756 million, R12.8 million is still under further investigation by the Internal Control Unit.
- The difference between R756 million and R12.8 million is subjected to either the condonement process and/or implementation of the recommendations from the investigation.

c) Details of irregular expenditure condoned.

Description ¹	2023/2024 R'000	2022/2023 R'000
Irregular expenditure condoned	-	753 617
Total	-	753 617

I Group similar items

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure not condoned and removed in terms of paragraph 57	2 791 585	373
Irregular expenditure not condoned and removed - wrongly classified	69	565
Irregular expenditure not condoned and removed - reclassified to non-compliance	15	6 778
Total	2 791 669	7716

e) Details of irregular expenditure recoverable

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

f) Details of irregular expenditure written off (irrecoverable)

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

Additional disclosure relating to Inter-Institutional Arrangements

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

Description		
None		

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution <u>is</u> responsible for the non-compliance)²

Description	2023/20243	2022/2023
	R'000	R'000
N/A	-	-
Total	-	-

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

Disciplinary steps taken	
None	

² Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

³ Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	888	I 082
Add: Fruitless and wasteful expenditure confirmed	110	16
Add: Prior year fruitless and wasteful expenditure identified in the current year	148	-
Less: Airline cancellation fees written off	-	(191)
Less: Interest charged on late payments written off	-	(14)
Less: No-show at hotels written off	(24)	(4)
Less: No-show recoverable	-	I
'Non delivery of catering due to strike	(25)	-
'Non-attendance of training by CWP participants (2018/19)	(513)	-
Closing balance	584	888

Under the "No-show recoverable", an amount of only R174.00 was recovered.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	888	I 082
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	148	-
Fruitless and wasteful expenditure for the current year	110	16
Less: Fruitless and wasteful expenditure written off	(562)	(209)
Less: Fruitless and wasteful expenditure recoverable	-	1
Total	584	888

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

Description⁴	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under assessment	232	862
Fruitless and wasteful expenditure under determination	-	26
Fruitless and wasteful expenditure under investigation	352	-
Total	584	888

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	(1)
Total	-	(1)

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

Description	2023/2024	2022/2023
	R'000	R'000
Airline cancellation fee	-	(191)
Interest on overdue account	-	(14)
No show	(24)	(4)
Non delivery of catering due to strike	(25)	-
Non-attendance of training by CWP participants (2018/19)	(513)	-
Total	(562)	(209)

⁴ Group similar items

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

Disciplinary steps taken

None

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	1 123	l 123
Adjustment to opening balance	-	-
Opening balance as restated	1 123	-
Add: unauthorised expenditure confirmed	84 813	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable ⁵	-	-
Less: unauthorised not recoverable and written off ⁶	-	-
Closing balance	85 936	l 123

Unauthorised expenditure amounting to R1.123 million relates to prior years and it is not yet resolved. The matter has been referred to the National Treasury and Parliament. The Department is still conducting follow-ups with the National Treasury.

Unauthorised expenditure amounting to R84.813 million relates to the overspending, which is primarily attributed to the payments of participants' wages in the CWP. This situation has arisen due to directives from the Minister of Finance via the Second Adjustment Appropriation Bill. However, due to positive balances in other Economic Classification on the Appropriation Statement, the closing balance of Unauthorised Expenditure remained at R80 million due to PFMA limitations to write-off with positive balances.

Reconciling notes

Description	2023/2024	2022/20237
	R'000	R'000
Unauthorised expenditure that was under assessment	1 123	1 123
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	84 813	-
Total	85 936	1 123

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

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	84 813	l 123
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	84 813	l 123

⁵ Transfer to receivables

⁶ This amount may only be written off against available savings

⁷ Record amounts in the year in which it occurred

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))8

a) Details of material losses through criminal conduct

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

No details of material losses through criminal conduct were recorded during the period under review.

b) Details of other material losses

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

c) Other material losses recoverable

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

d) Other material losses not recoverable and written off.

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

⁸ Information related to material losses must be disclosed in the annual financial statements.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated Value
		R'000
Valid invoices received	28 360	689 572
Invoices paid within 30 days or agreed period	28 358	689 187
Invoices paid after 30 days or agreed period	2	385
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Invoices were paid after 30 days due to internal validation processes.

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	
Hosting of BRICS Urbanisation Forum	Durban ICC	Preferred Supplier	N/A	4 500	
Disaster Risk Management Research	North West University	Sole Supplier	N/A	I 875	
Municipal IQ Services subscription renewal	Municipal IQ	Sole Supplier	N/A	1 197	
Implementation of the Agrarian Revolution Programme, Community Work Programme Agricultural projects and other innovative projects focusing on youth.	National Youth Development Agency	Preferred supplier	N/A	50 000	
Review of organisational Structure	Government Technical Advisory Centre	Preferred supplier	N/A	l 261	
Procurement of personnel protective equipment	Support Employment Enterprise	Preferred supplier	N/A	69 591	
Resourcing of Result Management Office through recruitment, selection and placement of experts and support staff	Development Bank of Southern Africa	Preferred supplier	N/A	22 000	
Total				150 424	

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Provision of Security Services for a period of thirty-six (36) months	Prime African Security (Pty) Ltd	Variation	CoGTA (T) 03/2021	28 063	I 256	2 173
Technical assistance towards institutionalisation of reporting reforms in non-metro municipalities	Palmer Development Group	Variation	RFP201/2021	2 191	0	244
Total						2 417





PART F FINANCIAL INFORMATION



Report of the auditor-general to Parliament on vote no. 3: Department of Cooperative Governance

Report on the audit of the financial statements

Opinion

- I. I have audited the financial statements of the Department of Cooperative Governance set out on pages 148 to 194, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
- 2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Department of Cooperative Governance as at 31 March 2024 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act No. 05 of 2022 (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 matters

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

Assets under investigation

7. With reference to disclosure note 27 to the financial statements, the department has disclosed assets under investigation to the value of R28 007 000. The ultimate outcome of the matter cannot presently be determined.

Unauthorised Expenditure

8. As disclosed in note 23 to the financial statements, unauthorised expenditure of R84 813 000 was incurred in the current year.

Unaudited supplementary schedules

9. The supplementary information set out on pages 195 to 239 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 prescribed by National Treasury and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- II. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not

- a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page I of the annexure to the auditor's report, forms part of our auditor's report.

Report on the audit of the annual performance report

- 14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
- 15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Local government support and interventions management	40-47	Provide policy analysis and development to transform local government and improve cooperative governance
Programme 3: Institutional development	51-58	Build institutional resilience in local government by supporting system development, governance, and capacity building
Programme 4: National disaster management centre	61-64	Promote an integrated and coordinated system of disaster prevention, mitigation, and risk management

- 16. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides the users with useful and reliable information and insights on the department's planning and delivery on its mandate and objectives.
- 17. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as were committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
- 18. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion or conclusion.



Other matters

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 underachievement. This information should be considered in the context of the material findings on the reported performance information.
- 21. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 40 to 64.

Programme 2: Intergovernmental support

Table 1.1: Originally tabled Annual Performance Plan until date of re-tabling

Targets achieved: 33%			
Key indicator not achieved	Planned target	Reported achievement	
2.1 Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazette	Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazetted by 30 September 2023	Not Achieved Draft regulations were published for public comment on 04 August 2023 for a 30-day period.	
2.2 IGRFA amendment bill submitted to	IGRFA amendment bill submitted to	Not Achieved	
Parliament	Parliament by 31 March 2024	IGRFA Amendment Bill was presented at various IGR for a, including Cabinet Cluster Committees such as GSCID cluster of DGs and COGTA MINMEC. The first draft of the SEIAS was also produced at the time of reporting.	
2.3 Number of districts/metros that	One catalytic project implemented in	Not Achieved	
implemented at least one DDM catalytic project	15 Districts/metros by 31 March 2024	7 District or Metros were supported to implement the DDM Catalytic Projects at the time of reporting.	
2.4 Number of dysfunctional	Long-standing disputes on water and	Not Achieved	
municipalities in which longstanding disputes on water and electricity are resolved through DDM	electricity resolved in 22 dysfunctional municipalities by 31 March 2024	There were no disputes resolved during the reporting period.	
2.6 Percentage of municipalities that are	es that are 60% of municipalities are dysfunctional	Not Achieved	
dysfunctional or at High Risk or at high risk by 31 March 2	or at high risk by 31 March 2024.	The indicator was not conforming to the SMART principle, and it was a duplication of 2.5 and 2.6. A decision was taken to revise this indicator.	
2.7 Percentage of dysfunctional ward	Intervention plans implemented for	Not Achieved	
committees for which intervention plans are implemented	50% of dysfunctional ward committees by 31 March 2024	All 9 provinces were in the process of assessing the functionality of ward committees based on the criteria set out in the national framework at the time of reporting.	

Table 1.2: Report against the re-tabled Annual Performance Plan

Targets achieved: 14%			
Indicator not achieved	Planned target	Reported achievement	
2.1 Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazetted.	Regulations in terms of the Intergovernmental Relations Framework Act (IGRFA) gazetted by 31 March 2024	Not Achieved Updated draft Regulations, following the legal opinion from Office of the Chief State Law Advisor (OCSLA) by end of February 2024. In March 2024, a request for approval of final gazetting was submitted to the Minister.	
2.2 IGRFA Amendment Bill submitted	IGRFA Amendment Bill submitted to	Not Achieved	
to Parliament	Parliament by 31 March 2024	IGRFA amendment bill presented at GSCID cluster committee of DGs.	
		Updated draft amendment bill, following the legal opinion from OCSLA on 01 March 2024 and the conclusion of intergovernmental dialogues and consultations.	
2.3 Number of districts/metros	15 Districts/metros supported to	Not Achieved	
supported to implement at least one DDM catalytic Project from the approved DDM One Plan	implement at least one DDM catalytic project from the approved DDM One Plan by 31 March 2024	II districts/metros were supported to implement at least one DDM catalytic project from the approved DDM One Plan by 31 March 2024.	
2.5 Percentage of MIG receiving	75% of MIG receiving municipalities	Not Achieved	
municipalities spending at least 60% of 2023/24 MIG allocations.	spending at least 60% of 2023/24 MIG allocations by 31 March 2024	69% of MIG receiving municipalities spending at least 60% of 2023/24 MIG allocations by 31 March 2024.	
2.6. Percentage of MIG receiving	25% MIG receiving dysfunctional	Not Achieved	
dysfunctional municipalities spending up to 8% of MIG allocations on water services infrastructure repairs and refurbishment.	municipalities spending up to 8% of MIG allocations on water services infrastructure repairs and refurbishment by 31 March 2024	20% MIG receiving dysfunctional municipalities spending up to 8% of MIG allocations on water services infrastructure repairs and refurbishment by 31 March 2024.	
2.7 Monitoring reports on the	2 Reports on monitoring the functional	Not Achieved	
functional performance of 25% of ward committees in 7 municipalities	performance of 25% of ward committees in 7 municipalities by 31 March 2024	2 reports on monitoring the functional performance of the ward committees in 6 municipalities by 31 March 2024.	

Programme 3: Intergovernmental Policy and Governance

Key indicator not achieved	Planned target	Reported achievement
3.1 Local Government General Laws	Draft Local Government: General Laws	Not Achieved
Amendment Bill submitted to Cabinet and Parliament	Amendment Bill submitted to Cabinet by 31 March 2024	Schedule of comments / proposals developed and submitted to the Legislative drafters to develop the Draft Local Government: General Laws Amendment Bill ("the Bill").
		On 27 September 2023, the Bill was consulted with the following stakeholders during the Local Government Legislative and Good Governance Forum:
		Provincial CoGTAs;
		SALGA; and
		National Treasury.
3.2 Number of Dysfunctional	22 dysfunctional municipalities with	Not Achieved
municipalities with increased revenue	vith increased revenue increased revenue by 31 March 2024.	No progress was recorded in relation to dysfunctional municipalities with increased revenue by 30 September 2023.
3.3 Percentage decrease in debt owed	10% decrease in debt owed to	Not Achieved
to dysfunctional municipalities	dysfunctional municipalities by 31 March 2024	0% decrease in debt owed to dysfunctional municipalities by 30 September 2023.
.4 Number of municipalities where all	66 municipalities where all senior	Not Achieved
enior managers meet the prescribed competency requirements	managers meet the prescribed competency requirements by 31 March 2024	No progress was made in relation to municipalities where all senior managers meet the prescribed competency requirements by 30 September 2023.
3.6 Percentage of cases of breach of the	Appropriate sanctions applied in 50% of	· · · · ·
code of conduct for councillors where appropriate sanctions were applied	cases of breach of the code of conduct for councillors by 31 March 2024	Appropriate sanctions applied in 17.6% of cases of breach of the code of conduct for councillors by 30 September 2023.
3.8 Percentage of municipalities with	10% of municipalities with improved citizen satisfaction with service delivery by 31 March 2024	Not Achieved
improved citizen satisfaction with service delivery		No progress was recorded as there was no target for this indicator at the end of the reporting period.
3.9 Number of municipalities with SPLUMA compliant SDFs	30 municipalities with SPLUMA	Not Achieved
	compliant SDFs by 31 March 2024.	10 Municipal SDF's assessed and are deemed SPLUMA compliant.
8.10 Number of intermediate city	5 intermediate city municipalities with	Not Achieved
municipalities with capital expenditure rameworks aligned to the Integrated	capital expenditure frameworks aligned to the Integrated Urban Development	No progress was recorded as there was
	Framework by 31 March 2024.	no target for this indicator at the end of the reporting period.

Table 2.2: Report against the re-tabled Annual Performance Plan

Targets achieved: 18%		
Key indicator not achieved	Planned target	Reported achievement
3.4 Number of reports on corrective actions analysed and recommended to MECs to ensure that competent senior managers are appointed.	4 Reports on the number of received appointments reports for senior managers analysed and corrective actions recommended to MECs by 31 March 2024.	Not Achieved 3 quarterly reports on the number of received appointment reports for senior managers analysed and corrective actions recommended to the MEC developed by 31 March 2024.
3.9 Number of intermediate city municipalities (ICMs) with capital expenditure frameworks (CEFs) aligned to the Integrated Urban Development Framework (IUDF)	5 ICMs with CEFs aligned to the strategic objectives of the IUDF by 31 March 2024.	Not Achieved No progress was made in terms CEFs that aligned to the strategic objectives of the IUDF by 31 March 2024.

Programme 4: National disaster management centre

Table 3.1: Originally tabled Annual Performance Plan until date of re-tabling

Targets achieved: 0%		
Key indicator not achieved	Planned target	Reported achievement
4.1. Number of sector departments implementing disaster funding arrangements in terms of the Disaster Management Act	4 sector departments implementing disaster funding arrangements in terms of the Disaster Management Act by 31 March 2024	Not Achieved 2 sector departments implementing disaster funding arrangements in terms of the Disaster Management Act by 30 September 2023.
4.2. Number of municipalities in priority disaster areas implementing a disaster management strategy to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act	14 municipalities in priority disaster areas implementing a disaster management strategy to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act by 31 March 2024.	Not Achieved 6 district municipalities in priority disaster areas were assessed on the implementation of a disaster risk management. strategies to prevent, prepare for and mitigate disaster risks in terms of the Disaster Management Act by 30 September 2023
4.3 Number of municipalities implementing the National Fire Safety and Prevention Strategy	10 municipalities implementing the National Fire Safety and Prevention Strategy by 31 March 2024.	Not Achieved 2 municipalities (Matjhabeng & Metsimaholo) implementing the National Fire Safety and Prevention Strategy.

Table 3.2: Report against the re-tabled Annual Performance Plan

Targets achieved: 75%		
Key indicator not achieved	Planned target	Reported achievement
4.4 Overhauled system of disaster management approved.	Proposed Revised Disaster Management system submitted to Cabinet by 31 March 2024.	• Consultations were held with the National Disaster Management Advisory Forum on February 12, 2024, and the Head of Centre's and Provincial COGTA structures. Further consultations were undertaken with SALGA, including study tour visits to Malawi in the week of March 15, 2024, and Brazil on March 21–24, 2024.



Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programmes 2 and 3. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

- 23. 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.
- 24. 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 conclusion.
- 25. 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 for 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.
- 26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

27. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

Asset management

28. I was unable to obtain sufficient appropriate audit evidence that proper control systems were in place at the department to ensure the safeguarding / maintenance of assets, as required by section 38(1)(d) of the PFMA.

Procurement and contract management

- 29. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with Treasury Regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22. Similar non-compliance was also reported in the prior year.
- 30. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(I)(f) of PPPFA and Preferential Procurement Regulation 2017 and/or 2022.
- 31. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the PPPFA and Preferential Procurement Regulation 2017 and/or 2022.
- 32. Some of the contracts were awarded to bidders based on evaluation/adjudication criteria that were not stipulated and/or differed from those stipulated in the original invitation for bidding as required by Treasury Regulation I 6A6.3(a) and (b).
- 33. Some of the IT related goods and services, classified as mandatory, were not procured through SITA as required by Treasury Regulation 16A6.3(e) and section 7(3) of the SITA Act.

Other information in the annual report

- 34. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
- 35. 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.
- 36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

- 38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- 39. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
- 40. Management did not adequately review and monitor compliance with applicable legislation and regulations and did not have sufficient monitoring controls to prevent irregular expenditure.

Material irregularities

Transfer payment to incorrect recipient for municipality infrastructure grant

- 41. The department incorrectly made a municipal infrastructure grant (MIG) payment totalling of R183 450 000,00 to a supplier on the central payment system with a similar name in July and August 2018 as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1. I reported that the department is likely to incur a material financial loss of R98 241 000 as the amount was still not recovered.
- 42. The accounting officer was notified of the material irregularity on 24 July 2019.
- 43. The accounting officer has taken the following actions to resolve the material irregularity:
 - The Department implemented improved controls on payments of grants with validation checks being performed on municipalities banking details before payment is made.

- The department conducted an investigation to identify officials who approved the payments and initiated consequence management. The investigation was completed during the 2020-21 financial year and appropriate disciplinary action was taken against the officials who were involved.
- The matter was reported to the Special Commercial Crimes Unit (Hawks) and the investigation is still on going.
- The civil litigation process was concluded in the current year with the department recovering R23 400 000 that was subject to a court order.
- 44. The department has recovered R28 200 000 of the financial loss to date
- 45. I considered the presentation made and the substantiating documents provided and have concluded that appropriate action have been taken to address the material irregularity.

Payments for services not received – Deceased participants on CWP

- 46. Payments were made in 2018-19 through the CWP to deceased participants, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance is likely to result in a material financial loss, if the payments are not recovered.
- 47. The accounting officer was notified of the material irregularity on 13 August 2019. The following actions have been taken to resolve the material irregularity:
- 48. The accounting officer appointed a service provider on 31 October 2019 to perform an investigation and to quantify the financial loss incurred.
- 49. The external investigations were completed in October 2020. The investigation confirmed the non-compliance and identified officials who were responsible for the breakdown of internal controls and consequently the non-compliance. The recommendation that disciplinary action be taken against the responsible officials has been carried out.
- 50. The investigation resulted in four of the six officials found to be responsible for the material irregularity being acquitted, while two were found not guilty as per the conclusion of the disciplinary proceedings.

- 51. The department has quantified the financial loss of RI 189 I62.50 and as at year end RI 048 653.50 (89%) was recovered.
- 52. I considered the presentation made and the substantiating documents provided and have concluded that appropriate action have been taken to address the material irregularity.

Prepayment for goods and services that were not received at CWP sites

- 53. The department made quarterly advance payments to implementing agents on the CWP without the required evidence that previous advance payments had been spent correctly, resulting in payments being made for goods and services that were not received at the CWP sites, as effective internal controls were not in place for the approval and processing of payments as required by treasury regulation 8.1.1. The non-compliance is likely to result in a material financial loss, if payments are not recovered. The accounting officer was notified of the material irregularity on 13 August 2019.
- 54. The financial loss was not quantified at the time of reporting due to various reconciliations that needed to be finalised.
- 55. The suspense account balance at 2018-19 of R182.6 million was reduced to R12 million through the actions that were implemented and the evidence that goods and services were provided pertaining to prior year advance payments was provided by the implementing agents, except for an amount of R12 258 732.
- 56. Implementing agents that were not complying were referred to internal audit for investigation and subsequently some of their contracts were terminated.
- 57. During 2019-20 it was reported by the accounting officer that various actions and controls were implemented to prevent further losses and recurrence of the material irregularities.
- 58. Four of the initial six officials found to be responsible for the material irregularity were acquitted and two were found not guilty by the disciplinary committee.
- 59. In the 2021-22 financial year, I reported that the close-out procedures were still in progress due to the reconciliation of the fixed asset registers relating to CWP assets procured by the implementing agents on behalf of the department.

- 60. In the prior year the department indicated that assets worth R154 025 658 were under investigation and that attempts are being made to recover the loss from the implementing agents. The department completed the asset verification process in the current year, and the assets under investigation has reduced to R28 007 000 as disclosed in note 27 to the financial statements.
- 61. The department indicated that the unaccounted assets will be recovered from the retention fees of the implementing agents. Letters were issued to the implementing agents during July 2023 notifying them of the completion of the reconciliation and confirmation of retention fees.
- 62. I considered the presentation made and the substantiating documents provided and have concluded that appropriate action have been taken to address the material irregularity.

Project management fees paid to implementing agents for services not received – 2019

- 63. The department made a project management payment to the implementing agents for the CWP whose contract had commenced on I April 2018 and ended on 30 September 2021, with inadequate evidence to justify such payments. This resulted in payments for services not received, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance is likely to result in a material financial loss, if payments are not recovered.
- 64. The accounting officer was notified of the material irregularity on 26 August 2019. The following actions have been taken to resolve the material irregularity:
- 65. Four of the six officials found to be responsible for the material irregularity were acquitted and two were found not guilty as per the conclusion of the disciplinary proceedings.
- 66. In 2021-22,1 reported that the close-out procedures were still in progress due to the reconciliation of the fixed-asset registers relating to CWP assets procured by the implementing agents on behalf of the department, as well as reconciliation of invoices that had been submitted by the implementing agents to clear prepayments previously advanced. The reconciliation has been performed and the department was able to quantify the loss through the assets that could not be verified by the department during the verification process. Duplicate invoices were also identified, resulting in reversals of the previous clearing

- transactions The contracts with the implementing agent ended in September 2021 while the close-out process was still in progress due to the reconciliation process of the CWP asset register that was being done by the department before issuing a close-out certificate to the implementing agents.
- 67. In the current year the department concluded the close-out procedures and was able to determine the actual project management fees paid compared to the amounts payable to the implementing agents, considering the retention fees and any project management fees not supported in this determination. The department determined the amount of R23 600 000 project management fees that should be recovered.
- 68. As at 31 March 2024 R11 600 000 has been recovered through the retention fees, R9 300 000 is currently in dispute and R1 200 000 is in process of being recovered.
- 69. I considered the presentation made and the substantiating documents provided and have concluded that appropriate action have been taken to address the material irregularity.

Pretoria

01 August 2024



Auditur-General

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content
 of the financial statements, including the disclosures, and
 determine whether the financial statements represent
 the underlying transactions and events in a manner that
 achieves fair presentation.

Communication with those charged with governance

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

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



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section I Section 38(1)(a)(iv); 38(1)(b); PFMA 38(1)(c); 38(1)(c)(i); 38(1) (c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2); 45(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a), (b) & (e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1 (b)(ii); 16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) & (iii); 16A9.1 (f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(I)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)	Section I(i); 2.I(a); 2.I(b); 2.I(f)
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
Preferential Procurement Regulations, 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
The State Information Technology Agency Act No. 88 of 1998 (SITA)	Section 7(3) Section 7(6)(b) Section 20(1)(a)(l)



Legislation	Sections or regulations
SITA Regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
PFMA SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4(c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT Instruction Note 03 of 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT Instruction Note 11 of 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
PFMA SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM Instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
Competition Act No 89 of 1998	Section 4(1)(b)(ii)
NT Instruction note 4 of 2015/16	Paragraph 3.4
NT SCM Instruction note 4A of 2016/17	Paragraph 6
NT Instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NT Instruction 05 of 2020/21	Paragraph 4.8; 4.9; 5.1; 5.3
Practice notes 7 of 2009/10	Paragraph 4.1.2
Practice notes 11 of 2008/9	Paragraph 3.1 (b)
PFMA SCM Instruction Note 01 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (I)

DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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APPROPRIATION STATEMENT

Annual Financial Statements for the year ended 31 March 2024

		2	2023/24					202	2/23
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget	Actual Expenditure R'000
Programme	K 000	K 000	IX 000	17 000	IX 000	IX 000		IX 000	1, 000
I. Administration	351 268	10 671	3 000	364 939	363 567	I 372	99,6%	348 708	348 080
2. Intergovernmental Support	18 050 896	(4 464)	-	18 046 432	18 015 620	30 812	99,8%	18 407 175	18 402 496
3. Intergovernmental Policy and Governance	95 563 775	6 362	4 000	95 574 137	92 546 145	3 027 992	96,8%	87 699 664	84 224 044
4. National Disaster Management Centre	2 482 133	(8 569)	(7 000)	2 466 564	2 272 132	194 432	92,1%	4 270 687	3 900 043
5. Community Work Programme	3 525 670	(4 000)	-	3 521 670	3 602 630	(80 960)	102,3%	4 301 204	3 834 095
Subtotal	119 973 742	-	-	119 973 742	116 800 094	3 173 648	97,4%	115 027 438	110 709 081
Reconciliation with statement of fi	nancial perforr	nance							
ADD									
Departmental receipts				7 441				9 449	
Aid assistance								4 642	
Actual amounts per statement of f	inancial perfor	mance (Total r	evenue)	119 981 183				115 041 529	

ADD

Aid assistance - 4 642

Prior year unauthorised expenditure approved without funding

Actual amounts per statement of financial performance (Total expenditure) 116 800 094

APPROPRIATION STATEMENT

			2023/24					202	2/23
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Economic classification									
Current payments	4 289 849	(3 263)	(841)	4 285 745	4 273 728	12 017	99,7%	5 019 597	4 454 375
Compensation of employees	346 684	-	11 000	357 684	355 487	2 197	99,4%	366 212	346 427
Goods and services	3 943 165	(3 265)	(11 841)	3 928 059	3 918 239	9 820	99,8%	4 653 381	4 107 944
Interest and rent on land	-	2	-	2	2	-	100,0%	4	4
Transfers and subsidies	115 630 449	_	841	115 631 290	112 507 800	3 123 490	97,3%	109 965 114	106 234 171
Provinces and municipalities	115 098 736	29	-	115 098 765	111 983 663	3 115 102	97,3%	109 418 983	105 700 565
Departmental agencies and accounts	510 966	22	-	510 988	510 988	-	100,0%	510 836	510 836
Foreign governments and international organisations	l 959	-	-	l 959	378	I 58I	19,3%	2 138	336
Non-profit institutions	14 963	-	95	15 058	8 633	6 425	57,3%	15 005	8 508
Households	3 825	(51)	746	4 520	4 138	382	91,5%	18 152	13 926
Payments for capital assets	53 444	288	-	53 732	15 698	38 034	29,2%	42 127	19 936
Buildings and other fixed structures	30 000	158	-	30 158	158	30 000	0,5%	684	684
Machinery and equipment	23 444	130	-	23 574	15 540	8 034	58,2%	41 429	19 238
Intangible assets								14	14
Payments for financial assets	-	2 975	_	2 975	2 868	107	96,4%	600	599
Total	119 973 742	-	-	119 973 742	116 800 094	3 173 648	97,4%	115 027 438	110 709 081



APPROPRIATION STATEMENT

Programme 1: Administration			2023/24					202	2/23
			2023/2 4				Evenous districts	202	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Budget %	Final Budget R'000	Actual expenditure R'000
Sub programme									
I. Ministry	33 976	(1 184)	-	32 792	32 592	200	99,4%	39 879	39 736
2. Management	27 715	(3 492)	3 000	27 223	27 217	6	100,0%	28 123	27 890
3. Corporate Services	153 898	13 319	-	167 217	166 734	483	99,7%	159 573	159 468
4. Financial Services	48 759	7 130	-	55 889	55 888	1	100,0%	54 637	54 539
5. Internal Audit and Risk Management	12 190	(481)	-	11 709	11 125	584	95,0%		11 782
6. Office Accommodation	74 730	(4 621)	-	70 109	70 011	98	99,9%	54 665	54 66!
Total for sub programmes	351 268	10 671	3 000	364 939	363 567	I 372	99,6%	348 708	348 080
Economic classification									
Current payments	338 761	6 899	2 400	348 060	347 133	927	99,7%	341 606	341 383
Compensation of employees	157 813	3 500	3 000	164 313	163 730	583	99,6%	167 151	166 990
Goods and services	180 948	3 397	(600)	183 745	183 401	344	99,8%	174 451	174 389
Interest and rent on land	-	2	-	2	2	-	100,0%	4	2
Transfers and subsidies	I 083	(17)	600	I 666	I 345	321	80,7%	2 870	2 540
Provinces and municipalities	-	23	-	23	23	-	100,0%	122	24
Departmental agencies and accounts	-	22	-	22	22	-	100,0%	-	
Foreign governments and international organisations	383	-	-	383	378	5	98,7%	568	336
Households	700	(62)	600	I 238	922	316	74,5%	2 180	2 180
Payments for capital assets	11 424	I 276	-	12 700	12 683	17	99,9%	3 948	3 873
Machinery and equipment	11 424	I 276	-	12 700	12 683	17	99,9%	3 948	3 87
Payments for financial assets	-	2 5 1 3	-	2 513	2 406	107	95,7%	284	28
Total	351 268	10 671	3 000	364 939	363 567	I 372	99,6%	348 708	348 080

APPROPRIATION STATEMENT

Programme 2: Intergovernmental	Support								
		1	2023/24					202	2/23
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Sub programme									
Management: Intergovernmental Support	27 021	(6 601)	-	20 420	19 608	812	96,0%	5 406	4 215
Municipal and Provincial Governance Support and Capacity Building	78 388	2 137	-	80 525	80 525	-	100,0%	74 84	71 019
3. Municipal Infrastructure grant	16 371 585	-	-	16 371 585	16 341 585	30 000	99,8%	16 842 001	16 842 001
 Integrated Urban Development Grant 	l 172 448	-	-	l 172 448	1 172 448	-	100,0%	I 085 368	I 085 368
5. Municipal Infrastructure Support Agent	401 454	-	-	401 454	401 454	-	100,0%	400 216	400 216
Total for sub programmes	18 050 896	(4 464)	-	18 046 432	18 015 620	30 812	99,8%	18 407 175	18 402 819
Economic classification									
Current payments	105 359	(4 825)	(60)	100 474	99 662	812	99,2%	79 288	74 933
Compensation of employees	72 166	(7 000)	-	65 166	64 919	247	99,6%	59 223	58 959
Goods and services	33 193	2 175	(60)	35 308	34 743	565	98,4%	20 065	15 974
Transfers and subsidies	17 915 537	5	60	17 915 602	17 915 602	_	100,0%	18 327 746	18 327 746
Provinces and municipalities	17 514 033	-	-	17 514 033	17 514 033	-	100,0%	17 927 369	17 927 369
Departmental agencies and accounts	401 454	-	-	401 454	401 454	-	100,0%	400 216	400 216
Households	50	5	60	115	115	-	100,0%	161	161
Payments for capital assets	30 000	31	-	30 031	31	30 000	0,1%	64	63
Buildings and other fixed structures	30 000	-	-	30 000	-	30 000	-	-	-
Machinery and equipment	-	31	-	31	31	-	100,0%	64	63
Payments for financial assets	_	325	-	325	325	_	100,0%	77	77
Total	18 050 896	(4 464)	-	18 046 432	18 015 620	30 812	99,8%	18 407 175	18 402 819



APPROPRIATION STATEMENT

		2	2023/24					202	2/23
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditur
Sub programme	K 000	K 000	K 000	K 000	K 000	K 000		K 000	K 000
Management Intergovernmental Policy and Governance	4 345	5 630	-	9 975	9 975	-	100,0%	3 5 1 5	2 79
2. Municipal Administration and Capacity	18 964	(7 508)	4 000	15 456	15 242	214	98,6%	16 350	16 2
3. Municipal Funding and Revenue Support	24 792	I 843	-	26 635	26 601	34	99,9%	51 964	48 3
. Development Planning	21 417	4 342	-	25 759	25 759	-	100,0%	10 396	2 6
. Municipal Demarcation Board	73 104	-	-	73 104	73 104	-	100,0%	74 340	74 3
. South African Cities Network	8 538	-	-	8 538	8 538	-	100,0%	8 508	8 5
. Municipal Governance	15 191	2 203	-	17 394	17 393	1	100,0%	22 097	17 3
. Research and Knowledge Management	17 758	(148)	-	17 610	17516	94	99,5%	16 850	16 1
. South African Local Governance Association	36 408	-	-	36 408	36 408	-	100,0%	36 280	36 2
United Cities and Local Government of Africa	8 00 1	-	-	8 00 1	-	8 00 1	-	7 973	
I. Local Government Equitable Share	95 188 741	-	-	95 188 741	92 261 856	2 926 885	96,9%	87 311 493	83 937 7
Municipal Systems Improvement Grant	146 516	-	-	146 516	53 753	92 763	36,7%	139 898	63 5
Total for sub programmes	95 563 775	6 362	4 000	95 574 137	92 546 145	3 027 992	96,8%	87 699 664	84 224 0
conomic classification									
Current payments	248 550	6 296	3 940	258 786	165 680	93 106	64,0%	247 561	157 5
Compensation of employees	78 379	2 500	4 000	84 879	84 785	94	99,9%	78 303	71.8
Goods and services	170 171	3 796	(60)	173 907	80 895	93 012	46,5%	169 258	85 7

APPROPRIATION STATEMENT

		2	2023/24					202	2/23
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Transfers and subsidies	95 315 225	12	60	95 315 297	92 380 411	2 934 886	96,9%	87 452 010	84 066 380
Provinces and municipalities	95 188 741	-	-	95 188 74	92 261 856	2 926 885	96,9%	87 311 493	83 937 761
Departmental agencies and accounts	109 512	-	-	109 512	109 512	-	100,0%	110 620	110 620
Foreign governments and international organisations	I 576	-	-	I 576	-	I 576	-	I 570	-
Non-profit institutions	14 963	-	-	14 963	8 538	6 425	57,1%	14 911	8 508
Households	433	12	60	505	505	-	100,0%	13 416	9 49 1
Payments for capital assets	-	50	-	50	50	_	100,0%	10	10
Machinery and equipment	-	50	-	50	50	-	100,0%	10	10
Payments for financial assets	-	4	-	4	4	_	100,0%	83	82
Total	95 563 775	6 362	4 000	95 574 137	92 546 145	3 027 992	96,8%	87 699 664	84 224 044



APPROPRIATION STATEMENT

		2	023/24					202	2/23
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure
Sub programme	1, 000	1, 000	K 000	17 000	IX 000	1, 000		1, 000	IX 000
Management: Head of the National Disaster Management Centre	23 843	12 886	-	36 729	32 322	4 407	88,0%	55 250	42 52:
Disaster Policy, Institutional Development and Compliance	11 044	(3 000)	-	8 044	7 981	63	99,2%	12 382	8 07
Disaster Risk Reduction, Capacity Development	9 172	I 075	-	10 247	9 447	800	92,2%	4 997	4 095
4. Disaster Preparedness, Response and Recovery Coordination	42 112	(19 530)	(7 000)	15 582	14 637	945	93,9%	18 068	9 952
5. Municipal Disaster Recovery Grant	I 505 387	-	-	I 505 387	I 334 573	170 814	88,7%	3 864 003	3 318 74
6. Disaster Response Grant	890 575	-	-	890 575	873 172	17 403	98,0%	315 987	516 66
Total for sub programmes	2 482 133	(8 569)	(7 000)	2 466 564	2 272 132	194 432	92,1%	4 270 687	3 900 043
Economic classification									
Current payments	77 199	(7 5 1 0)	(7 121)	62 568	61 424	l 144	98,2%	85 367	62 809
Compensation of employees	25 260	-	-	25 260	24 828	432	98,3%	29 773	23 154
Goods and services	51 939	(7 510)	(7 121)	37 308	36 596	712	98,1%	55 594	39 655
Transfers and subsidies	2 398 434	-	121	2 398 555	2 210 275	188 280	92,2%	4 182 196	3 837 21
Provinces and municipalities	2 395 962	6	-	2 395 968	2 207 751	188 217	92,1%	4 179 990	3 835 402
Non-profit institutions	-	-	95	95	95	-	100,0%	94	
Households	2 472	(6)	26	2 492	2 429	63	97,5%	2 1 1 2	1 813
Payments for capital assets	6 500	(1 069)	-	5 431	423	5 008	7,8%	3 105	
Buildings and other fixed structures Machinery and equipment	6 500	(1 069)	-	5 431	423	5 008	7,8%	3 105	
Payments for financial assets	_	10	_	10	10	_	100,0%	19	19
Total	2 482 133	(8 569)	(7 000)	2 466 564	2 272 132	194 432	92,1%	4 270 687	3 900 043

APPROPRIATION STATEMENT

Programme 5: Community Work	Programme								
		2	2023/24					202	2/23
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Sub programme									
 Coordination, Partnerships, and Implementation 	3 464 700	49 114	-	3 513 814	3 595 593	(81 779)	102,3%	4 177 665	3 745 864
2. Monitoring and Evaluation	60 970	(53 114)	-	7 856	7 037	819	89,6%	123 539	88 231
Total for sub programmes	3 525 670	(4 000)	-	3 521 670	3 602 630	(80 960)	102,3%	4 301 204	3 834 095
Economic classification									
Current payments	3 519 980	(4 123)	-	3 515 857	3 599 829	(83 972)	102,4%	4 265 775	3 817 678
Compensation of employees	13 066	1 000	4 000	18 066	17 225	841	95,3%	31 762	25 460
Goods and services	3 506 914	(5 123)	(4 000)	3 497 791	3 582 604	(84 813)	102,4%	4 234 013	3 792 218
Transfers and subsidies	170	-	-	170	167	3	98,2%	292	290
Provinces and municipalities	170			170	1.77	2	00.20/	9	9
Households	170	-	-	170	167	3	98,2%	283	281
Payments for capital assets	5 520	-	-	5 520	2 511	3 009	45,5%	35 000	15 990
Buildings and other fixed structures	-	158	-	158	158	-	100,0%	684	684
Machinery and equipment	5 520	(158)	-	5 362	2 353	3 009	43,9%	34 302	15 292
Intangible assets								14	14
Payments for financial assets	-	123	-	123	123	-	100,0%	137	137
Total	3 525 670	(4 000)	-	3 521 670	3 602 630	(80 960)	102,3%	4 301 204	3 834 095



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure IA-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	%
Administration	364 939	363 567	I 372	0,4%
Intergovernmental Support	18 046 432	18 015 620	30 812	0,2%
Intergovernmental Policy and Governance	95 574 137	92 546 145	3 027 992	3,2%
National Disaster Management Centre	2 466 564	2 272 132	194 432	7,9%
Community Work Programme	3 521 670	3 602 630	(80 960)	(2,3%)
Total	119 973 742	116 800 094	3 173 648	

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	%
Current payments				
Compensation of employees	357 684	355 487	2 197	0,6%
Goods and services	3 928 059	3 918 239	9 820	0,2%
Interest and rent on land	2	2	-	0,0%
Transfers and subsidies				
Provinces and municipalities	115 098 765	111 983 663	3 115 102	3%
Departmental agencies and accounts	510 988	510 988	-	0%
Foreign governments and international organisations	1 959	378	1 581	80,7%
Non-profit institutions	15 058	8 633	6 425	42,7%
Households	4 520	4 138	382	8,5%
Payments for capital assets				
Buildings and other fixed structures	30 158	158	30 000	99%
Machinery and equipment	23 574	15 540	8 034	34%
Payments for financial assets	2 975	2 868	107	4%
Total	119 973 742	116 800 094	3 173 648	

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

Overall, the department underspent on Transfers and Subsidies primarily due to unfulfilled conditions outlined in the DORA and the discontinuation of the UCLGA as an entity within the Department.

Additionally, under-spending on Payments for Capital Assets occurred due to delays in procurement processes following the conversion of the MIG to 6B as an indirect grant. The table above also reflects an under-spending in Goods and Services of R9.8 million, which includes under-spending in the MSIG and overspending in the CWP. This overspending resulted in the department incurring unauthorized expenditure, which was declared to the NT and the AGSA in accordance with Section 38 of the PFMA.

However, the budget for Compensation of Employees was increased through a virement process to defray the projected overspending.

4.3 Per conditional grant

Conditional grant	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a percentage of Final Budget %
Municipal Infrastructure Grant	16 371 585	16 341 585	30 000	0,2%
Integrated Urban Development Grant	1 172 448	1 172 448	-	0,0%
Disaster Response Grant	890 575	873 172	17 403	2,0%
Disaster Recovery Grant	I 505 387	I 334 573	170 814	11,3%
Municipal Systems Improvement Grant	146 516	53 753	92 763	63,3%
Total	20 086 511	19 775 531	310 980	

Municipal Infrastructure Grants: funds were stopped and reallocated by National Treasury in terms of Section 18 and 19 respectively on 20 March 2024 that left the MIG to underspend by R30 million as at 31 March 2024.

Disaster response and disaster recovery grants: The total transferred amount towards the flood damage mitigation efforts in 46 municipalities within six (6) provinces sits at R 873,2 million leaving a balance of R 17,4 million which as unspent.

STATEMENT OF FINANCIAL PERFORMANCE

		2023/24	2022/23
	Note	R'000	R'000
REVENUE	11010	11,000	11 000
Annual appropriation	I	119 973 742	115 027 438
Departmental revenue	2	7 441	9 449
Aid assistance	3	-	4 642
TOTAL REVENUE		119 981 183	115 041 529
EXPENDITURE			
Current expenditure		4 273 728	4 454 375
Compensation of employees	4	355 487	346 427
Goods and services	5	3 918 239	4 107 944
Interest and rent on land	6	2	4
Aid assistance	3	-	-
Transfers and subsidies		112 507 800	106 238 813
Transfers and subsidies	8	112 507 800	106 234 171
Aid assistance	3	-	4 642
Expenditure for capital assets		15 698	19 936
Tangible assets	9	15 698	19 922
Intangible assets	9	-	14
Payments for financial assets	7	2 868	599
TOTAL EXPENDITURE		116 800 094	110 713 723
SURPLUS/(DEFICIT) FOR THE YEAR		3 181 089	4 327 806
		3 101 007	1327 333
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3 173 648	4 3 1 8 3 5 7
Annual appropriation		2 862 668	3 896 982
Statutory appropriation		-	-
Conditional grants		310 980	421 375
Departmental revenue and NRF receipts	14	7 441	9 449
Aid assistance	3	-	
SURPLUS/(DEFICIT) FOR THE YEAR		3 181 089	4 327 806

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	2023/24 R'000	2022/23 R'000
Current assets		3 176 417	4 336 793
Cash and cash equivalents	10	3 078 178	4 207 272
Prepayments and advances		9 875	25 280
Receivables	12	88 364	104 241
TOTAL ASSETS		3 176 417	4 336 793
Current liabilities		3 262 353	4 337 916
Voted funds to be surrendered to the Revenue Fund	13	3 258 461	4 318 357
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	706	5 541
Payables	15	3 186	14 018
TOTAL LIABILITIES		3 262 353	4 337 916
NET ASSETS		(85 936)	(1 123)
		2023/24	2022/23
	Note	R'000	R'000
Represented by:			
Unauthorised expenditure		(85 936)	(1 123)
TOTAL		(85 936)	(1 123)

STATEMENT OF CHANGES IN NET ASSETS

	2023/24	2022/23
Note	R'000	R'000
Unauthorised expenditure		
Opening balance	(1 123)	(1 123)
Unauthorised expenditure - current year	(84 813)	-
Closing Balance	(85 936)	(1 123)
TOTAL	(85 936)	(1 123)

CASH FLOW STATEMENT

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2023/24 R'000	2022/23 R'000
Receipts		119 981 183	115 041 529
Annual appropriation funds received	1.1	119 973 742	115 027 438
Departmental revenue received	3	4 756	8 093
Interest received	3.3	2 685	1 356
Aid assistance received	4	-	4 642
Net (increase)/decrease in net working capital		20 450	(321)
Surrendered to Revenue Fund		(4 330 633)	(2 837 988)
Surrendered to RDP Fund/Donor		-	-
Current payments		(4 273 726)	(4 454 371)
Interest paid	7	(2)	(4)
Payments for financial assets		(2 868)	(599)
Transfers and subsidies paid		(112 507 800)	(106 238 813)
Net cash flow available from operating activities	23	(1 113 396)	I 509 433
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(15 698)	(19 936)
(Increase)/decrease in non-current receivables	12	· · · · · · -	11
Net cash flow available from investing activities		(15 698)	(19 925)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	
Net cash flows from financing activities		-	
Net increase/(decrease) in cash and cash equivalents		(1 129 094)	l 489 508
Cash and cash equivalents at beginning of period		4 207 272	2 717 764
Cash and cash equivalents at end of period	17	3 078 178	4 207 272



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act I 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.

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

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

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

Appropriated funds are measured at the 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

7.3 Accrued departmental revenue

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

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

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

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

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

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

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

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

cost, being the fair value of the asset; or

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

9. Aid assistance

9.1 Aid assistance received

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 amount's 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

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. Cash and cash equivalents

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

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

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

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances are expensed when invoices for expenditure are received.

12. Loans and receivables

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

13. Investments

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

14. Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

14.2 Impairment of financial assets

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

15. Payables

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

16. Capital assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

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

16.2 Movable capital assets

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

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

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

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

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

16.3 Intangible capital assets

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

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

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

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

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

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

16.4 Project costs: Work-in-progress

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

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

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

17. Provisions and contingents

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Capital commitments.

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

18. Unauthorised expenditure

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.

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.



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

19. Fruitless and wasteful expenditure

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

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

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

20. Irregular expenditure

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

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

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

21. Changes in accounting policies, estimates and errors

Changes in accounting policies are applied in accordance with MCS requirements.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22. 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

The Department has appointed DBSA as an implementing agent.

The DBSA is providing additional resourcing, which assists the department in the execution of its mandate.

The Department is responsible for all the costs associated with the arrangement, and DBSA acts as an agent of the department. All related expenditure, assets and liabilities have been recognised and recorded in line with the relevant policies listed herein.

Expenditure for project management fees incurred during the year relates to the payment of retention fees for expired Implementing Agent's contract of the Community Work Programme (CWP).

24. Departures from the MCS requirements: None

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

recovered or are transferred to the statement of financial performance when written-off.

27. Related party transactions

Related party transactions within the Minister 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

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. Public-Private Partnerships

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.

30. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

31. 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.

32. 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.



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

PART B: EXPLANATORY NOTES

I. Annual Appropriation

I.I. 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:

		2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropria- tion Received	Funds not requested / not received	
Programmes	R'000	R'000	R'000	R'000	R'000	R'000	
Administration	364 939	364 939	-	348 708	348 708	-	
Intergovernmental Support	18 046 432	18 046 432	-	18 535 071	18 535 071	-	
Intergovernmental Policy and Governance	95 574 137	95 574 137	-	87 571 768	87 571 768	-	
National Disaster Management Centre	2 466 564	2 466 564	-	4 270 687	4 270 687	-	
Community Work Programme	3 521 670	3 521 670	-	4 301 204	4 301 204	-	
Total	119 973 742	119 973 742	-	115 027 438	115 027 438	-	

I.2. Conditional grants

	Note	2023/24 R'000	2022/23 R'000
Total grants received	46	20 086 511	22 247 690
Provincial grants included in total grants received	_	-	96 914

Provincial grants were allocated to municipalities during adjustment budget.

2. Departmental revenue

		2023/24	2022/23
No	ote	R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets 2.	.1	228	200
Interest, dividends and rent on land 2.	.2	2 685	I 356
Transactions in financial assets and liabilities 2.	.3	4 528	7 893
Total revenue collected		7 441	9 449
Less: Own revenue included in appropriation		-	
Total		7 441	9 449

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

2.1. Sales of goods and services other than capital assets

	2023/24	2022/23
Note	R'000	R'000
Sales of goods and services produced by the department	199	200
Sales by market establishment	100	101
Administrative fees	1	-
Other sales	98	99
Sales of scrap, waste and other used current goods	29	-
Total 2	228	200

The increase in sales of goods and services other than capital assets due to scrapped of redundant assets - Other sales relates to commission fees for insurance, and replacement of lost office property

2.2. Interest, dividends and rent on land

		2023/24	2022/23
	Note	R'000	R'000
Interest		2 685	1 356
Total	2	2 685	I 356

The increase is largely on interest earned from commercial bank (Standard Bank)

2.3. Transactions in financial assets and liabilities

		2023/24	2022/23
	Note	R'000	R'000
Receivables		298	347
Other receipts including Recoverable Revenue		4 230	7 546
Total	2	4 528	7 893

Recoverable revenue reduced because the previous year's one was abnormal due to reversal of duplicate invoices in the prepayments for the prior year.

2.4. Transfers received

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

	2023/24	2022/23
Note	R'000	R'000
Annex IH		
Sponsorships	I 537	472
Total gifts, donations and sponsorships received in kind	I 537	472

Sponsorship received for official travelling for the BRICS Conference.



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

3. Aid assistance

3.1. Aid assistance expenditure per economic classification

		2023/24	2022/23
	Note	R'000	R'000
Transfers and subsidies		-	4 642
Total aid assistance expenditure		-	4 642

No Expenditure for Aid assistance because no aid assistance received during the financial year.

4. Compensation of employees

4.1. Analysis of balance

	2023/24	2022/23
Note	R'000	R'000
Basic salary	243 658	227 691
Performance award	-	258
Service based	731	730
Compensative/circumstantial	4 300	7 638
Other non-pensionable allowances	66 933	75 240
Total	315 622	311 557

No performance bonus paid in the year, last financial year's one consisted of the previous year's arrears amounts paid last financial year

4.2. Social contributions

	2023/24	2022/23
Employer contributions Note	R'000	R'000
Pension	30 737	26 148
Medical	9 074	8 665
Bargaining council	54	57
Total	39 865	34 870
Total compensation of employees	355 487	346 427
Average number of employees	456	496

Slight increase due to filling of number of vacant permanent positions during the year, average reduced due to few contract appointments made compared to the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

5. Goods and services

		2023/24	2022/23
	Note	R'000	R'000
Administrative fees		30 715	32 788
Advertising		1 942	6 239
Minor assets	5.1	l 157	9 520
Bursaries (employees)		868	532
Catering		2 962	8 747
Communication		8 436	9 290
Computer services	5.2	48 442	47 261
Consultants: Business and advisory services	5.8	76 995	202 377
Legal services		15 064	21 367
Contractors		3 451 417	3 289 578
Agency and support / outsourced services		54 768	73 511
Audit cost - external	5.3	16 823	17 891
Fleet services		2 620	2 396
Consumables	5.4	24 942	163 693
Operating leases		56 857	50 724
Property payments	5.5	30 844	27 365
Rental and hiring		4 139	2810
Travel and subsistence	5.6	65 908	46 873
Venues and facilities		6 653	3 837
Training and development		13 129	87 974
Other operating expenditure	5.7	3 558	3 171
Total		3 918 239	4 107 944

Decrease in goods & services due to expiry of contract of Implementing Agent's on Community Work Programme

5.1. Minor assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets		I 157	9 520
Biological assets		50	2 098
Machinery and equipment		l 107	7 422
Total	5	I 157	9 520

Lower spending due to unavailability of Implementing Agents since their contract expired on 31 March 2023.

5.2. Computer services

		2023/24	2022/23
	Note	R'000	R'000
SITA computer services		19 454	15 526
External computer service providers		28 988	31 735
Total	5	48 442	47 261



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

5.3. Audit cost - external

		2023/24	2022/23
	Note	R'000	R'000
Regularity audits		16 823	17 891
Total	5	16 823	17 891

5.4. Consumables

	2023/24	2022/23
Note	R'000	R'000
Consumable supplies	21 076	160 976
Uniform and clothing	10 899	92 933
Household supplies	I 487	14714
Building material and supplies	6 339	46 980
Communication accessories	30	18
IT consumables	270	469
Other consumables	2 05 1	5 862
Stationery, printing and office supplies	3 866	2717
Total 5	24 942	163 693

Lower spending due to unavailability of Implementing Agents since contract expired on 31 March 2023.

5.5. Property payments

		2023/24	2022/23
	Note	R'000	R'000
Municipal services		13 776	13 235
Other		17 068	14 130
Total	5	30 844	27 365

Other consist of property cleaning and security services, slightly increased due to CWP sights that was taken over by the department due to the contract expiry of Implementing Agencies.

5.6. Travel and subsistence.

		2023/24	2022/23
	Note	R'000	R'000
Local		61 692	43 813
Foreign		4 2 1 6	3 060
Total	5	65 908	46 873

Higher expenditure due to presidential Imbizos, BRICS summit & more international trips compare to last financial year

5.7. Other operating expenditure

	2023/24	2022/23
Note	R'000	R'000
Professional bodies, membership and subscription fees	1217	965
Resettlement costs	51	27
Other	2 290	2 179
Total 5	3 558	3 171

More official joined professional bodies, resettlement costs increased due to transfers of official from other department outside Gauteng and printing costs for NDMC's Act, Guidelines and SANS to develop fire services bylaws.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

Note	2023/24	2022/23
Name of Commission / Committee of Inquiry	R'000	R'000
Audit Committee	1 390	749
Risk Management Committee	188	56
Total	I 578	805

Higher expenditure due to meetings for the review of Financial Statements, APP and post audit action plans.

6. Interest and rent on land

		2023/24	2022/23
	Note	R'000	R'000
Interest paid		2	4
Total		2	4

7. Payments for financial assets

		2023/24	2022/23
	Note	R'000	R'000
Other material losses written off	7.1	2 590	569
Debts written off	7.2	278	30
Total		2 868	599

The increase in the 2023/24 financial year compared to the 2022/23 financial year is due to writing off, of old balances dating back from 2011 that could not be recovered.

7.1. Other material losses written off

		2023/2 4	2022/23
Nature of losses	Note	R'000	R'000
Group major categories, but list material items			
Claims Recoverable		2 139	
VAT		266	-
Damages & Losses (Car Damages,etc)		185	569
Total	7	2 590	569

Claims recoverable balance carried over from 2014 that could not be recovered due to missing supporting documents for transactions dating back from more than 5 years, VAT input amount which could no longer be recovered from SARS dating back from 2014, losses that were investigated and officials could not be held liable as there were due crime committed against them while some were due to roads conditions.

All the above were written off after all the necessary steps in line with the procedures were followed and prior approval was obtained.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

7.2. Debts written off

		2023/24	2022/23
Nature of debts written off	Note	R'000	R'000
Staff Debts		278	30
Total		278	30
Total debt written off	8	278	30

The debts written off were proven non recoverable as they dated back to 2011 and all the necessary steps were followed and prior approval obtained e.g. Cell phone accounts owed by ex-officials who worked in the previous ministry and could not be traced and the write off in the past was applied selectively and excluded them, bursary and salary overpayment for deceased officials who'd pension benefits were paid beneficiaries already and have prescribed cand could not be pursued as some of them were uneconomical.

8. Transfers and subsidies

		2023/24	2022/23
	Note	R'000	R'000
Provinces and municipalities	47,48	111 983 663	105 700 565
Departmental agencies and accounts	Annex IB	510 988	510 836
Foreign governments and international organisations	Annex IE	378	336
Non-profit institutions	Annex IF	8 633	8 508
Households	Annex IG	4 138	13 926
Total		112 507 800	106 234 171

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

	2023/24	2022/23
Note	R'000	R'000
Annex IJ		
Gifts	35	6
Total	35	6

Expenditure for gifts increase as results of gifts procured for international guests that attended the BRICS summit.

9. Expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets		15 698	19 922
Buildings and other fixed structures		158	684
Machinery and equipment		15 540	19 238
Intangible capital assets		-	14
Software		-	14
Total		15 698	19 936
Intangible capital assets Software	[-	

Lower spending due to unavailability of Implementing Agents since their contract expired in 31 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

		2023/24	
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	15 698		15 698
Buildings and other fixed structures	158	-	158
Machinery and equipment	15 540	-	15 540
Total	15 698		15 698

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

		2022/23	
Name of entity	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible capital assets	19 922		19 922
Buildings and other fixed structures	684	-	684
Machinery and equipment	19 238	-	19 238
Intangible capital assets	14	-	14
Software	14	-	14
Total	19 936	-	19 936

9.3. Finance lease expenditure included in Expenditure for capital assets

	2023/24	2022/23
Note	R'000	R'000
	661	576
	661	576
	Note	Note R'000

10. Cash and cash equivalents

	2023/24	2022/23
Note	R'000	R'000
Consolidated Paymaster General Account	3 043 671	4 201 498
Cash on hand	30	30
Investments (Domestic)	34 477	5 744
Total	3 078 178	4 207 272

Investments (Domestic) mainly include the Standard bank account balance for the CWP wages for the participants.

Prior year error: Reclassification of account to separate money with commercial bank from consolidated paymaster general



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

11. Prepayments and advances

		2023/24	2022/23
J. Company of the Com	Note	R'000	R'000
Travel and subsistence		39	24
Prepayments (Not expensed)	11.2	304	24 857
Advances paid (Not expensed)	11.1	9 532	399
Total		9 875	25 280
Analysis of Total Prepayments and advances			
Current Prepayments and advances		9 875	25 280
Total		9 875	25 280

Decrease on prepayment and advances due to closing out of Implementing Agent contract that expired 31 March 2023

II.I. Advances paid (Not expensed)

		2023/24					
		Amount as at I April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024	
	Note	R'000	R'000	R'000	R'000	R'000	
National departments		49	(1 687)	-	2 830	1 192	
Public entities		31	(23 652)	-	31 961	8 340	
Other entities		319	(1919)	-	I 600	-	
Total	11	399	(27 258)	-	36 391	9 532	

Advances paid (not expensed) relate to advance paid during 2023/24 financial year to GCIS, SANRAL & DBSA.

	2022/23					
		Amount as at I April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
1	Note	R'000	R'000	R'000	R'000	R'000
National departments		9 240	(9 691)	-	500	49
Public entities		3 669	(56 680)	-	53 042	31
Other entities		_	(2 681)	-	3 000	319
Total	11	12 909	(69 052)	-	56 542	399

11.2. Prepayments (Not expensed)

		2023/24				
		Amount as at I April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 31 March 2024
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		24 857	(24 553)	-	-	304
Total	11	24 857	(24 553)	-	-	304

Balance on expired contract of Implementing Agent for Community Work Programme.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

		2022/23				
		Amount as at I April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay- ments	Amount as at 3 I March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		18 601	(292 527)	l 747	297 036	24 857
Total	11	18 601	(292 527)	l 747	297 036	24 857

The closing balance is for the CWP Implementing Agent advances not cleared by year end.

12. Receivables

		2023/24				2022/23	
		Current	Non- current	Total	Current	Non- current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	820	-	820	2 419	-	2 419
Recoverable expenditure	12.2	3 690	-	3 690	2 185	-	2 185
Staff debt	12.3	501	-	501	I 075	-	I 075
Other receivables	12.4	83 353	-	83 353	98 562	-	98 562
Total		88 364	-	88 364	104 241	-	104 241

Decrease in receivable due to write off of old balances and recovery on other receivables

12.1. Claims recoverable

		2023/24	2022/23
1	Note	R'000	R'000
National departments		820	2 063
Provincial departments		-	66
Public entities		-	290
Total	12	820	2 419

The balance includes interdepartmental claims with National Department- DTA, DWYPD & DPW

12.2. Recoverable expenditure

	2023/24	2022/23
Note	R'000	R'000
Disallowance Miscellaneous	-	13
Disallowance : Damages and Losses	3 689	2 172
Sal:Tax Debt	1	-
Total 12	3 690	2 185

A larger portion of recoverable expenditure is for disallowance of damages and losses relates to car accidents and lost assets that are still under investigation to determine liability



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

12.3. Staff debt

		2023/24	2022/23
	Note	R'000	R'000
Debt Account		501	I 075
Total	12	501	I 075

The debts account include balances for salary overpayment, LWP, bursary debt due to breach of bursary contract etc.

12.4. Other receivables

	2023/24	2022/23
Note	R'000	R'000
Vat Input Account	-	266
Wrongful Payment	77 942	98 241
Ex councillor's gratuity overpayments	147	55
Implementing Agent's debt on expired contract	5 264	
Total 12	83 353	98 562

In July and August 2018, the department mistakenly made a payment of the Municipality Infrastructure Grant to a supplier whose name closely resembled the intended recipient. Subsequently, efforts were made to recall some of the funds from the bank. In response, disciplinary actions were initiated against six officials involved in the incident.

Furthermore, the Special Commercial Crimes Unit (HAWKS) and State Attorney have taken legal action against the supplier to rectify and recover the erroneous payment. Over the past year, an amount of R55,5 million has been successfully recovered. The department anticipates further recovery of R77,9 million through the ongoing court proceedings.

12.5. Impairment of receivables

	2023/24	2022/23
Note	R'000	R'000
Estimate of impairment of receivables	2 373	4 652
Total	2 373	4 652

The impairment amount estimated at accounts receivable balances that are 3 years and over plus R90 thousand non recoverable from FNB related to the Sekhukhune matter.

13. Voted funds to be surrendered to the Revenue Fund

	2023/24	2022/23
Note	R'000	R'000
Opening balance	4 3 1 8 3 5 7	2817111
As restated	4 318 357	2817111
Transferred from statement of financial performance (as restated)	3 173 648	4 318 357
Add: Unauthorised expenditure for the current year	84 813	-
Voted funds not requested/not received I.I	-	-
Paid during the year	(4 3 1 8 3 5 7)	(2817111)
Closing balance	3 258 461	4 318 357

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

13.1. Reconciliation on unspent conditional grants

		2023/24	2022/23
No	ote	R'000	R'000
Total conditional grants received 1.	.2	20 086 511	22 247 690
Total conditional grants spent		(19 775 531)	(21 826 315)
Unspent conditional grants to be surrendered		310 980	421 375
Less: Paid to the Provincial Revenue Fund by Provincial department		-	
Approved for rollover		-	-
Not approved for rollover		-	_
Due by the Provincial Revenue Fund		310 980	421 375

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	2023/24	2022/23
Note	R'000	R'000
Opening balance	5 541	16 969
As restated	5 541	16 969
Transferred from statement of financial performance (as restated)	7 441	9 449
Transfer from aid assistance 3	-	-
Paid during the year	(12 276)	(20 877)
Closing balance	706	5 541

15. Payables - current

		2023/24	2022/23
	Note	R'000	R'000
Advances received	15.1	376	447
Clearing accounts	15.2	404	319
Other payables	15.3	2 406	13 252
Total		3 186	14 018

15.1. Advances received

		2023/24	2022/23
	Note	R'000	R'000
Public entities		376	447
Total	15	376	447

Remaining amount from LGSETA funds received for training.

15.2. Clearing accounts

		2023/24	2022/23
Description	Note	R'000	R'000
Sal: Income Tax		39	268
Sal:Pension Fund		-	51
Sal: GEHS Refund		334	-
Disallowance Misc		31	
Total	15	404	319

Officials claims from housing scheme processed on the last run of March clear in April, Tax from few allowances captured in the last run on March paid in April fewer officials then the previous year.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

15.3. Other payables

		2023/2 4	2022/23
Description	lote	R'000	R'000
Debt Receivable Interest		41	40
Debt Receivable Income		739	656
CWP Payables		l 626	12 556
Total	15	2 406	13 252

CWP Payables emanate from the previous year balance owed to Implementing Agents for the expenditure they incurred on behalf of the department due to be refunded to them, A prepayment credit balance disclosed as a liability amounts due to the IA.

16. Net cash flow available from operating activities

	2023/24	2022/23
Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	3 181 089	4 327 806
Add back non-cash/cash movements not deemed operating activities	(4 294 485)	(2 818 373)
(Increase)/decrease in receivables	15 877	2 053
(Increase)/decrease in prepayments and advances	15 405	6 265
Increase/(decrease) in payables - current	(10 832)	(8 639)
Expenditure on capital assets	15 698	19 936
Surrenders to Revenue Fund	(4 330 633)	(2 837 988)
Net cash flow generated by operating activities	(1 113 396)	I 509 433

Amount of R 2 053 mil incorrectly printed as R 2 thousand in the annual report

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

	2023/24	2022/23
Note	R'000	R'000
Consolidated Paymaster General account	3 043 671	4 201 498
Cash on hand	30	30
Cash with commercial banks (Local)	34 477	5 744
Total	3 078 178	4 207 272

Cash with commercial bank includes the Standard bank account balance for the CWP wages for the participants and deposit account.

Prior year error: Reclassification of account to separate money with commercial bank from consolidated paymaster general account.

2022/22

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

18. Contingent liabilities and contingent assets

18.1. Contingent liabilities

		2023/24	2022/23
Liable to	Nature Note	R'000	R'000
Claims against the department	Annex 3B	44 960	9 092
Intergovernmental payables	Annex 5	-	3 372
Total		44 960	12 464

The claims against the department relate to claim for retention fees by a former NPO, Service providers and former councillor's gratuity paid case opened due to suspicion of fraud.

Money paid to a former councillor under investigation due to suspicion of fraud, uncertain due to a pending case under investigation by SAPS.

18.2. Contingent assets

		2023/24	2022/23
Nature of contingent asset	Note	R'000	R'000
Maphalala NR		58	58
Total		58	58

Money paid to a former councillor under investigation due to suspicion of fraud, uncertain due to a pending case under investigation by SAPS.

19. Capital commitments

		2023/24	2022/23
	Note	R'000	R'000
Machinery and equipment		I 460	2 555
Total		I 460	2 555

2023/24

30+ Days

Total

20. Accruals and payables not recognised

20.1. Accruals

Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		17 775	3 908	21 683	16 465
Transfers and subsidies		-	490	490	538
Total		17 775	4 398	22 173	17 003
				2023/24	2022/23
Listed by programme level			Note	R'000	R'000
Administration				9 229	7 650
Local Government Support & Intervention				708	I 4I7
Institutional Development				I 930	I 07 I
National Disaster Management				1 068	691
Community Work Programme				9 238	6 174
Total				22 173	17 003

30 Days

2022/23

Total

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

20.2. Payables not recognised

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		19 669	11011	30 680	52 067
Capital assets		-	-	-	I 643
Total		19 669	11 011	30 680	53 710

Prior year error adjustment was done on the comparative figure of R70 982 to R53 710 from correction of the payable for CWP Wages from previous year's.

	2023/24	2022/23
Listed by programme level Note	R'000	R'000
Administration	18 044	5 795
Local Government Support and Intervention	265	450
Institutional Development	1 121	13
National Disaster Management	66	I
Community Work Programme	11 184	47 45
Total	30 680	53 710

Prior year correction: overstated payables on Community Work Programme stipend from R70 982 to R53 710.

		2023/24	2022/23
Included in the above totals are the following:	Note	R'000	R'000
Confirmed balances with other departments	Annex 5	I 452	5 880
Confirmed balances with other government entities	Annex 5	903	851
Total		2 355	6 73 1

21. Employee benefits

	2023/24	2022/23
Note	R'000	R'000
Leave entitlement	16 920	14 414
Service bonus	9 082	7 610
Capped leave	4 277	4 4 1 1
Other	627	76
Total	30 906	26 511

Other employee benefits include long service awards R11 thousand for an official, pro-rata salaries R57 thousand for the reinstatement of an official as well as the deceased official, pay progression for R68 thousand for eight officials and salary claim.

Included in the leave entitlement balance there is a negative leave amount of R330 thousand as a result of leave days used before, they were accrued.

		2023/24	2022/23
Included in the above totals are the following:	Note	R'000	R'000
Confirmed balances with other departments	Annex 5	-	
Confirmed balances with other government entities	Annex 5	491	
Total		491	

A salary claims of government entity for an official seconded to DCoG.

DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

22. Lease commitments

22.1. Operating leases

Not later than I year

Total lease commitments

		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
		3 928	-	3 928
		3 928		3 928

	2022/23		
Land	Buildings and other fixed structures	Machinery and equipment	Total
R'000	R'000	R'000	R'000
-	2 847	294	3 4
-	-	-	-
-	-	-	-
-	2 847	294	3 141
		Buildings and other fixed structures R'000 R'000 - 2 847	Buildings and other fixed structures equipment R'000 R'000 R'000 - 2 847 294

Later than 1 year and not later than 5 years Later than 5 years **Total lease commitments**

Building lease expired (lease on month to month).

22.2. Finance leases

Not later than I year

Not later than I year Later than I year and not later than 5 years Later than 5 years

Total lease commitments

Not later than I year

Total lease commitments

Later than 5 years

		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
-	-	-	328	328
-	-	-	-	-
	-	-	-	-
-	-	-	328	328

Finance Leases relates to rented photocopier machines.

Later than I year and not later than 5 years

2022/23 **Buildings Specialised** and other Machinery military fixed and Total equipment Land structures equipment R'000 R'000 R'000 R'000 R'000 338 338 26 26 364 364

DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

23. Unauthorised, Irregular and Fruitless and wasteful expenditure

	2023/24	2022/23
Note	R'000	R'000
Unauthorised expenditure - current year	84 813	-
Irregular expenditure - current year	74 753	475 199
Fruitless and wasteful expenditure - current year	110	16
Total	159 676	475 215

Unauthorised Expenditure on overspending of main division within the vote which arose from directives in the Second Adjustments Appropriation Bill issued by the Minister of Finance to reduce CWP allocation with R400 million.

As the unauthorized expenditure was identified shortly before the financial year-end—due to the 2nd Appropriation Act being passed by Parliament after the financial year closure—the investigation has not yet commenced at the time of the AFS publication. The Loss Control Committee still needs to adjudicate this matter, and potential disciplinary action, if warranted, will be considered during its meeting in the 1st quarter of the new financial year.

24. Related party transactions

Entity	Mandate	Relationship
Department of Traditional Affairs (DTA)	Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanism of governance to fulfil their developmental role.	The relationship is that we report to one Minister, DCoG performs some of the corporate functions through a signed MoU by the two Accounting Officers.
Municipal Infrastructure Support Agency (MISA)	Provides immediate support to the Municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to Municipalities and oversees them.	There were no related party transactions with MISA, however, it suffices to state that we share a Minister.
Municipal Demarcation Board (MDB)	Is responsible for determining municipal boundaries, declare district management areas, delimit wards for local elections and assess the capacity of municipalities to perform their functions.	There were no related party transactions with MDB, however, it suffices to state that we share a Minister.
South African Local Government Association (SALGA)	Transforms local government to enable it to fulfil its developmental mandate. SALGA essentially protects and represents the interest of local government and acts as an employer body for its municipal members.	There were no related party transactions with SALGA, however, it suffices to state that we share a Minister.

25. Key management personnel

	2023/24	2022/23
	R'000	R'000
Political office bearers (provide detail below)	4 675	4 724
Officials:		
Level 15 to 16	12 281	14 337
Level 14 (including CFO if at a lower level)	2316	1 900
Total	19 272	20 961

KMP expenditure lower due to a DDG position vacated and not filled for eleven of the 12 months of this financial year

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

26. Provisions

	2023/24	2022/23
Note	R'000	R'000
Retention & Close Out Costs - CWP C2	8 473	34 265
Retention Costs - CWP C3	4 942	12 643
Retention Costs - CWP CI	16 913	25 781
Total	30 328	72 689

Retention fee on closed contract of Implementing Agency (IA)

26.1. Reconciliation of movement in provisions - Current year

	2023/24			
	CWP C2 CWP C3 CWP CI			Total provisions
	R'000	R'000	R'000	R'000
Opening balance	34 265	12 643	25 781	72 689
Increase in provision	-	-	-	-
Settlement of provision	(26 615)	(7 701)	(8 868)	(43 184)
Change in provision due to change in estimation of				
inputs	823	-	-	823
Closing balance	8 473	4 942	16 913	30 328

CWP C2, C3 and C1 possible obligation arose from the contracts with a group of Implementing agents that ended in 31 March 2022, retention were withheld in line with their Service Level agreement, when the terms and conditions were met the retention fees were paid accordingly. Remaining amounts are still under scrutiny to confirm the obligation on supporting documents for some of the former Implementing Agents

Prior year error correction raise in the opening balance for the provision for CWP C1, was confirmed during the year but the amount relate to a prior year provision.

Reconciliation of movement in provisions - Prior year

	2022/23					
	CWP C2	CWP C2 CWP C3 CWP CI	CWP C2 CWP C3 CWP C	CWP CI	Total provisions	
	R'000	R'000	R'000	R'000		
Opening balance	44 049	3 974	25 781	73 804		
Increase in provision	-	8 669		8 669		
Settlement of provision	-	-	-	-		
Change in provision due to change in estimation of						
inputs	(9 784)	-	-	(9 784)		
Closing balance	34 265	12 643	25 781	72 689		

Prior year error correction raise in the opening balance for the provision for CWP C1, was confirmed during the year but the amount relate to a prior year provision.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

27. Movable Tangible Capital Assets

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

	2023/24				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	137	-	-	-	137
Heritage assets	137	-	-	-	137
MACHINERY AND EQUIPMENT	333,137	-	14,879	(35,954)	312,062
Transport assets	25,398	-	4,376	(4,500)	25,274
Computer equipment	92,461	-	7,997	(10,729)	89,729
Furniture and office equipment	21,714	-	302	(2,933)	19,083
Other machinery and equipment	193,564	-	2,204	(17,792)	177,976
BIOLOGICAL ASSETS	2,752	-	-	(1,779)	973
Biological assets	2,752	-	-	(1,779)	973
		-			
TOTAL MOVABLE TANGIBLE CAPITAL					
ASSETS	336,026	-	14,879	37,733	313,172

Movable Tangible Capital Assets under investigation

		Number	Value	
	Note		R'000	
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:				
Heritage assets		373	27,878	
Biological assets		14	129	
Total		387	28 007	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	137	-	-	-	137
Heritage assets	137	-	-	-	137
MACHINERY AND EQUIPMENT	338,396	(22,936)	18,927	1,250	333,137
Transport assets	27,036	(1,638)	-	-	25,398
Computer equipment	87,136	(600)	6,252	327	92,461
Furniture and office equipment	22,223	(1,067)	732	174	21,714
Other machinery and equipment	202,001	(19,631)	11,943	749	193,564
BIOLOGICAL ASSETS	3,084	(332)	-	-	2,752
Biological assets	3,084	(332)	-	-	2,752
TOTAL MOVABLE TANGIBLE CAPITAL					
ASSETS	341,617	(23,268)	18,927	1,250	336,026

27.1.1. Prior period error

		2022/23
Nature of prior period error	Note	R'000
Relating to 2021/22/ [affecting the opening balance]		(23,268)
Correction of the overstatement of Machinery & equipment		(22,936)
Correction of overstatement of Biological assets		(332)

Relating to 2022/23	(568)
Correction of the disposal understatement	(568)

(23836)

Correction of previous years misstatements

27.2. Minor assets

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	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance		100	57	61,050	5,914	67,121
Value adjustments		-	-	-	-	-
Additions		-	-	1,111	50	1,161
Disposals		(73)	-	(19,178)	(2,243)	21,494
Total Minor assets		27	57	42,983	3,721	46,788



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Minor capital assets under investigation

		Number	Value
	Note		R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Intangible assets		5	8
Heritage assets		-	-
Machinery and equipment		48	65
Biological assets		-	-
Total		53	73

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

		2022/23				
	Specialised military assets					Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance		112	53	61,374	5,045	66,584
Prior period error		(12)	4	(666)	(1,229)	(1,903)
Additions		-	-	7,089	2,098	9,187
Disposals		-	-	(6,747)	-	(6,747)
Total Minor assets		100	57	61,050	5,914	67,121

27.2.1. Prior period error

		2022/23
Nature of prior period error	Note	R'000
Relating to 2020/21 [affecting the opening balance]		(1,903)
Correction of an understatement in intangible assets & heritage asset	S	(8)
Correction of an understatement in biological assets		(1,229)
Correction of an overstatement in machinery & equipment		(666)
Relating to 2022/23		(976)
Correction of the understatement in disposals		(976)
Total prior period errors		(2,879)

27.3. Movable tangible capital assets written off

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

	2023/24					
	Specialised Intangible Heritage Machinery and equipment				Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	104	-	42 638	5 208	47 950
Total movable assets written off	-	104	-	42 638	5 208	47 950

	2022/23					
	Specialised Intangible Heritage Machinery and Biolog assets assets equipment asset					Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off		-	-	967	-	967
Total movable assets written off		-	-	967	-	967

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023/24

2023/24						
Opening Closing balance Additions Disposals balance						
R'000	R'000	R'000	R'000			
949	-	(66)	883			
949	-	(66)	883			

SOFTWARE

TOTAL INTANGIBLE CAPITAL ASSETS

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

2022/23					
Opening balance	Prior period error	Additions	Disposals	Closing balance	
R'000	R'000	R'000	R'000	R'000	
781	154	14	-	949	
781	154	14	-	949	

SOFTWARE

TOTAL INTANGIBLE CAPITAL ASSETS

28.1.1. Prior period error

		2022/23
Nature of prior period error	Note	R'000
Relating to 2021/22 [affecting the opening balance]		154
Correction of understatement of intangible assets		154
Total prior period errors		154

Correction of the misstatement

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023/24

BUILDINGS AND OTHER FIXED STRUCTURES
Other fixed structures

TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS

	2023/24						
Opening balance	Additions	Disposals	Closing balance				
R'000	R'000	R'000	R'000				
11,326	158	(2,131)	9,353				
11,326	158	(2,131)	9,353				
11,326	158	(2,131)	9,353				



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Immovable Tangible Capital Assets under investigation

		Number	Value
	Note		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		6	690
Total		6	690

The assets were investigated during the year upon finalisation the IA's disputed the outcomes, however the investigation was subsequently concluded post the financial year end through mediation

29.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

THE YEAR ENDED 31 MARCH 2023					
			2022/23		
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	14,267	(3,625)	684	-	11,326
Other fixed structures	14,267	(3,625)	684	-	11,326
HERITAGE ASSETS Heritage assets	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	14,267	(3,625)	684	-	11,326
29.1.1. Prior period error					
Nature of prior period error		Note	e		2022/23 R'000

Nature of prior period error	Note	R'000
Relating to 2021/22 [affecting the opening balance]		(3,625)
Correction of overstatement of immovable assets		(3,625)
Relating to 2022/23		(1,234)
Total prior period errors		(4,859)

Include discussion here where deemed relevant.

29.2. Immovable tangible capital assets written off

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

		202	23/24	
	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off	4,589	-	-	4,589
Total Immovable capital assets written off	4,589	-	-	4,589

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

30. Principal-agent arrangements

30.1. Department acting as the principal

	2023/24	2022/23
Note	R'000	R'000
CWP Implementing Agents	49 986	172 690
Development Bank of Southern Africa	2 433	443
Total	52 419	173 133

The Department has appointed Implementing Agents under the Community Works Programme (CWP) to assist in creating job opportunities for participants who are involved in useful work in all municipalities in the country on behalf of the Department (contract ended 31 March 2023). The retention fees were paid during the year to majority of the former Implementing agents in line with the condition signed for in their Service level agreement, the expenditure include retention for the 3 (three) previous contracts that only met the conditions for payments in the current financial year.

The Department has also entered into two agreements with the Development Bank of Southern Africa (DBSA) to assist in providing technical support to NDMC and RMO programme management services on behalf of the Department. The amount for the CWP Implementing agencies is lower than the previous year due to the contract expiry.

DBSA is higher due to a new MOA that was signed during the financial year, an MOA was terminated and the 31 March 2023 which resulted termination costs that were only processed in the current financial year.

31. Prior period errors

31.1. Correction of prior period errors

			2022/23				
		Amount bef error correction	Prior period error	Restated			
	Note	R'000	R'000	R'000			
Assets:							
Minor Assets		70,000	(2,879)	67,121			
Movable Tangible Assets		359,862	(23 836)	336,026			
Intangible Assets		795	154	949			
Immovable Tangible Assets		16185	(4,859)	11,326			
Consolidated paymaster general account	10 &17	4 207 242	(5 744)	4 201 498			
Investments (Cash with commercial bank)	10 &17	-	5 744	5 744			
Net effect		4,654,084	(31,420)	4,622,664			

Provide a description of the nature of the prior period error as well as why the correction was required.

			2022/23			
		Amount bef error correction	Prior period error	Restated		
	Note		R'000	R'000		
Liabilities:						
Payables not recognised		70 982	(17 272)	53 710		
Provision		46 908	25 781	72 689		
Net effect		117 890	8 509	126 399		

Payables for the CWP wages previously disclosed as payables, amount not really owed to participants but was as a result of a technical error in the IMS system.

Provision amount for Previous Implementing agents for CWP previous contracts.



2022/22

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

32. Statement of conditional grants received

		2023/24											
		G	RANT ALLOC	ATION			SI	PENT					
	Division of Revenue Act / Provincial grants	Roll	DORA Adjustments		Total Available	Amount received by department	Amount spent by department	Under- / (Overspending)	% of available funds spent by department	Division of Revenue Act / Provincial grants	Amount spent by department		
Name of grant	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000		
Municipal Infrastructure Grant Integrated Urban Development	16 371 585	-	-	-	16 371 585	16 371 585	16 341 585	30 000	99,8%	16 842 001	16 842 001		
Grant Disaster Response/Relief	I 172 448	-	-	-	l 172 448	l 172 448	l 172 448	-	100,0%	I 085 368	I 085 368		
Grant Disaster	890 575	-	-	-	890 575	890 575	873 172	17 403	98,0%	861 248	861 248		
Recovery Grant Municipal System Improvement	I 505 387	-	-	-	I 505 387	l 505 387	I 334 573	170 814	88,7%	3 318 742	3 318 742		
Grant	146 516	-	-	-	146 516	146 516	53 753	92 763	36,7%	140 331	140 331		
TOTAL	20 086 511	-	-	-	20 086 511	20 086 511	19 775 531	310 980		22 247 690	22 247 690		



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

33. Statement of conditional grants and other transfers paid to municipalities

				2023/24				2022/23		
		GRANT AL	LOCATION			TRANSFER				
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocation by National Treasury / National Department	DORA and other transfers	Actual transfer	
Name of municipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
IUDG GRANT	-	-	-	-	-	-	-	-	-	
TOTAL IUDG GRANT	1,172,448	-	-	1,172,448	1,172,448	-	-	1,085,368	1,085,368	
TOTAL DISASTER										
response grant	890,575	-	-	890,575	873,172	-	-	3,374,175	516,661	
TOTAL MUNICIPAL INFRASTRACTURE GRANT (MIG)	17,545,049	-	(1,203,464)	16,341,585	16,341,585	-	(1,203,464)	16,842,001	16,842,001	
TOTAL LOCAL	<u> </u>		,	· · · · · · · · · · · · · · · · · · ·			,		· · · · · · · · · · · · · · · · · · ·	
GOVERNMENT EQUITABLE										
SHARE GRANT	95,188,741	-		95,188,741	92,261,856	-		87,311,493	83,937,761	
TOTAL LICENCING	29	-		29	29	-		122	33	
MUNICIPAL DISASTER RECOVERY GRNT	320,915	-	1,184,472	1,505,387	1,334,573	-	-	3,318,741	3,318,741	
TOTAL	115,117,757	-	(18,992)	115,098,765	111,983,663	-	(1,203,464)	111,931,900	105,700,565	

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.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

34. Broad Based Black Economic Empowerment performance

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

35. Natural disaster or relief expenditure

		2023/24	2022/23
	Note	R'000	R'000
Goods and services			296
Transfers and subsidies		2 207 745	3 835 402
Total	Annex II	2 207 745	3 835 698

Disaster response and recovery grants to municipalities

Prior year adjustment: transfers & subsidies were understated.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE IA

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPEI	NT			
Name of Municipality	DoRA and Other transfers R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000	Re- allocations by National Treasury or National department %	Amount received by department R'000	Amount spent by department R'000	Unspent funds R'000	% of available funds spent by department %	DORA and other transfers R'000	Actual transfers R'000
IUDG GRANT				-			/*				,,		
GT481 MOGALE CITY	158 007	_		158 007	158 007	-	_	158 007	109 672	48 335	69,4%	144 231	144 231
KZN216 RAY NKONYENI	88 848	-		88 848	88 848	-	-	88 848	58 660	30 188	66,0%	81 360	81 360
KZN282 UMHLATHUZE LOCAL MUN	153 196	-	18 383	171 579	171 579	-	18 383	171 579	144 604	26 975	84,3%	209 302	209 302
LIM354 POLOKWANE LOCAL MUN	435 949	-		435 949	435 949	-	-	435 949	293 345	142 604	67,3%	376 044	376 044
MP313 STEVETSHWETE	76 765	-		76 765	76 765	-	-	76 765	51 174	25 591	66,7%	76 305	76 305
NC091 SOL PLAATJIE	74 207	-	(10 812)	63 395	63 395	-	(10 812)	63 395	40 454	22 941	63,8%	70 390	70 390
WC023 DRAKENSTEIN	58 616	-		58 616	58 616	-	-	58 616	44 784	13 832	76,4%	61 989	61 989
WC024 STELLENBOSCH	59 410	-		59 410	59 410	-	-	59 410	32 179	27 23 I	54,2%	65 747	65 747
WC044 GEORGE	67 450	-	(7 571)	59 879	59 879	-	(7 571)	59 879	28 064	31 815	46,9%		
TOTAL IUDG GRANT	I 172 448		-	I 172 448	I 172 448	-	-	I 172 448	802 936	369 512	68,5%	I 085 368	I 085 368
DISASTER RESPONSE GRANT													
NMA NELSON MANDELA BAY													
ECI01 DR BEYERS NAUDE LOCAL MUN	3 500	-	-	3 500	3 500	-	-	3 500	3 500	-	100,0%	-	
EC102 BLUE CRANE ROUTE	3 200	-	-	3 200	3 200	-	-	3 200	2 440	760	76,3%	-	
EC104 MAKANA	9 200	-	-	9 200	9 200	-	-	9 200	-	9 200	0,0%	-	
EC105 NDLAMBE	11 250	-	-	11 250	11 250	-	-	11 250	-	11 250	0,0%	-	
EC108 KOUGA	13 550	-	-	13 550	13 550	-	-	13 550	2 163	11 387	16,0%	-	
DC13 CHRIS HANI DIST MUNICIPALITY	11 055	-	-	11 055	11 055	-	-	11 055	10 876	179	98,4%	-	
EC121 MBHASHE	7 485	-	-	7 485	7 485	-	-	7 485	6 179	I 306	82,6%	14 415	14 415
EC122 MNQUMA	4 000	-	-	4 000	4 000	-	-	4 000	4 000	-	100,0%	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24							
		GRANT A	LLOCATION			TRANSFE	₹		SPE	٧T			
Name of Municipality	DoRA and Other transfers R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000		department	Amount spent by department R'000	Unspent funds R'000	% of available funds spent by department	DORA and other transfers R'000	Actual transfers R'000
EC123 GREAT KEI	17 420	K 000	K 000	17 420	17 420	K 000	%	R'000	K 000	17 420	0,0%	K 000	K 000
	4 700	-	-				-		3 942			-	-
EC124 AMAHLATI EC126 NGOUSHWA	6 200	-	-	4 700 6 200	4 700 6 200	-	-	4 700 6 200	5 722	758 478	83,9% 92,3%	-	-
EC131 INXUBAYETHEMBA	5 600	-	-	5 600	5 600	-	-	5 600	5 600	4/0	100,0%	-	-
EC135 INTSIKA YETHU	4 190	-	-	4 190	4 190	-	-	4 190	I 073	3 117	25,6%	-	-
EC136 EMALAHLENI	3 395	-	-	3 395	3 395	-	-	3 395	3 291	104	96,9%	-	-
EC137 ENGCOBO	6 500	-	-	6 500	6 500	-	-	6 500	3 584	2916	55,1%	-	-
EC138 SAKHISIZWE	3 940	-	-	3 940	3 940	-	-	3 940	3 743	197	95,0%	-	-
EC130 SAN ISIZWE EC139 ENOCH MGIJIMA LOCAL MUN	7 316	-	-	7 316	7 316	-	-	7 316	6 429	887	87,9%	-	-
EC141 ELUNDINI	12 307	_	_	12 307	12 307	_	_	12 307	_	12 307	0,0%	_	_
EC142 SENQU	20 666	-	-	20 666	20 666	_	-	20 666	6 043	14 623	29,2%	_	_
EC156 MHLONTLO	5 100	_	-	5 100	5 100	-	-	5 100	5 100	_	100,0%	_	_
EC 157 KI SABATA DALINDYEBO	5 360	_	-	5 360	5 360	-	-	5 360	2 252	3 108	42,0%	_	_
EC153 NGOUZA HILL	4 138	-	-	4 138	4 138	-	-	4 138	3 717	421	89,8%	4 130	4 130
EC154 PORT ST JOHNS	20 530	-	-	20 530	20 530	-	-	20 530	7 102	13 428	34,6%	13 300	13 300
EC155 NYANDENI	4 600	-	-	4 600	4 600	-	-	4 600	4 593	7	99,8%	2 693	2 693
DC15 ORTAMBO DIST MUNICIPALITY	-	-	-	-	-	-	-	-		-		46 872	46 872
EC441 MATATIELE	2 25 I	-	-	2 25 1	2 25 I	-	-	2 25 I	2 022	229	89,8%	-	-
EC442 UMZIMVUBU	3 500	-	-	3 500	3 500	-	-	3 500	2 235	I 265	63,9%	10 500	10 500
EC443 MBIZANA	19 190	-	-	19 190	19 190	-	-	19 190	-	19 190	0,0%	12 790	12 790
EC444 NTABANKULU	-	-	-	-	-	-	-	-	-	-		5 111	5 111
MAN MANGAUNG	13 150	-	-	13 150	13 150	-	-	13 150	-	13 150	0,0%	-	-
FS181 MASILONYANA	2 629	-	-	2 629	2 629	-	-	2 629	-	2 629	0,0%	-	-
FS192 DIHLABENG	16 853	-	-	16 853	16 853	-	-	16 853	-	16 853	0,0%	-	-
FS196 MATSOPA	14 084	-	-	14 084	14 084	-	-	14 084	-	14 084	0,0%	-	-
FS201 MOQHAKA	11 000	-	-	11 000	11 000	-	-	11 000	-	11 000	0,0%	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPE	NT			
Name of Municipality	DoRA and Other transfers	Poll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
rvanie or riunicipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
FS204 METSIMAHOLO	1 000	-	-	1 000	1 000	-	-	1 000	-	1 000	0,0%	-	-
JHB CITY OF JOHANNESBURG	61 700	-	-	61 700	61 700	-	-	61 700	-	61 700	0,0%	-	-
ETH ETHEKWINI	-	-	-	-	-	-	-	-	-	-		185 000	185 000
KZN212 UMDONI LOCAL MUNICIPALITY	9 400	-	-	9 400	9 400	-	-	9 400	-	9 400	0,0%	-	-
KZN213 UMZUMBE	-	-	-	-	-	-	-	-	-	-		6 300	-
KZN216 RAY NKONYENI	-	-	-	-	-	-	-	-	-	-		19 100	19 100
DC2 I UGU DISTRICT MUNICIPALITY	9 950	-	-	9 950	9 950	-	-	9 950	-	9 950	0,0%	2 000	2 000
KZN223 MPOFANA	10 000	-	-	10 000	10 000	-	-	10 000	-	10 000	0,0%	-	-
KZN225 MSUNDUZI	-	-	-	-	-	-	-	-	-	-		620	620
KZN226 MKHAMBATHINI	-	-	-	-	-	-	-	-	-	-		8 200	8 200
KZN237 INKOSI ILANGALIBALELE	-	-	-	-	-	-	-	-	-	-		48 950	48 950
KZN238 ALFRED DUMA	11 775	-	-	11 775	11 775	-	-	11 775	-	11 775	0,0%	14 414	14 414
KZN254 DANNHAUSER	6 500	-	-	6 500	6 500	-	-	6 500	-	6 500	0,0%	-	-
KZN275 MTUBATUBA	9 868	-	-	9 868	9 868	-	-	9 868	-	9 868	0,0%	-	-
KZN284 UMHLAZI	8 500	-	-	8 500	8 500	-	-	8 500	-	8 500	0,0%	-	-
KZN292 KWADUKUZA	-	-	-	-	-	-	-	-	-	-		109 043	109 043
KZN293 NDWEDWE	10 450	-	-	10 450	10 450	-	-	10 450	-	10 450	0,0%	-	-
KZN294 MAPHUMULO	11 700	-	-	11 700	11 700	-	-	11 700	-	11 700	0,0%	-	-
DC29 ILEMBE DISTRICT MUNICIPAL	-	-	-	-	-	-	-	-	-	-		19 523	19 523
LIM331 GREATER GIYANI	8 000	-	-	8 000	8 000	-	-	8 000	3 497	4 503	43,7%	-	-
LIM332 GREATER LETABA	3 900	-	-	3 900	3 900	-	-	3 900	2 760	1 140	70,8%	-	-
LIM333 GREATER TZANEEN	3 950	-	-	3 950	3 950	-	-	3 950	I 842	2 108	46,6%	-	-
LIM341 MUSINA LOCAL MUNICIPALITY	3 554	-	-	3 554	3 554	-	-	3 554	3 474	80	97,7%	-	-
LIM343 THULAMELA LOCAL MUN	-	-	-	-	-	-	-	-	-	-		-	-
LIM344 MAKHADO	3 500	-	-	3 500	3 500	-	-	3 500	3 500	-	100,0%	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFER	₹		SPE	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
LIM345 NEW LOCAL MUNICIPALITY	4 500	-	-	4 500	4 500	-	-	4 500	4 499	I	100,0%	-	-
DC34VHEMBE DIST MUNICIPALITY	-	-	-	-	-	-	-	-	-	-		-	-
LIM351 BLOUBERG LOCAL MUN	4 000	-	-	4 000	4 000	-	-	4 000	3 998	2	100,0%	-	-
LIM353 MOLEMOLE LOCAL MUN	22 056	-	-	22 056	22 056	-	-	22 056	4 293	17 763	19,5%	-	-
LIM354 POLOKWANE LOCAL MUN	4 500	-	-	4 500	4 500	-	-	4 500	2 647	I 853	58,8%	-	-
LIM355 LEPELLENKUMPI	19 500	-	-	19 500	19 500	-	-	19 500	4 500	15 000	23,1%	-	-
LIM362 LEPHALALE	7 600	-	-	7 600	7 600	-	-	7 600		7 600	0,0%	-	-
LIM367 MOGALAKWENA	11 200	-	-	11 200	11 200	-	-	11 200		11 200	0,0%	-	-
LIM368 MODIMOLLE/ MOOKGOPONG L MN	11 022	-	-	11 022	11 022	-	-	11 022		11 022	0,0%	-	-
MP301 ALBERT LUTHULI	8 150	-	-	8 150	8 150	-	-	8 150	8 150	-	100,0%	-	-
MP302 MSUKALINGWA	16 000	-	-	16 000	16 000	-	-	16 000	2 990	13 010	18,7%	-	-
MP303 MKHONDO	8 000	-	-	8 000	8 000	-	-	8 000	8 000	-	100,0%	-	-
MP305 LEKWA	6 625	-	-	6 625	6 625	-	-	6 625	3 937	2 688	59,4%	-	-
MP306 DIPALESENG	5 750	-	-	5 750	5 750	-	-	5 750	-	5 750	0,0%	-	-
MP312 EMALAHLENI	13 000	-	-	13 000	13 000	-	-	13 000		13 000	0,0%	-	-
MP314 EMAKHAZENI	16 950	-	-	16 950	16 950	-	-	16 950	2 847	14 103	16,8%	-	-
MP315THEMBISILE	1 150	-	-	1 150	1 150	-	-	1 150	746	404	64,9%	-	-
MP316 DR JS MOROKA	100	-	-	100	100	-	-	100	99	1	99,0%	-	-
MP321 THABA CHWEU	14 680	-	-	14 680	14 680	-	-	14 680		14 680	0,0%	-	-
MP324 NKOMAZI	16 230	-	-	16 230	16 230	-	-	16 230	11 319	4911	69,7%	-	-
MP325 BUSHBUCKRIDGE	43 100	-	-	43 100	43 100	-	-	43 100	41 642	I 458	96,6%	-	-
MP326 MBOMBELA/UMJINDI LOC MUN	11 805	-	-	11 805	11 805	-	-	11 805	650	11 155	5,5%	-	-
NC453 GAMAGARA	-	-	-	-	-	-	-	-		-	-	-	-
NC086 KGATELOPELE	-	-	-	-	-	-	-	-		-	-	-	-
NC091 SOL PLAATJIE	-	-	-	-	-	-	-	-		-	-	-	-



31 956

(2 137)

29 819

29 819

(2 137)

29 819

19 235

10 584

64,5%

30 727

30 727

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

						2023/24						2022	2/23
		GRANT A	LLOCATION			TRANSFE	₹		SPE	NT.			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
NC093 MAGARENG	5 145	-	-	5 145	5 145	-	-	5 145	5 144	- 1	100,0%	-	
NC094 PHOKWANE	-	-	-	-	-	-	-	-		-	-	-	
NW383 MAFIKENG	14 382	-	-	14 382	14 382	-	-	14 382	14 382	-	100,0%	-	
NW392 NALEDI	13 205	-	-	13 205	13 205	-	-	13 205	-	13 205	0,0%	-	
NW396 LEKWATEEMANE	12 458	-	-	12 458	12 458	-	-	12 458	10 710	I 748	86,0%	-	
NW397 MOLOPOKAGISANO	-	-	-	-	-	-	-	-	-	-	-	-	-
WC045 OUDTSHOORN	-	-	-	-	-	-	-	-	-	-	-	-	-
CPT CITY OF CAPETOWN	4 450	-	-	4 450	4 450	-	-	4 450	-	4 450	0,0%	-	
WC012 CEDERBERG	7 805	-	-	7 805	7 805	-	-	7 805	-	7 805	0,0%	-	
WC015 SWARTLAND	350	-	-	350	350	-	-	350	-	350	0,0%	-	-
WC023 DRAKENSTEIN	435	-	-	435	435	-	-	435	-	435	0,0%	-	-
WC024 STELLENBOSCH	30 132	-	-	30 132	30 132	-	-	30 132	998	29 134	3,3%	-	-
WC026 LANGEBERG	25 730	-	-	25 730	25 730	-	-	25 730	1 120	24 610	4,4%	-	-
WC031 THEEWATERSKLOOF	41 304	-	-	41 304	41 304	-	-	41 304	-	41 304	0,0%	-	-
WC032 OVERSTRAND	12 472	-	-	12 472	12 472	-	-	12 472	924	11 548	7,4%	-	-
WC042 HESSEQUA	5 180	-	-	5 180	5 180	-	-	5 180	-	5 180	0,0%	-	-
WC048 KNYSNA	2 600	-	-	2 600	2 600	-	-	2 600	-	2 600	0,0%	-	
UNALLOCATED	17 403	-	-	17 403	-	-	-	-	-	-	-	2 851 214	-
TOTAL DISASTER RESPONSE GRANT	890 575	-	-	890 575	873 172	-	-	873 172	244 274	628 898		3 374 175	516 661
MUNICIPAL INFRASTRACTURE GRANT MIG)													
EASTERN CAPE				-									
EC101 DR BEYERS NAUDE LOCAL MUN	23 871	-	(1 597)	22 274	22 274	-	(1 597)	22 274	16 231	6 043	72,9%	33 010	33 010
EC 102 BLUE CRANE ROUTE	24 268	-	(1 623)	22 645	22 645	-	(1 623)	22 645	16 376	6 269	72,3%	15 755	15 755
EC104 MAKANA	28 455	-	(1 903)	26 552	26 552	-	(1 903)	26 552	26 552	-	100,0%	22 798	22 798



EC105 NDLAMBE



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 | ANNUAL REPORT 2023/24

DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LOCATION			TRANSFE	R		SPE	NΤ			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
EC106 SUNDAYS RIVER VALLEY	29 921	-	(2 001)	27 920	27 920	-	(2 001)	27 920	26 629	1 291	95,4%	38 785	38 785
EC108 KOUGA	37 367	-	(2 499)	34 868	34 868	-	(2 499)	34 868	25 531	9 337	73,2%	35 891	35 891
EC109 KOUKAMA	17 570	-	(1 175)	16 395	16 395	-	(1 175)	16 395	12 114	4 281	73,9%	24 997	24 997
EC121 MBHASHE	71 487	-	(4 781)	66 706	66 706	-	(4 781)	66 706	58 753	7 953	88,1%	68 458	68 458
EC122 MNQUMA	82 652	-	(5 528)	77 124	77 124	-	(5 528)	77 124	69 699	7 425	90,4%	76 478	76 478
EC123 GREAT KEI	12 560	-	(840)	11 720	11 720	-	(840)	11 720	9 019	2 701	77,0%	22 215	22 215
EC124 AMAHLATI	32 976	-	(2 206)	30 770	30 770	-	(2 206)	30 770	28 508	2 262	92,6%	31 701	31 701
EC126 NGQUSHWA	26 163	-	(1 750)	24 413	24 413	-	(1 750)	24 413	22 339	2 074	91,5%	35 198	35 198
EC129 RAYMOND MHLABA	46 389	-	(3 103)	43 286	43 286	-	(3 103)	43 286	40 512	2 774	93,6%	54 003	54 003
DC12 AMATOLE DIST MUNICIPALITY	516 993	-	(34 578)	482 415	482 415	-	(34 578)	482 415	363 676	118 739	75,4%	395 540	395 540
EC131 INXUBAYETHEMBA	26 425	-	(1 767)	24 658	24 658	-	(1 767)	24 658	21 744	2914	88,2%	24 813	24 813
EC135 INTSIKA YETHU	50 968	-	(3 409)	47 559	47 559	-	(3 409)	47 559	38 151	9 408	80,2%	48 873	48 873
EC136 EMALAHLENI	39 487	-	(2 641)	36 846	36 846	-	(2 641)	36 846	33 843	3 003	91,8%	47 916	47 916
EC137 ENGCOBO	45 533	-	(3 045)	42 488	42 488	-	(3 045)	42 488	36 772	5716	86,5%	57 187	57 187
EC138 SAKHISIZWE	20 959	-	(1 402)	19 557	19 557	-	(1 402)	19 557	14 103	5 454	72,1%	20 23 I	20 23 I
EC139 ENOCH MGIJIMA LOCAL MUN	64 378	-	(4 306)	60 072	60 072	-	(4 306)	60 072	38 509	21 563	64,1%	47 328	47 328
DC13 CHRIS HANI DIST MUNICIPALIT	345 989	-	(23 141)	322 848	322 848	-	(23 141)	322 848	307 139	15 709	95,1%	450 451	450 451
EC141 ELUNDINI	54 045	-	(3 615)	50 430	50 430	-	(3 615)	50 430	46 445	3 985	92,1%	40 675	40 675
EC142 SENQU	45 485	-	(3 042)	42 443	42 443	-	(3 042)	42 443	41 145	1 298	96,9%	37 385	37 385
EC 45 WALTER SIZULU	21 772	-	(1 456)	20 316	20 316	-	(1 456)	20 316	20 669	(353)	101,7%	21 008	21 008
DC14 JOE DISTR MUNUCIPALITY	188 614	-	(12 615)	175 999	175 999	-	(12 615)	175 999	157 627	18 372	89,6%	180 246	180 246
EC153 NGOUZA HILL	64 854	-	(4 338)	60 516	60 516	-	(4 338)	60 516	54 748	5 768	90,5%	62 127	62 127
EC154 PORT ST JOHNS	48 979	-	(3 276)	45 703	45 703	-	(3 276)	45 703	27 508	18 195	60,2%	38 862	38 862
EC155 NYANDENI	72 517	-	(4 850)	67 667	67 667	-	(4 850)	67 667	60 536	7 131	89,5%	69 440	69 440
EC156 MHLONTLO	52 455	-	(3 508)	48 947	48 947	-	(3 508)	48 947	46 630	2 317	95,3%	50 293	50 293
EC157 KI SABATA DALINDYEBO	103 269	-	(6 907)	96 362	96 362	-	(6 907)	96 362	83 016	13 346	86,2%	98 791	98 79 I

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFER	₹		1392	٧T			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
DC15 ORTAMBO DIST MUNICIPALITY	764 752	-	(51 149)	713 603	713 603	-	(51 149)	713 603	463 732	249 871	65,0%	650 131	650 13
EC441 MATATIELE	55 067	-	(3 913)	51 154	51 154	-	(3 913)	51 154	50 942	212	99,6%	52 723	52 723
EC442 UMZIMVUBU	58 506	-	(3 683)	54 823	54 823	-	(3 683)	54 823	44 929	9 894	82,0%	52 786	52 786
EC443 MBIZANA	57 426	-	(3 841)	53 585	53 585	-	(3 841)	53 585	34 684	18 901	64,7%	50 682	50 682
EC444 NTABANKULU	31 798	-	(2 127)	29 67 1	29 671	_	(2 127)	29 671	25 256	4 415	85,1%	47 343	47 343
DC44 ALFRED NZO DIST MUNICIPAL	453 563	-	(30 336)	423 227	423 227	-	(30 336)	423 227	276 451	146 776	65,3%	433 122	433 122
TOTAL EASTERN CAPE	3 649 469	-	(244 088)	3 405 381	3 405 381	-	(244 088)	3 405 381	2 659 753	745 628	78,1%	3 467 969	3 467 969
FREE STATE													
FS161 LETSEMENG	19 688	-		19 688	19 688	-		19 688	9 599	10 089	48,8%	17 959	17 959
FS162 KOPANONG	23 789	-	(21 245)	2 544	2 544	-	(21 245)	2 544	2 015	529	79,2%	19 884	19 884
FS163 MOHOKARE DC16 XHARIEP DISTRICT	20 707	-	(18 288) 35 240	2 419 35 240	2 419 35 240	-	(18 288) 35 240	2 419 35 240	775 14 620	l 644 20 620	32,0% 41,5%	10 991	10 99
MUNICIPAL		-		35 240		-					,	-	
FS181 MASILONYANA	27 272	-	(24 511)	2 761	2 761	-	(24 511)	2 761	2 909	(148)	105,4%	23 657	23 65
FS182TOKOLOGO	18 969	-	(1 269)	17 700	17 700	-	(1 269)	17 700	9 024	8 676	51,0%	25 856	25 85
FS183TSWELOPELE	18 889	-	(1 263)	17 626	17 626	-	(1 263)	17 626	13 028	4 598	73,9%	29 056	29 05
FS184 MATJHABENG	142 914	-	(9 559)	133 355	133 355	-	(9 559)	133 355	78 658	54 697	59,0%	99 654	99 65
FS185 NALA	34 797	-	(2 327)	32 470	32 470	-	(2 327)	32 470	24 726	7 744	76,2%	33 439	33 439
DC18 LEJWELEPUTSWA DIST MUNICPAL		-	22 687	22 687	22 687	-	22 687	22 687	4 280	18 407	18,9%	-	
FS191 SETSOTO	56 025	-	(3 747)	52 278	52 278	-	(3 747)	52 278	34 883	17 395	66,7%	53 700	53 700
FS192 DIHLABENG	45 682	-	(6 350)	39 332	39 332	-	(6 350)	39 332	10 655	28 677	27,1%	39 328	39 32
FS193 NKETOANA	29 630	-	(9 982)	19 648	19 648	-	(9 982)	19 648	3 680	15 968	18,7%	28 508	28 50
FS194 MALUTI-A-PHOFUNG	195 742	-	(30 240)	165 502	165 502	-	(30 240)	165 502	65 906	99 596	39,8%	187 049	187 04
FS195 PHUMELELA	24 403	-	(1 632)	22 77 I	22 77 I	-	(1 632)	22 771	14 117	8 654	62,0%	23 519	23 51
FS196 MATSOPA	23 100	-	(1 545)	21 555	21 555	-	(1 545)	21 555	14 368	7 187	66,7%	32 275	32 27



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPE	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
FS201 MOQHAKA	47 53 I	-	(3 179)	44 352	44 352	-	(3 179)	44 352	33 105	11 247	74,6%	45 594	45 594
FS203 NGWATHE	49 699	-	(12 773)	36 926	36 926	-	(12 773)	36 926	12 128	24 798	32,8%	42 897	42 897
FS204 METSIMAHOLO	52 940	-	(3 541)	49 399	49 399	-	(3 541)	49 399	29 803	19 596	60,3%	50 756	50 756
FS205 MAFUBE	26 09 1	-	(15 596)	10 495	10 495	-	(15 596)	10 495	10 039	456	95,7%	23 929	23 929
DC20 FEZILE DABI DIST MUNICIPAL		-	10 951	10 951	10 951	-	10 951	10 951		10 951	0,0%		
TOTAL FREE STATE	857 868	-	(98 169)	759 699	759 699	-	(98 169)	759 699	388 318	371 381	51,1%	788 05 I	788 051
GAUTENG												-	-
JHB CITY OF JOHANNESBURG	-	-		-	-	-							-
GT421 EMFULENI	203 242	-	()	59 649	59 649	-	(143 593)	59 649	28 735	30 914	48,2%	154 208	154 208
GT422 MIDVAAL	37 385	-	(2 000)	34 885	34 885	-	(2 500)	34 885	16 581	18 304	47,5%	35 909	35 909
GT423 LESEDI	30 878	-	22 935	53 813	53 813	-	22 935	53 813	30 978	22 835	57,6%	29 698	29 698
GT484 MERAFONG CITY	79 084	-	(====)	73 795	73 795	-	(===-)	73 795	57 797	15 998	78,3%	75 708	75 708
GT485 RAND WEST CITY	109 164	-	27 699	136 863	136 863	-	27 699	136 863	88 886	47 977	64,9%	104 417	104 417
TOTAL GAUTENG	459 753	-	(100 748)	359 005	359 005	-	(100 748)	359 005	222 976	136 029	62,1%	399 940	399 940
KWAZULU NATAL													
ETH ETHEKWINI													
KZN212 UMDONI LOCAL MUNICIPALITY	36 046	-	I 589	37 635	37 635	-	I 589	37 635	30 028	7 607	79,8%	44 63 I	44 631
KZN213 UMZUMBE	48 155	_	(18 221)	29 934	29 934	-	(18 221)	29 934	4 279	25 655	14,3%	38 552	38 552
KZN214 UMUZIWABANTU	27 173	-	(1817)	25 356	25 356	-	(1817)	25 356	13 079	12 277	51,6%	26 163	26 163
DC21 UGU DISTRICT MUNICIPALITY	290 379	-	(19 421)	270 958	270 958	-	(19 421)	270 958	246 658	24 300	91,0%	277 374	277 374
kzn221 umshwathi	32 314	-	839	33 153	33 153	-	839	33 153	22 738	10 415	68,6%	31 069	31 069
KZN222 UMNGENI	26 810	-	(1 793)	25 017	25 017	-	(1 793)	25 017	15 897	9 120	63,5%	30 816	30 816
KZN223 MPOFANA	21 501	-	(1 438)	20 063	20 063	-	(1 438)	20 063	12 969	7 094	64,6%	13 114	13 114
KZN224 IMPENDLE	13 123	-	(878)	12 245	12 245	-	(878)	12 245	6 288	5 957	51,4%	12 753	12 753
KZN225 MSUNDUZI	245 759	-	(16 437)	229 322	229 322	-	(16 437)	229 322	153 843	75 479	67,1%	227 153	227 153

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT A	LOCATION			TRANSFE	R		SPEN	NT.			
	DoRA and Other			Total	Actual	Funds	Reallocations by National Treasury or National	Amount received by	Amount spent by	Unspent	% of available funds spent by	DORA and other	Actual
Name of Municipality	transfers		Adjustments	Available	transfer	withheld		department		funds	department	transfers	transfers
IZZNICOZ Z NAIZI LANADATI IIN II	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
KZN226 MKHAMBATHINI	18 392	-	(1 230)	17 162	17 162	-	(/	17 162	11 231	5 931	65,4%	27 881	27 881
KZN227 RICHMOND	21 252	-	1 079	22 331	22 331	-		22 331	17 510	4 821	78,4%	20 511	20 511
DC22 UMGUNGUNDLOVU DIST MUN	122 208	-	(8 174)	114 034	114 034	-	(8 174)	114 034	107 601	6 433	94,4%	185 841	185 841
KZN235 OKHAHLAMBA	33 175	-	(2 219)	30 956	30 956	-	(2 219)	30 956	23 825	7 131	77,0%	47 79 I	47 79 I
KZN237 INKOSI ILANGALIBALELE	44 489	-	(2 976)	41 513	41 513	-	(2 976)	41 513	27 321	14 192	65,8%	42 690	42 690
KZN238 ALFRED DUMA	73 531	-	(9 918)	63 613	63 613	-	(9 918)	63 613	35 892	27 72 I	56,4%	70 409	70 409
DC23 UTHUKELA DIST MUNICIPALITY	221 342	-	(24 804)	196 538	196 538	-	(24 804)	196 538	120 632	75 906	61,4%	171 484	171 484
KZN241 UNDUMENI	21 344	-	(3 928)	17 416	17 416	-	(3 928)	17 416	11 245	6 171	64,6%	16 782	16 782
KZN242 NQUTHU	36 675	-	2 547	39 222	39 222	-	2 547	39 222	32 492	6 730	82,8%	35 23 I	35 23 I
KZN244 MSINGA	44 200	-	6 044	50 244	50 244	-	6 044	50 244	35 412	14 832	70,5%	59 414	59 414
KZN245 UMVOTI	34 987	-	(2 340)	32 647	32 647	-	(2 340)	32 647	20 015	12 632	61,3%	48 120	48 120
DC24 UMZINYATHI DIST MUNICIPAL	226 844	-	(15 172)	211 672	211 672	-	(15 172)	211 672	166 901	44 771	78,8%	216 735	216 735
KZN252 NEWCASTLE	143 068	-	(9 569)	133 499	133 499	-	(9 569)	133 499	82 351	51 148	61,7%	129 141	129 141
KZN253 EMADLANGENI	18 249	-	(1 221)	17 028	17 028	-	(1 221)	17 028	8 605	8 423	50,5%	10 010	10 010
KZN254 DANNHAUSER	25 271	-	(1 690)	23 581	23 581	-	(1 690)	23 581	16 415	7 166	69,6%	19 347	19 347
DC25 AMAJUBA DIST MUNICIPALITY	48 572	-	(3 249)	45 323	45 323	-	(3 249)	45 323	38 881	6 442	85,8%	44 687	44 687
KZN261 EDUMBE	20 774	-	(1 389)	19 385	19 385	-	(1 389)	19 385	17 807	I 578	91,9%	29 055	29 055
KZN262 UPHONGOLO	33 173	-	(2 219)	30 954	30 954	-	(2 219)	30 954	18 375	12 579	59,4%	31 889	31 889
KZN263 ABAQULUSI	51 853	-	(11 468)	40 385	40 385	-	(11 468)	40 385	22 580	17 805	55,9%	42 083	42 083
KZN265 NONGOMA	37 490	-	(2 507)	34 983	34 983	-	(2 507)	34 983	23 221	11 762	66,4%	56 009	56 009
KZN266 ULUNDI	36 314	-	10 571	46 885	46 885	-	10 571	46 885	28 880	18 005	61,6%	74 888	74 888
DC26 ZULULAND DIST MUNICIPALITY	271 683	-	(15 171)	256 512	256 512	-	(15 171)	256 512	247 397	9 115	96,4%	259 530	259 530
KZN271 UMHLABUYALINGANA	49 172	-	(3 289)	45 883	45 883	-	(3 289)	45 883	23 917	21 966	52,1%	39 523	39 523
KZN272 JOZINI	44 165	-	6 046	50 211	50 211	-	6 046	50 211	39 226	10 985	78,1%	64 381	64 381



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPE	NT			
None of Municipality	DoRA and Other	Dall	A.B.	Total Available	Actual	Funds	Reallocations by National Treasury or National	Amount received by	Amount spent by	Unspent	% of available funds spent by	DORA and other	Actual
Name of Municipality	transfers R'000	R'000	Adjustments R'000	R'000	transfer R'000	withheld R'000	department %	department R'000	department R'000	funds R'000	department %	transfers R'000	transfers R'000
KZN275 MTUBATUBA	45 342	- 1	(3 033)	42 309	42 309	-		42 309	29 060	13 249	68,7%	35 867	35 867
KZN276 BIG FIVE/HLABISA LOC	32 776	-	(2 192)	30 584	30 584	_	(2 192)	30 584	16 148	14 436	52,8%	22 500	22 500
MUN	32 //6	-	(2 172)	30 304	30 304	-	(2 172)	30 364	10 140	17 730	32,076	22 300	22 300
DC27 UMKHANYAKUDE DIST MUNICIP	258 848	-	(17 313)	241 535	241 535	-	(17 313)	241 535	211 423	30 112	87,5%	217 281	217 281
KZN281 MFOLOZI	30 660	-	I 520	32 180	32 180	-	I 520	32 180	27 246	4 934	84,7%	44 49 I	44 49 1
KZN284 UMHLAZI	62 775	-	(4 199)	58 576	58 576	-	(4 199)	58 576	44 635	13 941	76,2%	45 827	45 827
KZN285 MTHONJANENI LOCAL MUN	20 758	-	(1 388)	19 370	19 370	-	(1 388)	19 370	15 083	4 287	77,9%	48 539	48 539
KZN286 NKANDLA	26 562	-	(† 777)	24 785	24 785	-	(1 777)	24 785	18 067	6718	72,9%	25 579	25 579
DC28 UTHUNGULU DIST MUNICIPAL	205 480	-	(13 743)	191 737	191 737	-	(13 743)	191 737	120 158	71 579	62,7%	196 344	196 344
KZN291 MANDENI	49 717	-	(3 325)	46 392	46 392	-	(3 325)	46 392	17 547	28 845	37,8%	40 044	40 044
KZN292 KWADUKUZA	61 442	-	(20 802)	40 640	40 640	-	(20 802)	40 640	8 222	32 418	20,2%	68 871	68 871
KZN293 NDWEDWE	34 995	-	(2 341)	32 654	32 654	-	(2 341)	32 654	30 628	2 026	93,8%	41 627	41 627
KZN294 MAPHUMULO	25 940	-	(6 613)	19 327	19 327	-	(6 613)	19 327	5 498	13 829	28,4%	24 986	24 986
DC29 ILEMBE DISTRICT MUNICIPAL	231 810	-	(15 504)	216 306	216 306	-	(15 504)	216 306	67 138	149 168	31,0%	221 475	221 475
KZN433 GRAETER KOKSTAD	19 893	-	(1 331)	18 562	18 562	-	(1 331)	18 562	12 552	6010	67,6%	19 214	19 214
KZN434 UBUHLEBEZWE	39 499	-	(2 642)	36 857	36 857	-	(2 642)	36 857	30 293	6 564	82,2%	30 29 I	30 291
KZN435 UMZIMKHULU	51 395	-	(3 437)	47 958	47 958	-	(3 437)	47 958	23 937	24 02 1	49,9%	49 281	49 281
KZN436 DR NKOSAZANA DLAMINI ZUMA	31 779	-	(2 125)	29 654	29 654	-	(2 125)	29 654	22 849	6 805	77,1%	30 558	30 558
DC43 HARRY GWALA DISTRICT MUN	241 802	-	(16 172)	225 630	225 630	-	(16 172)	225 630	171 525	54 105	76,0%	231 011	231 011
TOTAL KWAZULU NATAL LIMPOPO	3 890 956	-	(270 240)	3 620 716	3 620 716	-	(270 240)	3 620 716	2 555 520	1 065 196	70,6%	3 838 843	3 838 843
LIM331 GREATER GIYANI	72 329	-	8 662	80 991	80 991	-	8 662	80 991	68 990	12 001	85,2%	66 761	66 761
LIM332 GREATER LETABA	68 605	-	(4 589)	64 016	64 016	-	(4 589)	64 016	56 910	7 106	88,9%	80 707	80 707
LIM333 GREATER TZANEEN	112 922	-	(7 553)	105 369	105 369	-	(7 553)	105 369	65 589	39 780	62,2%	119 004	119 004
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT AL	LOCATION			TRANSFER	₹		SPEN	١T			
	DoRA and Other			Total	Actual	Funds	Re- allocations by National Treasury or National	Amount received by	Amount spent by	Unspent	% of available funds spent by	DORA and other	Actual
Name of Municipality	transfers	Roll overs	Adjustments	Available	transfer	withheld	department	department	department	funds	department	transfers	transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
LIM334 BAPHALABORWA	37 676	-	(2 520)	35 156	35 156	-	(2 520)	35 156	24 302	10 854	69,1%	36 186	36 186
LIM335 MARULENG	31 372	-	62 902	94 274	94 274	-	62 902	94 274	29 589	64 685	31,4%	65 170	65 170
DC33 MOPANI DIST MUNICIPALITY	548 214	-	(78 666)	469 548	469 548	-	(78 666)	469 548	310 921	158 627	66,2%	481 029	481 029
LIM341 MUSINA LOCAL MUNICIPALITY	34 036	-	(2 276)	31 760	31 760	-	(2 276)	31 760	28 625	3 135	90,1%	32 713	32 713
LIM343 THULAMELA LOCAL MUN	119 112	-	(7 967)	111 145	111 145	-	(7 967)	111 145	90 021	21 124	81,0%	143 912	143 912
LIM344 MAKHADO	115 757	-	(7 742)	108 015	108 015	-	(7 742)	108 015	100 241	7 774	92,8%	102 597	102 597
LIM345 NEW LOCAL MUNICIPALITY	98 133	-	(6 563)	91 570	91 570	-	(6 563)	91 570	91 571	(1)	100,0%	138 889	138 889
DC34VHEMBE DIST MUNICIPALITY	621 329	-	(41 556)	579 773	579 773	-	(41 556)	579 773	346 121	233 652	59,7%	593 243	593 243
LIM351 BLOUBERG LOCAL MUN	52 575	-	6 484	59 059	59 059	-	6 484	59 059	45 346	13 713	76,8%	71 698	71 698
LIM353 MOLEMOLE LOCAL MUN	41 453	-	3 728	45 181	45 181	-	3 728	45 181	35 997	9 184	79,7%	39 792	39 792
LIM355 LEPELLENKUMPI	64 332	-	(4 303)	60 029	60 029	-	(4 303)	60 029	20 581	39 448	34,3%	49 628	49 628
DC35 CAPRICORN DIST MUNICIPALITY	277 987	-	31 407	309 394	309 394	-	31 407	309 394	248 233	61 161	80,2%	243 547	243 547
LIM361 THABAZIMBI	39 129	-	(2 617)	36 512	36 512	-	(2 617)	36 512	7 652	28 860	21,0%	22 544	22 544
LIM362 LEPHALALE	51 720	-	4 541	56 261	56 261	-	4 541	56 261	44 552	11 709	79,2%	51 177	51 177
LIM366 BELA BELA	30 282	-	(2 025)	28 257	28 257	-	(2 025)	28 257	21 567	6 690	76,3%	29 130	29 130
LIM367 MOGALAKWENA	196 069	-	(13 114)	182 955	182 955	-	(13 114)	182 955	166 702	16 253	91,1%	179 727	179 727
LIM368 MODIMOLLE/ MOOKGOPONG L MN	53 573	-	11 417	64 990	64 990	-	11 417	64 990	54 357	10 633	83,6%	43 725	43 725
LIM471 EMPRAIM MOGALE	39 389	-	(2 634)	36 755	36 755	-	(2 634)	36 755	32 437	4 318	88,3%	56 821	56 821
LIM472 ELIAS MOTSOALEDI	65 356	-	(4 371)	60 985	60 985	-	(4 371)	60 985	45 982	15 003	75,4%	94 606	94 606
LIM473 MAKHUDUTHAMAGA	74 062	-	20 047	94 109	94 109	-	20 047	94 109	53 104	41 005	56,4%	94 915	94 915
LIM476 GRTR TUBATSE/ FETAKGOMO	100 961	-	(6 753)	94 208	94 208	-	(6 753)	94 208	77 033	17 175	81,8%	126 588	126 588
DC47 GREATER SEKHUKHUNE DIST MUN	573 483	-	(139 356)	434 127	434 127	-	(139 356)	434 127	175 726	258 401	40,5%	474 000	474 000
TOTAL LIMPOPO	3 519 856	-	(185 417)	3 334 439	3 334 439	-	(185 417)	3 334 439	2 242 149	I 092 290	67,2%	3 438 109	3 438 109



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24	ļ.					202	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPE	NT			
Name of Municipality	DoRA and Other transfers R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000	Re- allocations by National Treasury or National department %	Amount received by department R'000	Amount spent by department R'000	Unspent funds R'000	% of available funds spent by department %	DORA and other transfers R'000	Actual transfers R'000
MPUMALANGA													
MP301 ALBERT LUTHULI	104 228	-	(6 971)	97 257	97 257	-	(6 971)	97 257	68 111	29 146	70,0%	99 706	99 706
MP302 MSUKALINGWA	62 683	-	(4 192)	58 491	58 491	-	(11/2)	58 491	50 833	7 658	86,9%	60 055	60 055
MP303 MKHONDO	93 665	-	(6 265)	87 400	87 400	-	(0 200)	87 400	65 537	21 863	75,0%	89 625	89 625
MP304 PIXLEY KA SEME	30 902	-	(2 067)	28 835	28 835	-	(=)	28 835	18 074	10 761	62,7%	29 722	29 722
MP305 LEKWA	33 828	-	(2 263)	31 565	31 565	-	(2 200)	31 565	20 857	10 708	66,1%	32 514	32 514
MP306 DIPALESENG	21 705	-	(4 952)	16 753	16 753	-	(4 952)	16 753	9 082	7 67 1	54,2%	20 943	20 943
MP307 GOVAN MBEKI	68 840	-	15 396	84 236	84 236	-	15 396	84 236	52 948	31 288	62,9%	65 932	65 932
MP311 VICTOR KHANYE	29 074	-	(1 945)	27 129	27 129	-	(1 945)	27 129	16 128	11 001	59,4%	27 976	27 976
EC136 EMALAHLENI	144 010	-	(9 632)	134 378	134 378	-	(9 632)	134 378	92 696	41 682	69,0%	137 675	137 675
MP314 EMAKHAZENI	21 001	-	(1 405)	19 596	19 596	-	(1 405)	19 596	14 100	5 496	72,0%	20 272	20 272
MP315THEMBISILE	148 185	-	4 989	153 174	153 174	-	4 989	153 174	125 339	27 835	81,8%	141 661	141 661
MP316 DR JS MOROKA	150 219	-	(10 047)	140 172	140 172	-	(10 047)	140 172	110 633	29 539	78,9%	153 660	153 660
MP321 THABA CHWEU	56 241	-	(10 162)	46 079	46 079	-	(10 162)	46 079	40 302	5 777	87,5%	53 907	53 907
MP324 NKOMAZI	271 064	-	(18 130)	252 934	252 934	-	(18 130)	252 934	190 620	62 314	75,4%	323 939	323 939
MP325 BUSHBUCKRIDGE	451 183	-	(30 176)	421 007	421 007	-	(30 176)	421 007	397 407	23 600	94,4%	430 851	430 851
MP326 MBOMBELA/UMJINDI LOC MUN	410 474	-	(27 454)	383 020	383 020	-	(27 454)	383 020	280 013	103 007	73,1%	384 362	384 362
TOTAL MPUMALANGA	2 097 302	-	(115 276)	I 982 026	I 982 026	-	(115 276)	I 982 026	I 552 680	429 346	78,3%	2 072 800	2 072 800
NORTHERN CAPE													
NC061 RICHTERSVELD	7 826	-	(522)	7 304	7 304	-	(522)	7 304	5 636	1 668	77,2%	7 697	7 697
NC062 NAMA KHOI	16 599	-	(6 327)	10 272	10 272	-	(6 327)	10 272	2 796	7 476	27,2%	10 905	10 905
NC064 KAMIESBERG	8 086	-	(541)	7 545	7 545	-	(541)	7 545	3 857	3 688	51,1%	7 945	7 945
NC065 HANTAM	10 755	-	(719)	10 036	10 036	-	(719)	10 036	4 384	5 652	43,7%	10 493	10 493
NC066 KAROO HOOGLAND	8 733	-	(584)	8 149	8 149	-	(584)	8 149	5 273	2 876	64,7%	17 562	17 562

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPE	NT			
Name of Municipality	DoRA and Other transfers R'000	Roll overs	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000	Re- allocations by National Treasury or National department	Amount received by department R'000	Amount spent by department R'000	Unspent funds R'000	% of available funds spent by department %	DORA and other transfers R'000	Actual transfers R'000
NC067 KHAIMA	8 352	-		11 793	11 793	-		11 793	5 749	6 044	48,7%	2 000	2 000
NC07 I UBUNTU	23 009	-		21 470	21 470	-		21 470	9 214	12 256	42,9%	15 735	15 735
NC072 UMSOBOMVU	12 846	-		11 987	11 987	-	(859)	11 987	10 466	1 521	87,3%	13 733	14 988
NC073 EMTHANIENI	13 654	_		12 741	12 741	_	(913)	12 741	9 177	3 564	72,0%	19 000	19 000
NC074 KAREEBERG	8 673	_		6 4 1 9	6419	_		6 4 1 9	4 904	1 515	76,4%	3 000	3 000
NC075 RENOSTERBERG	7 998	_		19 464	19 464	_	11 466	19 464	6 951	12 513	35,7%	15 862	15 862
NC076 THEMBELIHLE	10 379	_		9 685	9 685	_	(694)	9 685	3 418	6 267	35,3%	10 134	10 134
NC077 SIYATHEMBA	18 839	_		17 579	17 579	_	(1 260)	17 579	8 274	9 305	47,1%	8 000	8 000
NC078 SIYANCUMA	19 034	_		15 261	15 261	_	(3 773)	15 261	5 821	9 440	38,1%	5 000	5 000
NC082 !KAI ! GARIB	34 057	-		31 779	31 779	-	(2 278)	31 779	18 585	13 194	58,5%	5 000	5 000
NC084 !KHEIS	11 881	-		17 086	17 086	-	5 205	17 086	8 884	8 202	52,0%	11 567	11 567
NC085 TSANTSABANE	17 746	-	(7 746)	10 000	10 000	-	(7 746)	10 000	535	9 465	5,4%	12 000	12 000
NC086 KGATELOPELE	8 677	-	23 420	32 097	32 097	-	23 420	32 097	7 525	24 572	23,4%	48 510	48 510
NC087 DAWID KRUIPER	29 290	-	(1 959)	27 331	27 331	-	(1 959)	27 331	18 417	8 9 1 4	67,4%	28 183	28 183
NC092 DIKGATLONG	22 563	-	(1 509)	21 054	21 054	-	(1 509)	21 054	14 978	6 076	71,1%	21 763	21 763
NC093 MAGARENG	12 452	-	5 167	17 619	17 619	-	5 167	17 619	10 131	7 488	57,5%	18 612	18 612
NC094 PHOKWANE	30 710	-	5 946	36 656	36 656	-	5 946	36 656	26 133	10 523	71,3%	29 538	29 538
NC451 JOE MOROLONG	82 527	-	(5 520)	77 007	77 007	-	(5 520)	77 007	38 877	38 130	50,5%	84 959	84 959
NC452 GA-SEGONYANA	63 399	-	(4 240)	59 159	59 159	-	(4 240)	59 159	50 006	9 153	84,5%	75 738	75 738
NC453 GAMAGARA	13 285	-	(3 889)	9 396	9 396	-	(3 889)	9 396	2 962	6 434	31,5%	9 458	9 458
TOTAL NORTHERN CAPE	501 370	-	7 5 1 9	508 889	508 889	-	7 519	508 889	282 953	225 936	55,6%	493 649	493 649
NOT IN TOT													
NORTH WEST	127 720		(0.212)	120 517	120 517		(0.212)	120 514	00.000	20 527	70.00/	121 (00	121 (00
NW371 MORETELE	137 728	-	()	128 516	128 516	-	(, -,-)	128 516	89 989	38 527	70,0%	131 680	131 680
NW372 MADIBENG NW373 RUSTENBURG	339 658 291 208	-	(22 / 17)	316 941 271 731	316 941 271 731	-	(22 717)	316 941 271 731	209 607 157 810	107 334 113 921	66,1% 58,1%	204 000 231 189	204 000 231 189
NW374 KGETLENGRIVIER	30 205	-	(0.000)	28 185	28 185	-	(19 477) (2 020)	28 185	20 798	7 387	73,8%	29 056	29 056
NW375 MOSES KOTANE	179 938	-		167 903	167 903	-	(12 035)	167 903	125 459	7 387 42 444	73,8%	153 833	153 833
NW381 RATLOU	34 500	-	(0.007)	32 193	32 193	-	(2 307)	32 193	28 182	4 011	87,5%	23 893	23 893
1444 JOH IVALLOO	3 T 300	-	(2 307)	JZ 173	JZ 173	-	(2 307)	34 173	20 102	4 011	07,3%	23 073	23 073



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPEN	١T			
Name of Municipality	DoRA and Other transfers		Adjustments	Total Available	Actual transfer	Funds withheld		Amount received by department		Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
N II A (200 TC) A (A IN I C	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
NW382TSWAING	34 348	-	(2 297)	32 05 1	32 05 1	-	(= =, ,)	32 05 1	19 065	12 986	59,5%	43 010	43 010
NW383 MAFIKENG	72 985	-	24 114	97 099	97 099	-		97 099	73 637	23 462	75,8%	120 187	120 187
NW384 DITSOBOTLA	43 133	-	(12 138)	30 995	30 995	-	()	30 995	8 509	22 486	27,5%	32 675	32 675
NW385 RAMOTSHERE MOILOA	43 876	-	(2 935)	40 941	40 941	-	(2 935)	40 941	24 775	16 166	60,5%	42 105	42 105
DC38 NGAKA MODIRI MOLEMA DIST MU	361 060	-	(74 149)	286 911	286 911	-	(74 149)	286 911	140 828	146 083	49,1%	344 835	344 835
NW392 NALEDI	19 483	-	10 672	30 155	30 155	-	10 672	30 155	25 510	4 645	84,6%	43 823	43 823
NW393 NAMUSA	17 931	-	(1 199)	16 732	16 732	-	(1 199)	16 732	I 338	15 394	8,0%	15 042	15 042
NW394 GREATER TAUNG	56 510	-	(3 780)	52 730	52 730	-	(3 780)	52 730	41 973	10 757	79,6%	54 163	54 163
NW396 LEKWA-TEEMANE	16 840	-	(1 126)	15 714	15 714	-	(1 126)	15 714	12 699	3 015	80,8%	16 300	16 300
NW397 MOLOPOKAGISANO	35 308	-	(2 362)	32 946	32 946	-	(2 362)	32 946	13 459	19 487	40,9%	33 926	33 926
DC39 DR RUTH SEGOMTSI MUN	166 277	-	(11 121)	155 156	155 156	-	(11 121)	155 156	133 642	21 514	86,1%	158 928	158 928
NW403 CITY OF MATLOSANA	115 732	-	(14715)	101 017	101 017	-	(14 715)	101 017	56 789	44 228	56,2%	89 187	89 187
NW404 MAQUASSI HILLS	33 061	-	(2211)	30 850	30 850	-	(2 211)	30 850	22 743	8 107	73,7%	31 782	31 782
NW405 VENTERSDORP/TLOKWE LOC MN	79 585	-	(5 323)	74 262	74 262	-	(5 323)	74 262	63 306	10 956	85,2%	47 315	47 315
TOTAL NORTH WEST	2 109 366	-	(166 338)	I 943 028	I 943 028	-	(166 338)	I 943 028	1 270 118	672 910	65,4%	I 846 929	I 846 929
WESTERN CAPE													
WC011 MATZIKAMA	24 716	-	(1 653)	23 063	23 063	-	(1 653)	23 063	14 419	8 644	62,5%	23 817	23 817
WC012 CEDERBERG	17 896	-	(1 197)	16 699	16 699	-	(1 197)	16 699	7 615	9 084	45,6%	12 109	12 109
WC013 BERGRIVIER	16 543	-	(1 106)	15 437	15 437	-	(1 106)	15 437	7 641	7 796	49,5%	16 017	16 017
WC014 SALDANHA BAY	29 287	-	(1 959)	27 328	27 328	-	(1 959)	27 328	16 320	11 008	59,7%	19 368	19 368
WC015 SWARTLAND	24 708	-	(1 653)	23 055	23 055	-	(1 653)	23 055	21 490	I 565	93,2%	33 810	33 810
WC022 WITZENBERG	26 05 1	-	(1 742)	24 309	24 309	-	(1 742)	24 309	14 196	10 113	58,4%	25 09 1	25 091
WC025 BREEDE VALLEY	40 609	-	(2 716)	37 893	37 893	-	(2 716)	37 893	15 377	22 516	40,6%	44 987	44 987
WC026 LANGEBERG	25 533	-	54	25 587	25 587	-	54	25 587	22 703	2 884	88,7%	24 597	24 597
WC031 THEEWATERSKLOOF	30 909	-	(7 067)	23 842	23 842	-	(7 067)	23 842	9 264	14 578	38,9%	29 728	29 728
WC032 OVERSTRAND	25 565	-	(1710)	23 855	23 855	-	(1710)	23 855	14 180	9 675	59,4%	24 628	24 628

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT AL	LOCATION			TRANSFE	R		SPE	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
WC033 CAPE AGULHAS	12 260	-	(820)	11 440	11 440	-	(820)	11 440	9 019	2 421	78,8%	11 929	11 929
WC034 SWELLENDAM	13 387	-	I 405	14 792	14 792	-	I 405	14 792	12 358	2 434	83,5%	13 005	13 005
WC041 KANNALAND	11 373	-	I 039	12 412	12 412	-	I 039	12 412	9 336	3 076	75,2%	9 163	9 163
WC042 HESSEQUA	15 459	-	1 166	16 625	16 625	-	1 166	16 625	14 140	2 485	85,1%	24 982	24 982
WC043 MOSSEL BAY	28 098	-	(1 879)	26 219	26 219	-	(1 879)	26 219	25 623	596	97,7%	27 046	27 046
WC044 GEORGE		-		-	-	-			-	-	-	45 508	45 508
WC045 OUDTSHOORN	25 248	-	(1 689)	23 559	23 559	-	(1 689)	23 559	12 551	11 008	53,3%	33 325	33 325
WC047 BITOU	23 344	-	(1 561)	21 783	21 783	-	(1 561)	21 783	12 469	9 314	57,2%	22 508	22 508
WC048 KNYSNA	29 218	-	(5 016)	24 202	24 202	-	(5 016)	24 202	12 157	12 045	50,2%	29 714	29 714
WC051 LAINGSBURG	14 959	-	(1 001)	13 958	13 958	-	(1 001)	13 958	6 129	7 829	43,9%	6 870	6 870
WC052 PRINCE ALBERT	8 097	-	(542)	7 555	7 555	-	(542)	7 555	4 938	2 617	65,4%	7 956	7 956
WC053 BEAUFORT WEST	15 849	-	(1 060)	14 789	14 789	-	(1 060)	14 789	7 103	7 686	48,0%	9 553	9 553
TOTAL WESTERN CAPE	459 109	-	(30 707)	428 402	428 402	-	(30 707)	428 402	269 028	159 374	62,8%	495 711	495 711
TOTAL MUNICIPAL INFRASTRACTURE GRANT(MIG)	17 545 049	-	(1 203 464)	16 341 585	16 341 585	-	(1 203 464)	16 341 585	11 443 495	4 898 090	70,0%	16 842 001	16 842 001
LOCAL GOVERNMENT EQUITABLE SHARE GRANT													
BUF BUFFALO CITY	1 138 058	-	-	1 138 058	l 137 980	-	-	-	-	-	-	I 045 448	1 045 448
NMA NELSON MANDELA BAY	1 419 053	-	-	1 419 053	1 355 310	-	-	-	-	-	-	1 288 228	I 045 975
EC101 DR BEYERS NAUDE LOCAL MUN	114 382	-	-	114 382	114 382	-	-	-	-	-	-	107 059	107 059
EC102 BLUE CRANE ROUTE	67 222	-	-	67 222	63 422	-	-	-	-	-	-	63 385	58 385
EC104 MAKANA	121 975	-	-	121 975	98 753	-	-	-	-	-	-	113 634	113 634
EC105 NDLAMBE	128 536	-	-	128 536	128 536	-	-	-	-	-	-	119 231	119 231
EC106 SUNDAYS RIVER VALLEY	110 451	-	-	110 451	109 059	-	-	-	-	-	-	101 270	95 989
EC108 KOUGA	180 506	-	-	180 506	180 506	-	-	-	-	-	-	163 292	163 292
EC109 KOUKAMA	64 955	-	-	64 955	61 015	-	-	-	-	-	-	60 474	60 474



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3 | ANNUAL REPORT 2023/24

DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

	2023/24									202	2/23		
		GRANT A	LLOCATION			TRANSFE	₹		SPE				
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
DC10 SARAH BAARTMAN DISTRICT MUN	108 291	-	-	108 291	110 303	-	-	-	-	-	-	104 576	102 564
EC121 MBHASHE	310 734	-	-	310 734	310 734	-	-	-	-	-	-	294 923	294 923
EC122 MNQUMA	323 763	-	-	323 763	323 763	-	-	-	-	-	-	307 329	307 329
EC123 GREAT KEI	52 810	-	-	52 810	52 810	-	-	-	-	-	-	50 186	50 186
EC124 AMAHLATI	131 533	-	-	131 533	131 533	-	-	-	-	-	-	124 987	124 987
EC126 NGQUSHWA	102 706	-	-	102 706	102 706	-	-	-	-	-	-	97 609	97 609
EC129 RAYMOND MHLABA	215 390	-	-	215 390	196 050	-	-	-	-	-	-	204 622	204 622
DC12 AMATOLE DIST MUNICIPALITY	I 089 335	-	-	I 089 335	I 023 045	-	-	-	-	-	-	1 025 616	959 327
EC131 INXUBA YETHEMBA	54 269	-	-	54 269	54 269	-	-	-	-	-	-	50 744	50 744
EC135 INTSIKA YETHU	197 942	-	-	197 942	197 942	-	-	-	-	-	-	187 928	181 639
EC136 EMALAHLENI	153 876	-	-	153 876	153 876	-	-	-	-	-	-	146 186	146 186
EC137 ENGCOBO	184 604	-	-	184 604	178 617	-	-	-	-	-	-	175 143	163 170
EC138 SAKHISIZWE	84 505	-	-	84 505	84 174	-	-	-	-	-	-	80 323	79 757
EC 139 ENOCH MGIJIMA LOCAL MUN	229 921	-	-	229 921	229 921	-	-	-	-	-	-	215 409	215 409
DC13 CHRIS HANI DIST MUNICIPALIT	695 711	-	-	695 711	695 711	-	-	-	-	-	-	654 460	638 328
EC141 ELUNDINI	190 445	-	-	190 445	190 445	-	-	-	-	-	-	180 384	179 453
EC142 SENQU	186 760	-	-	186 760	181 809	-	-	-	-	-	-	177 125	177 125
EC 45 WALTER SIZULU	76 252	-	-	76 252	76 252	-	-	-	-	-	-	70 586	70 586
DC14 JOE DISTR MUNUCIPALITY	356 119	-	-	356 119	355 969	-	-	-	-	-	-	334 540	332 307
EC153 NGOUZA HILL	329 235	-	-	329 235	329 235	-	-	-	-	-	-	310 567	300 175
EC154 PORT ST JOHNS	193 713	-	-	193 713	193 515	-	-	-	-	-	-	182 985	179 967
EC155 NYANDENI	331 251	-	-	331 251	328 179	-	-	-	-	-	-	313 293	313 293
EC156 MHLONTLO	229 195	-	-	229 195	229 195	-	-	-	-	-	-	217 727	198 109
EC157 KI SABATA DALINDYEBO	434 856	-	-	434 856	433 679	-	-	-	-	-	-	404 15	404 115

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24							2/23
		GRANT A	LLOCATION			TRANSFE	₹		SPE	NT			
							Re-						
							allocations						
	D D4						by National				available	DODA	
	DoRA and Other			Total	Actual	Funds	Treasury or National	Amount received by	Amount spent by	Unspent	funds spent by	DORA and other	Actual
Name of Municipality	transfers	Roll overs	Adjustments	Available	transfer	withheld		department		funds	department	transfers	transfers
· ····································	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
DC15 ORTAMBO DIST	1 124 310	-	-		1 012 318	-	-	-	-		-	1 051 671	863 440
MUNICIPALITY	1 121310			1 121310	1 012 310							1 031 071	003 110
EC442 UMZIMVUBU	275 357	_	-	275 357	275 246	_	_	_	_	-	-	260 936	286 308
EC441 MATATIELE	303 970	_	-	303 970	303 970	_	-	-	-	-	-	286 308	260 936
EC443 MBIZANA	341 204	-	-	341 204	341 204	-	-	-	-	-	-	320 095	320 095
EC444 NTABANKULU	157 487	_	-	157 487	157 487	_	-	-	-	-	-	149 587	149 587
DC44 ALFRED NZO DIST	734 119	_	-	734 119	734 119	_	-	-	-	-	-	686 652	686 652
MUNICIPAL													
TOTAL M 004 EC: MUNICIPALITIES		-	-	-	-	-	-	-	-	-	-	-	-
M 004 FS: MUNICIPALITIES		-	-	-	-	-	-	-	-	-	-	-	-
MAN MANGAUNG	I 037 664	-	-	I 037 664	655 473	-	-	-	-	-	-	938 383	646 683
FS161 LETSEMENG	84 906	-	-	84 906	61 904	-	-	-	-	-	-	79 028	65 028
FS162 KOPANONG	110 594	-	-	110 594	85 683	-	-	-	-	-	-	103 546	78 546
FS163 MOHOKARE	93 733	-	-	93 733	70 379	-	-	-	-	-	-	86 952	61 246
DC16 XHARIEP DISTRICT	50 851	-	-	50 851	50 851	-	-	-	-	-	-	49 161	49 161
MUNICIPAL													
FS181 MASILONYANA	158 510	-	-	158 510	139 510	-	-	-	-	-	-	147 095	137 087
FS182TOKOLOGO	75 080	-	-	75 080	66 417	-	-	-	-	-	-	70 432	68 502
FS183TSWELOPELE	97 242	-	-	97 242	97 242	-	-	-	-	-	-	91 219	91 219
fs184 Matjhabeng	685 410	-	-	685 410	665 403	-	-	-	-	-	-	628 523	553 423
FS185 NALA	153 857	-	-	153 857	151 163	-	-	-	-	-	-	144 920	142 632
DC18 LEJWELEPUTSWA DIST	149 132	-	-	149 132	148 102	-	-	-	-	-	-	144 044	144 044
MUNICPAL	251 407			251 407	224044							224.444	102 (24
FS191 SETSOTO	251 487	-	-	251 487	224 964	-	-	-	-	-	-	234 466	182 624
FS192 DIHLABENG	230 471	-	-	230 471	200 471	-	-	-	-	-	-	210 193	190 193
FS193 NKETOANA	130 625	-	-	130 625	120 238	-	-	-	-	-	-	120 870	112 693
FS 194 MALUTIAPHOFUNG	801 631	-	-	801 631	796 916	-	-	-	-	-	-	744 441	743 235
FS195 PHUMELELA	99 870	-	-	99 870	91 003	-	-	-	-	-	-	93 052	87 052
FS196 MATSOPA	110 130	-	-	110 130	87 663	-	-	-	-	-	-	102 426	88 862





ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION		TRANSFER				SPE				
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
DC19THABO MOFUTSANYANE DIST MUN	135 615	-	-	135 615	135 278	-	-	-	-	-	-	130 459	130 459
FS201 MOQHAKA	279 982	-	-	279 982	278 006	-	-	-	-	-	-	257 433	257 433
FS203 NGWATHE	261 348	-	-	261 348	192 894	-	-	-	-	-	-	241 451	192 374
FS204 METSIMAHOLO	276 178	-	-	276 178	269 291	-	-	-	-	-	-	246 748	242 194
FS205 MAFUBE	128 231	-	-	128 231	109 252	-	-	-	-	-	-	118 903	106 903
DC20 FEZILE DABI DIST MUNICIPAL	173 824	-	-	173 824	172 145	-	-	-	-	-	-	168 576	168 576
TOTAL M 004 FS: MUNICIPALITIES													
M 004 GP:MUNICIPALITIES													
EKU EKURHULENI METRO	5 155 680	-	-	5 155 680	5 097 232	-	-	-	-	-	-	4 606 943	4 604 030
JHB CITY OF JOHANNESBURG	7 053 154	-	-	7 053 154	6 931 853	-	-	-	-	-	-	6 279 400	5 643 542
TSH CITY OFTSHWANE	3 993 570	-	-	3 993 570	3 665 545	-	-	-	-	-	-	3 551 250	3 366 807
GT421 EMFULENI	I 066 025	-	-	I 066 025	I 027 952	-	-	-	-	-	-	971 061	954 712
GT422 MIDVAAL	160 539	-	-	160 539	160 539	-	-	-	-	-	-	143 164	140 751
GT423 LESEDI	203 275	-	-	203 275	203 275	-	-	-	-	-		181 382	181 319
DC42 SEDIBENG DISTRICT MUNICIPAL	303 338	-	-	303 338	303 309	-	-	-	-	-	-	293 991	293 186
GT481 MOGALE CITY	603 436	-	-	603 436	603 436	-	-	-	-	-	-	539 525	539 525
GT484 MERAFONG CITY	285 050	-	-	285 050	284 235	-	-	-	-	-	-	259 031	259 007
GT485 NEW LOC MUN(RNDFNTN&WSTNR)	435 302	-	-	435 302	435 302	-	-	-	-	-	-	393 139	388 113
DC48 WEST RAND DIST MUNICIPALITY	238 416	-	-	238 416	238 18	-	-	-	-	-	-	230 252	230 252
TOTAL M 004 GP:MUNICIPALITIES		-	-	-		-	-	-	-	-	-	-	-
M 004 KZN:MUNICIPALITIES		-	-	-		-	-	-	-	-	-	-	-
ETH ETHEKWINI	4 497 334	-	-	4 497 334	4 108 125	-	-	-	-	-	-	4 057 189	3 994 457
KZN212 UMDONI LOCAL MUNICIPALITY	173 612	-	-	173 612	173 612	-	-	-	-	-	-	162 218	162 218



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

					2023/24								2/23
		GRANT A	LLOCATION			TRANSFE	₹		SPEN	٧T			
	DoRA and Other			Total	Actual	Funds	Re- allocations by National Treasury or National	Amount received by	Amount spent by	Unspent	% of available funds spent by	DORA and other	Actual
Name of Municipality	transfers	Roll overs	Adjustments	Available	transfer	withheld		department		funds	department	transfers	transfers
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000		R'000	R'000
KZN213 UMZUMBE	162 954	-	-	162 954	162 954	-	-	-	-	-	-	154 862	154 780
KZN214 UMUZIWABANTU	117 131	-	-	117 131	117 131	-	-	-	-	-	-	110 541	110 541
KZN216 RAY NKONYENI	285 237	-	-	285 237	284 824	-	-	-	-	-	-	260 646	257 607
DC21 UGU DISTRICT	630 083	-	-	630 083	630 083	-	-	-	-	-		585 146	585 146
MUNICIPALITY													
kzn221 umshwathi	132 526	-	-	132 526	132 526	-	-	-	-	-	-	123 847	123 847
KZN222 UMNGENI	98 874	-	-	98 874	98 874	-	-	-	-	-	-	88 389	88 389
KZN223 MPOFANA	46 412	-	-	46 412	43 567	-	-	-	-	-	-	43 460	43 460
KZN224 IMPENDLE	48 008	-	-	48 008	41 908	-	-	-	-	-	-	45 621	45 621
KZN225 MSUNDUZI	767 222	-	-	767 222	767 222	-	-	-	-	-	-	696 056	695 966
KZN226 MKHAMBATHINI	83 212	-	-	83 212	83 212	-	-	-	-	-	-	77 519	77 519
KZN227 RICHMOND	92 919	-	-	92 919	92 919	-	-	-	-	-	-	86 421	86 378
DC22 UMGUNGUNDLOVU DIST MUN	718 520	-	-	718 520	714 340	-	-	-	-	-	-	669 855	669 855
KZN235 OKHAHLAMBA	158 616	-	-	158 616	158 616	-	-	-	-	-	-	149 733	149 733
KZN237 INKOSI ILANGALIBALELE	233 273	-	-	233 273	232 170	-	-	-	-	-	-	218 092	218 092
KZN238 ALFRED DUMA	307 255	-	-	307 255	306 996	-	-	-	-	-	-	285 377	283 515
DC23 UTHUKELA DIST MUNICIPALITY	579 191	-	-	579 191	575 391	-	-	-	-	-	-	539 912	527 936
KZN241 UNDUMENI	66 528	-	-	66 528	66 528	-	-	-	-	-		60 247	59 991
KZN242 NQUTHU	179 521	-	-	179 521	179 521	-	-	-	-	-	-	169 636	169 636
KZN244 MSINGA	220 590	-	-	220 590	220 590	-	-	-	-	-	-	206 533	206 533
KZN245 UMVOTI	176 236	-	-	176 236	175 620	-	-	-	-	-	-	162 289	162 289
DC24 UMZINYATHI DIST MUNICIPAL	489 713	-	-	489 713	489 713	-	-	-	-	-	-	453 007	444 304
KZN252 NEWCASTLE	506 803	_	_	506 803	497 139	_	_	_	_	_	_	466 902	457 761
KZN253 EMADLANGENI	38 069	_	_	38 069	38 069	_	_	_	_	_	_	36 076	36 076
KZN254 DANNHAUSER	114 793	-	-	114 793	113 791	-	-	-	-	-	-	108 935	108 935



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFE	₹		SPEN	٧T			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
DC25 AMAJUBA DIST MUNICIPALITY	213 997	-	-	213 997	201 818	-	-	-	-	-	-	201 814	181 764
KZN261 EDUMBE	99 029	-	-	99 029	99 029	-	-	-	-	-	-	93 423	93 029
KZN262 UPHONGOLO	182 291	-	-	182 291	182 291	-	-	-	-	-	-	169 597	169 597
KZN263 ABAQULUSI	203 715	-	-	203 715	203 715	-	-	-	-	-		187 494	187 494
KZN265 NONGOMA	200 974	-	-	200 974	200 974	-	-	-	-	-	-	189 932	189 932
KZN266 ULUNDI	207 486	-	-	207 486	207 486	-	-	-	-	-		196 348	196 348
DC26 ZULULAND DIST MUNICIPALITY	631 671	-	-	631 671	631 671	-	-	-	-	-		586 391	585 622
KZN271 UMHLABUYALINGANA	230 05 1	-	-	230 05 1	230 05 I	-	-	-	-	-	-	213 526	211 832
KZN272 JOZINI	246 447	-	-	246 447	246 447	-	-	-	-	-	-	230 520	230 520
KZN275 MTUBATUBA	232 846	-	-	232 846	232 846	-	-	-	-	-	-	215 419	215 419
KZN276 BIG FIVE/HLABISA LOC MUN	147 469	-	-	147 469	146 686	-	-	-	-	-	-	137 249	137 238
DC27 UMKHANYAKUDE DIST MUNICIP	584 008	-	-	584 008	535 081	-	-	-	-	-	-	537 398	499 595
KZN281 MFOLOZI	177 234	-	-	177 234	176 200	-	-	-	-	-	-	165 314	165 314
KZN282 UMHLATHUZE LOCAL MUN	520 860	-	-	520 860	520 860	-	-	-	-	-	-	471 939	471 939
KZN284 UMHLAZI	241 259	-	-	241 259	241 259	-	-	-	-	-	-	226 733	226 654
KZN285 MTHONJANENI LOCAL MUN	98 426	-	-	98 426	98 426	-	-	-	-	-		93 695	93 695
KZN286 NKANDLA	120 197	-	-	120 197	120 197	-	-	-	-	-		114 409	114 409
DC28 UTHUNGULU DIST MUNICIPAL	691 084	-	-	691 084	688 392	-	-	-	-	-	-	647 196	644 612
KZN291 MANDENI	230 823	-	-	230 823	230 199	-	-	-	-	-	-	212 818	209 944
KZN292 KWADUKUZA	259 016	-	-	259 016	259 016	-	-	-	-	-	-	228 012	228 012
KZN293 NDWEDWE	194 116	-	-	194 116	194 051	-	-	-	-	-	-	181 613	181 613
KZN294 MAPHUMULO	114 027	-	-	114 027	114 027	-	-	-	-	-	-	108 314	108 314

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFEI	₹		SPEN	NT			
Name of Mandalandin	DoRA and Other	D-II	A.B.	Total	Actual	Funds	Reallocations by National Treasury or National	Amount received by	Amount spent by	Unspent	% of available funds spent by	DORA and other	Actual
Name of Municipality	transfers R'000	R'000	Adjustments R'000	Available R'000	transfer R'000	withheld R'000	department %	department R'000	R'000	funds R'000	department %	transfers R'000	transfers R'000
DC29 ILEMBE DISTRICT MUNICIPAL	743 712	K 000	K 000	743 712	743 712		/6	K 000	K 000	K 000		680 949	680 949
KZN433 GRAETER KOKSTAD	81 030	-	-	81 030	80 202	-	-	-	-	-	-	75 091	75 091
KZN434 UBUHLEBEZWE	139 317	-	-	139 317	139 317	-	-	-	-	-	-	131 712	131 712
KZN435 UMZIMKHULU	246 074	-	-	246 074	246 074	-	-	-	-	-	-	230 678	190 811
KZN436 DR NKOSAZANA DLAMINI	162 271	-	-	162 271	162 271	-	-	-	-	-	-	152 466	152 466
ZUMA	162 2/1	-	-	162 2/1		-	-	-	-	-	-	132 466	132 466
DC43 HARRY GWALA DISTRICT MUN	463 631	-	-	463 631	463 631	-	-	-	-	-	-	432 6	432 6
TOTAL M 004 KZN:MUNICIPALITIES													
M 004 LP:MUNICIPALITIES													
LIM471 EMPRAIM MOGALE	191 533	-	-	191 533	191 533	-	-	-	-	-	-	178 826	178 826
LIM473 MAKHUDUTHAMAGA	344 706	-	-	344 706	344 706	-	-	-	-	-	_	334 260	328 803
LIM472 ELIAS MOTSOALEDI	358 519	-	-	358 519	337 809	-	-	-	-	-	_	324 200	324 200
LIM476 GRTR TUBATSE/ FETAKGOMO	584 706	-	-	584 706	584 544	-	-	-	-	-	-	537 000	518 024
DC47 GREATER SEKHUKHUNE DIST MUN	I 072 869	-	-	I 072 869	828 225	-	-	-	-	-	-	989 172	947 647
LIM331 GREATER GIYANI	376 486	_	-	376 486	376 227	_	_	-	_	_	_	352 203	352 203
LIM332 GREATER LETABA	365 992	_	-	365 992	365 992	_	-	-	_	_	_	341 960	341 960
LIM333 GREATER TZANEEN	521 211	-	-	521 211	521 211	_	-	-	-	-	_	481 161	479 694
LIM334 BAPHALABORWA	205 239	-	-	205 239	205 239	_	-	-	-	-	_	189 853	188 935
LIM335 MARULENG	164 988	_	-	164 988	164 988	-	-	-	-	-	_	153 904	150 102
DC33 MOPANI DIST MUNICIPALITY	1 265 409	-	-	I 265 409	1 239 144	_	_	-	_	-	_	1 170 419	1 130 419
LIM341 MUSINA LOCAL MUNICIPALITY	216 341	-	-	216 341	214 341	-	-	-	-	-	-	193 793	192 995
LIM343 THULAMELA LOCAL MUN	589 600	_	_	589 600	589 587	_	_	_	_	_		547 969	547 969
LIM344 MAKHADO	481 943	_	_	481 943	481 943		_	_			_	445 889	445 889
LIM345 NEW LOCAL MUNICIPALITY	486 442	_	_	486 442	486 442	_	_	_	_	_	_	454 043	454 043
LII 1343 INEVV LOCAL I IUNICIPALITI	486 442	-	-	406 442	486 442	-	-	-	-	-	-	454 043	454 043



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFER	₹		SPEN	NT.			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
DC34 VHEMBE DIST MUNICIPALITY	I 385 786	-	-	I 385 786	I 385 556	-	-	-	-	-	-	I 276 805	1 267 108
LIM351 BLOUBERG LOCAL MUN	233 792	-	-	233 792	233 577	-	-	-	-	-	-	221 256	221 076
LIM353 MOLEMOLE LOCAL MUN	178 109	-	-	178 109	178 016	-	-	-	-	-	-	168 761	168 571
LIM354 POLOKWANE LOCAL MUN	1 318 621	-	-	1 318 621	1 301 376	-	-	-	-	-	-	1 196 549	1 060 551
LIM355 LEPELLENKUMPI	319 605	-	-	319 605	304 282	-	-	-	-	-	-	301 329	295 205
DC35 CAPRICORN DIST MUNICIPALITY	777 252	-	-	777 252	777 252	-	-	-	-	-	-	730 232	729 959
LIM361 THABAZIMBI	135 742	-	-	135 742	122 242	-	-	-	-	-	-	122 061	107 300
LIM362 LEPHALALE	226 374	-	-	226 374	226 374	-	-	-	-	-	-	202 071	202 071
LIM366 BELA BELA	129 614	-	-	129 614	129 614	-	-	-	-	-	-	117 909	117 695
LIM367 MOGALAKWENA	574 110	-	-	574 110	573 978	-	-	-	-	-	-	535 476	473 198
LIM368 MODIMOLLE/ MOOKGOPONG L MN	144 925	-	-	144 925	144 533	-	-	-	-	-		134 343	132 643
DC36 WATERBERG DIST MUNICIPALITY	150 704	-	-	150 704	150 598	-	-	-	-	-	-	145 500	145 500
TOTAL M 004 LP:MUNICIPALITIES													
M 004 MP:MUNICIPALITIES													
MP301 ALBERT LUTHULI	418 105	-	-	418 105	418 105	-	-	-	-	-	-	388 235	388 235
MP302 MSUKALINGWA	252 878	-	-	252 878	252 878	-	-	-	-	-	-	227 520	227 019
MP303 MKHONDO	332 438	-	-	332 438	332 438	-	-	-	-	-	-	303 974	296 920
MP304 PIXLEY KA SEME	157 696	-	-	157 696	142 096	-	-	-	-	-	-	146 850	121 769
MP305 LEKWA	167 773	-	-	167 773	167 773	-	-	-	-	-	-	152 423	152 423
MP306 DIPALESENG	100 018	-	-	100 018	100 018	-	-	-	-	-	-	91 860	88 067
MP307 GOVAN MBEKI	426 701	-	-	426 701	426 701	-	-	-	-	-	-	380 023	337 678
DC30 GERT SIBANDE DIST MUNICIPAL	327 436	-	-	327 436	327 436	-	-	-	-	-	-	317 655	317 655
MP311 VICTOR KHANYE	140 606	-	-	140 606	140 606	-	-	-	-	-	-	127 094	127 094
MP312 EMALAHLENI	558 930	-	-	558 930	558 930	-	-	-	-	-		493 518	493 518

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFE	₹		SPE	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
MP313 STEVETSHWETE	326 198	-	-	326 198	326 198	-	-	-	-	-	-	284 669	284 669
MP314 EMAKHAZENI	87 426	-	-	87 426	87 426	-	-	-	-	-	-	80 242	80 242
MP315THEMBISILE	557 502	-	-	557 502	557 502	-	-	-	-	-	-	513 707	513 707
MP316 DR JS MOROKA	491 709	-	-	491 709	491 709	-	-	-	-	-	-	461 561	461 561
DC3 I NKANGALA DIST MUNICIPALITY	401 237	-	-	401 237	401 237	-	-	-	-	-	-	388 810	388 810
MP321 THABA CHWEU	207 969	-	-	207 969	178 683	-	-	-	-	-	-	187 934	187 838
MP324 NKOMAZI	788 535	-	-	788 535	788 535	-	-	-	-	-	-	725 681	723 672
MP325 BUSHBUCKRIDGE	I 054 098	-	-	1 054 098	1 054 098	-	-	-	-	-	-	979 294	979 294
MP326 MBOMBELA/UMJINDI LOC MUN	1 049 002	-	-	1 049 002	959 002	-	-	-	-	-	-	948 458	888 406
DC32 EHLANZENI DIST MUNICIPALITY	295 254	-	-	295 254	295 254	-	-	-	-	-	-	284 129	284 129
TOTAL M 004 MP:MUNICIPALITIES													
M 004 NC: MUNICIPALITIES		-	-	-		-	-	-	-	-	-	-	-
NC061 RICHTERSVELD	25 229	-	-	25 229	25 127	-	-	-	-	-	-	23 414	23 085
NC062 NAMA KHOI	63 411	-	-	63 411	58 647	-	-	-	-	-	-	58 610	43 629
NC064 KAMIESBERG	32 313	-	-	32 313	28 092	-	-	-	-	-	-	30 608	25 925
NC065 HANTAM	33 888	-	-	33 888	33 888	-	-	-	-	-	-	31 566	31 566
NC066 KAROO HOOGLAND	32 820	-	-	32 820	32 820	-	-	-	-	-	-	30 429	30 429
NC067 KHAIMA	27 500	-	-	27 500	24 739	-	-	-	-	-	-	25 674	19 486
DC6 NAMAKWA DISTRICT MUNICIPALIT	57 516	-	-	57 516	57 516	-	-	-	-	-	-	55 849	55 849
NC071 UBUNTU	49 595	-	-	49 595	44 569	-	-	-	-	-	-	46 240	45 697
NC072 UMSOBOMVU	69 563	-	-	69 563	68 911	-	-	-	-	-	-	64 182	63 686
NC073 EMTHANJENI	59 609	-	-	59 609	57 856	-	-	-	-	-	-	55 218	45 940
NC074 KAREEBERG	35 728	-	-	35 728	-	-	-	-	-	-	-	33 449	-
NC075 RENOSTERBERG	34 139	-	-	34 139	33 760	-	-	-	-	-		31 992	29 856



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	2023/24										202	2/23	
		GRANT A	LLOCATION			TRANSFE	₹		SPE	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
NC076THEMBELIHLE	36 145	-	-	36 145	33 742	-	-	-	-	-	-	33 949	33 433
NC077 SIYATHEMBA	45 538	-	-	45 538	40 407	-	-	-	-	-	-	42 278	38 858
NC078 SIYANCUMA	62 417	-	-	62 417	53 585	-	-	-	-	-	-	58 828	39 520
DC7 PIXLEY KA SEME DISTRICT MUN	61 791	-	-	61 791	61 791	-	-	-	-	-	-	59 758	59 758
NC082 !KAI ! GARIB	119 217	-	-	119 217	109 909	-	-	-	-	-	-	108 332	104 332
NC084 !KHEIS	35 007	-	-	35 007	30 499	-	-	-	-	-	-	33 197	28 497
NC085 TSANTSABANE	55 306	-	-	55 306	49 449	-	-	-	-	-	-	50 27 I	37 690
NC086 KGATELOPELE	33 241	-	-	33 241	33 241	-	-	-	-	-	-	30 490	30 490
NC087 DAWID KRUIPER	116 595	-	-	116 595	115 634	-	-	-	-	-	-	106 741	106 741
DC8 Z.F. MQCAWU DISTRICT MUN	81 190	-	-	81 190	81 190	-	-	-	-	-	-	78 618	78 618
NC091 SOL PLAATJIE	263 135	-	-	263 135	255 902	-	-	-	-	-	-	239 158	232 560
NC092 DIKGATLONG	116 361	-	-	116 361	111 599	-	-	-	-	-	-	108 029	102 507
NC093 MAGARENG	61 591	-	-	61 591	58 050	-	-	-	-	-		57 991	52 567
NC094 PHOKWANE	134 246	-	-	134 246	130 946	-	-	-	-	-	-	126 099	105 488
DC9 FRANCES BAARD DIST MUNICIPAL	136 271	-	-	136 271	136 271	-	-	-	-	-	-	132 171	132 171
NC451 JOE MOROLONG	180 561	-	-	180 561	180 561	-	-	-	-	-	-	170 407	169 246
NC452 GASEGONYANA	230 911	-	-	230 911	230 426	-	-	-	-	-	-	210 902	203 103
NC453 GAMAGARA	61 684	-	-	61 684	61 684	-	-	-	-	-	-	53 715	47 226
DC45 JOHN TAOLO GAETSWEWE MUN	106 128	-	-	106 128	106 128	-	-	-	-	-	-	102 257	102 257
TOTAL M 004 NC: MUNICIPALITIES													
M 004 NW: MUNICIPALITIES				-		-	-	-	-	-	-	-	-
NW371 MORETELE	443 171	-	-	443 171	443 077	-	-	-	-	-	-	415 351	402 160
NW372 MADIBENG	I 052 334	-	-	1 052 334	I 050 786	-	-	-	-	-	-	941 456	941 331
NW373 RUSTENBURG	I 072 059	-	-	I 072 059	1 035 510	-	-	-	-	-	-	941 352	815 802
NW374 KGETLENGRIVIER	129 725	-	-	129 725	129 460	-	-	-	-	-	-	117 740	107 680

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFE	₹		SPEI	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
NW375 MOSES KOTANE	566 087	-	-	566 087	561 437	-	-	-	-	-		528 602	527 985
DC37 BOJANALA PLATINUM DIST MUN	396 790	-	-	396 790	396 790	-	-	-	-	-	-	381 952	381 750
NW381 RATLOU	160 330	-	-	160 330	159 197	_	-	-	-	-	-	150 626	148 997
NW382TSWAING	151 406	-	-	151 406	151 406	-	-	-	-	-	-	140 780	140 548
NW383 MAFIKENG	357 840	-	-	357 840	357 641	-	-	-	-	-	-	327 788	327 788
NW384 DITSOBOTLA	174 108	-	-	174 108	161 108	-	-	-	-	-	-	159 232	145 608
NW385 RAMOTSHERE MOILOA	231 416	-	-	231 416	231 416	-	-	-	-	-	-	215 223	215 223
DC38 NGAKA MODIRI MOLEMA DIST MU	1 051 811	-	-	1 051 811	969 792	-	-	-	-	-	-	974 124	973 665
NW392 NALEDI	68 455	-	-	68 455	68 455	-	-	-	-	-	-	63 233	62 576
NW393 NAMUSA	71 798	-	-	71 798	68 612	-	-	-	-	-	_	66 849	59 307
NW394 GREATER TAUNG	244 27 I	-	-	244 271	240 250	-	-	-	-	-	_	231 374	231 014
NW396 LEKWATEEMANE	65 147	-	-	65 147	60 479	-	-	-	-	-	-	60 204	54 690
NW397 MOLOPOKAGISANO	153 047	-	-	153 047	146 116	-	-	-	-	-	-	144 818	144 765
DC39 DR RUTH SEGOMTSI MUN	479 123	-	-	479 123	417 840	-	-	-	-	-		448 060	200 056
NW403 CITY OF MATLOSANA	599 104	-	-	599 104	584 455	-	-	-	-	-	-	545 300	538 013
NW404 MAQUASSI HILLS	171 953	-	-	171 953	171 953	-	-	-	-	-	-	159 404	159 404
NW405 VENTERSDORP/TLOKWE LOC MN	383 920	-	-	383 920	377 688	-	-	-	-	-	-	343 436	343 436
DC40 DR KENNETH KAUNDA MUN	213 548	-	-	213 548	213 548	-	-	-	-	-	_	206 714	206 714
TOTAL M 004 NW: MUNICIPALITIES													
M 004 WC:MUNICIPALITIES													
CPT CITY OF CAPETOWN	4 066 769	-	-	4 066 769	4 066 769	-	-	-	-	-	-	3 656 394	3 656 394
WC011 MATZIKAMA	76 264	-	-	76 264	56 264	-	-	-	-	-	-	69 892	59 995
WC012 CEDERBERG	67 058	-	-	67 058	65 984	-	-	-	-	-	-	61 451	60 377
WC013 BERGRIVIER	63 544	-	-	63 544	63 544	-	-	-	-	-	-	57 506	55 840
WC014 SALDANHA BAY	129 270	-	-	129 270	129 270	-	-	-	-	-	_	115 943	115 943



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPEN	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department		Amount spent by department	Unspent funds	% of available funds spent by department	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
WC015 SWARTLAND	143 235	-	-	143 235	143 235	-	-	-	-	-	-	126 228	126 228
DCI WEST COAST DISTRICT MUNICIPL	107 029	-	-	107 029	107 029	-	-	-	-	-		103 374	103 374
WC022 WITZENBERG	135 729	-	-	135 729	135 729	-	-	-	-	-	-	121 668	116 521
WC023 DRAKENSTEIN	215 718	-	-	215 718	215 718	-	-	-	-	-	-	194 355	194 355
WC024 STELLENBOSCH	200 841	-	-	200 841	191 278	-	-	-	-	-	-	179 634	179 634
WC025 BREEDE VALLEY	162 453	-	-	162 453	161 373	-	-	-	-	-	-	147 822	147 822
WC026 LANGEBERG	106 265	-	-	106 265	94 577	-	-	-	-	-	-	97 528	97 528
DC2 CAPE WINELANDS DIST MUNICIP	258 729	-	-	258 729	258 729	-	-	-	-	-	-	251 295	251 295
WC031 THEEWATERSKLOOF	131 583	-	-	131 583	130 903	-	-	-	-	-	-	120 101	110 527
WC032 OVERSTRAND	157 935	-	-	157 935	157 935	-	-	-	-	-	-	141 896	141 896
WC033 CAPE AGULHAS	40 380	-	-	40 380	40 010	-	-	-	-	-	-	37 037	36 727
DC3 OVERBERG DISTRICT MUNICIPAL	84 437	-	-	84 437	84 437	-	-	-	-	-	-	81 486	81 486
WC041 KANNALAND	35 348	-	-	35 348	35 348	-	-	-	-	-	-	33 259	27 223
WC042 HESSEQUA	59 164	-	-	59 164	59 164	-	-	-	-	-	-	54 287	54 287
WC043 MOSSEL BAY	130 634	-	-	130 634	130 634	-	-	-	-	-		119 020	119 020
WC044 GEORGE	214 691	-	-	214 691	213 468	-	-	-	-	-	-	193 460	193 460
WC045 OUDTSHOORN	96 434	-	-	96 434	96 367	-	-	-	-	-	-	89 431	89 431
WC047 BITOU	144 726	-	-	144 726	144 726	-	-	-	-	-	-	129 019	128 022
WC048 KNYSNA	122 358	-	-	122 358	118 344	-	-	-	-	-	-	111 170	107 720
DC4 EDEN DISTRICT MUNICIPALITY	178 333	-	-	178 333	178 098	-	-	-	-	-	-	172 721	172 721
WC051 LAINGSBURG	21 520	-	-	21 520	21 520	-	-	-	-	-	-	20 139	19 478
WC052 PRINCE ALBERT	28 653	-	-	28 653	28 653	-	-	-	-	-	-	26 548	26 548
WC053 BEAUFORT WEST	83 574	-	-	83 574	83 574	-	-	-	-	-	-	77 265	77 265
DC5 CENTRAL KAROO DIST MUNICIPAL	37 712	-	-	37 712	36 681	-	-	-	-	-	-	36 456	36 456

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						202	2/23
		GRANT A	LLOCATION			TRANSFE	R		SPE	NΤ			
	DoRA and Other			Total	Actual	Funds	Re- allocations by National Treasury or National	Amount received by	Amount spent by	Unspent	% of available funds spent by	DORA and other	Actual
Name of Municipality	transfers		Adjustments		transfer	withheld	department			funds	department	transfers	transfers
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000		R'000	R'000
TOTAL LOCAL GOVERNMENT EQUITABLE SHARE GRANT	95 188 741	-	-	95 188 741	92 261 856	-	-	-	-	-	-	87 311 493	83 937 761
LICENSING				-		-	-		-	-	-		
Tshwane Metro Municipality	29			29	29	-	-	-	-	-	-	122	33
MUNICIPAL DISASTER RECOVERY GRNT													
ETH ETHEKWINI	16 442	-	-	16 442	16 442	-	-	16 442	5 000	11 442	30,4%	I 534 785	I 534 785
EC101 DR BEYERS NAUDE LOCAL MUN	-	-	6 585	6 585	6 585	-	-	6 585	-	6 585	0,0%	-	-
EC 102 BLUE CRANE ROUTE	-	-	30 491	30 491	30 491	-	-	30 49 I	-	30 491	0,0%	-	-
EC121 MBHASHE	-	-	32 204	32 204	32 204	-	-	32 204	1 422	30 782	4,4%	-	-
EC122 MNQUMA	-	-	8 625	8 625	8 625	-	-	8 625	-	8 625	0,0%	-	-
EC124 AMAHLATI	-	-	25 512	25 512	25 512	-	-	25 512	I 582	23 930	6,2%	-	-
EC126 NGQUSHWA	-	-	20 330	20 330	20 330	-	-	20 330	-	20 330	0,0%	-	-
EC129 RAYMOND MHLABA	-	-	36 534	36 534	36 534	-	-	36 534	2 740	33 794	7,5%	-	-
EC131 INXUBAYETHEMBA	-	-	11 233	11 233	11 233	-	-	11 233	876	10 357	7,8%	-	-
EC 135 INTSIKA YETHU	-	-	38 991	38 991	38 991	-	-	38 991	-	38 991	0,0%	-	-
EC136 EMALAHLENI	-	-	42 739	42 739	42 739	-	-	42 739	-	42 739	0,0%	-	-
EC137 ENGCOBO	-	-	25 172	25 172	25 172	-	-	25 172	2 805	22 367	11,1%	-	-
EC138 SAKHISIZWE	-	-	47 326	47 326	47 326	-	-	47 326	-	47 326	0,0%	-	-
EC139 ENOCH MGIJIMA LOCAL MUN	-	-	42 681	42 681	42 681	-	-	42 681	-	42 681	0,0%	-	-
DC13 CHRIS HANI DIST MUNICIPALIT	-	-	27 695	27 695	27 695	-	-	27 695	3 777	23 918	13,6%	-	-
EC153 NGOUZA HILL	-	-	10 812	10 812	10 812	-	-	10 812	-	10 812	0,0%	-	-
EC154 PORT ST JOHNS	-	-	34 161	34 161	34 161	-	-	34 161	-	34 161	0,0%	-	-
ECI55 NYANDENI	-	-	46 987	46 987	46 987	-	-	46 987	-	46 987	0,0%	-	-
EC156 MHLONTLO	-	-	33 364	33 364	33 364	-	-	33 364	2 034	31 330	6,1%	-	-
EC157 KI SABATA DALINDYEBO	-	-	40 215	40 215	40 215	-	-	40 215	-	40 215	0,0%	-	-
EC442 UMZIMVUBU	-	-	35 777	35 777	35 777	-	-	35 777	1717	34 060	4,8%	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

						2023/24						2022	2/23
		GRANT A	LLOCATION			TRANSFE	₹		SPE	NT			
Name of Municipality	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re- allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	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
EC441 MATATIELE	-	-	32 706	32 706	32 706	-	-	32 706	-	32 706	0,0%	-	-
EC443 MBIZANA\WINNIE	-	-	-	-	-	-	-	-	-	-		33 806	33 806
MADIKIZELA -MANDELA													
EC444 NTABANKULU	-	-	28 404	28 404	28 404	-	-	28 404	931	27 473	3,3%	-	-
KZN213 UMZUMBE	15 772	-	-	15 772	15 772	-	-	15 772	5 209	10 563	33,0%	9 000	9 000
KZN214 UMUZIWABANTU	13 562	-	-	13 562	13 562	-	-	13 562	-	13 562	0,0%	-	-
KZN216 RAY NKONYENI	82 298	-	-	82 298	82 298	-	-	82 298	29 139	53 159	35,4%	-	-
DC21 UGU DISTRICT MUNICIPALITY	129 775	-	-	129 775	-	-	-	-	-	-		-	-
KZN222 UMNGENI	-	-	7 418	7 418	7 418	-	-	7 418	-	7 418	0,0%	-	-
KZN224 IMPENDLE	-	-	46 629	46 629	46 629	-	-	46 629	-	46 629	0,0%	-	-
KZN225 MSUNDUZI	-	-	39 600	39 600	39 600	-	-	39 600	-	39 600	0,0%	-	-
KZN235 OKHAHLAMBA	-	-	26 548	26 548	26 548	-	-	26 548	-	26 548	0,0%	-	-
KZN237 INKOSI ILANGALIBALELE	-	-	8 000	8 000	8 000	-	-	8 000	-	8 000	0,0%	76 950	76 950
KZN238 ALFRED DUMA	-	-	-	-	-	-	-	-	-	-		22 000	22 000
KZN241 UNDUMENI	-	-	6 400	6 400	6 400	-	-	6 400	-	6 400	0,0%	-	-
KZN244 MSINGA	-	-	18 029	18 029	18 029	-	-	18 029	-	18 029	0,0%	-	-
KZN252 NEWCASTLE	-	-	20 652	20 652	20 652	-	-	20 652	-	20 652	0,0%	-	-
KZN253 EMADLANGENI	-	-	18 523	18 523	18 523	-	-	18 523	-	18 523	0,0%	-	-
DC25 AMAJUBA DIST MUNICIPALITY	-	-	30 000	30 000	30 000	-	-	30 000	-	30 000	0,0%	-	-
KZN261 EDUMBE	-	-	I 400	1 400	I 400	-	-	I 400	-	I 400	0,0%	-	-
KZN272 JOZINI	-	-	29 803	29 803	29 803	-	-	29 803	-	29 803	0,0%	-	-
KZN282 UMHLATHUZE LOCAL MUN	-	-	-	-	-	-	-	-	-	-		39 466	39 466
KZN291 MANDENI	-	_	-	_	-	-	-	-	-	-		17 023	17 023
KZN292 KWADUKUZA	22 027	_	-	22 027	22 027	-	-	22 027	6 387	15 640	29,0%	1 271 098	1 271 098
DC22 UMGUNGUNDLOVU DIST MUN	-	-	-	-	-	-	-	-	-	-		10 100	10 100

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

	2023/24							202	2/23				
		GRANT A	LLOCATION			TRANSFE	R		SPE	NT			
	DoRA						Re- allocations by National Treasury	Amount	Amount		% of available funds	DORA	
	and Other			Total	Actual	Funds	or National	received by	spent by	Unspent	spent by	and other	Actual
Name of Municipality	transfers		Adjustments	Available	transfer	withheld		department	department	funds	department	transfers	transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
DC29 ILEMBE DISTRICT MUNICIPAL	41 039	-	-	41 039	-	-	-	-	-	-		14 549	14 549
LIM332 GREATER LETABA	-	-	7 990	7 990	7 990	-	-	7 990	-	7 990	0,0%	-	-
LIM333 GREATER TZANEEN	-	-	10 250	10 250	10 250	-	-	10 250	-	10 250	0,0%	-	-
LIM341 MUSINA LOCAL MUNICIPALITY	-	-	6 993	6 993	6 993	-	-	6 993	-	6 993	0,0%	-	-
LIM344 MAKHADO	-	-	18 000	18 000	18 000	-	-	18 000	-	18 000	0,0%	-	-
LIM345 NEW LOCAL MUNICIPALITY	-	-	9 000	9 000	9 000	-	-	9 000	-	9 000	0,0%	-	-
LIM351 BLOUBERG LOCAL MUN	-	-	47 100	47 100	47 100	-	-	47 100	-	47 100	0,0%	-	-
LIM354 POLOKWANE LOCAL MUN	-	-	14 280	14 280	14 280	-	-	14 280	-	14 280	0,0%	-	-
MP301 ALBERT LUTHULI	-	-	15 800	15 800	15 800	-	-	15 800	-	15 800	0,0%	-	-
MP303 MKHONDO	-	-	22 600	22 600	22 600	-	-	22 600	-	22 600	0,0%	-	-
MP304 PIXLEY KA SEME	-	-	700	700	700	-	-	700	-	700	0,0%	-	-
MP305 LEKWA	-	-	11 000	11 000	11 000	-	-	11 000	-	11 000	0,0%	-	-
MP307 GOVAN MBEKI	-	-	7 875	7 875	7 875	-	-	7 875	-	7 875	0,0%	-	-
MP324 NKOMAZI	-	-	66 501	66 501	66 501	-	-	66 501	4 05 I	62 450	6,1%	-	-
MP325 BUSHBUCKRIDGE	-	-	14 720	14 720	14 720	-	-	14 720	-	14 720	0,0%	-	-
MP326 MBOMBELA/UMJINDI LOC MUN	-	-	20 117	20 117	20 117	-	-	20 117	I 273	18 844	6,3%	-	-
WC025 BREEDE VALLEY	-	-	-	-	-	-	-	-	-	-		10 310	10 310
WC031 THEEWATERSKLOOF	-	-	-	-	-	-	-	-	-	-		11 940	11 940
WC034 SWELLENDAM	-	-	-	-	-	-	-	-	-	-		3 553	3 553
WC044 GEORGE	-	-	-	-	-	-	-	-	-	-		237 497	237 497
WC045 OUDTSHOORN	-	-	-	-	-	-	-	-	-	-		26 664	26 664
MUNICIPAL DISASTER RECOVERY GRANT	320 915	-	I 184 472	I 505 387	I 334 573			I 334 573	68 943	I 265 630		3 318 741	3 318 741
TOTAL	115 117 757	-	(18,992)	115 098 765	111 983 663	-	(1 203 464)	19 721 778	-	(1 203 464)		111 931 900	105 700 532



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE IB

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

				2022	/23			
		TRANSFER A	ALLOCATION		TRAN	ISFER		
Departmental Agency or Account	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
Municipal Demarcation Board	73 104	-	-	73 104	73 104	100,0%	74 340	74 340
Municipal Infrastructure Support Agent	36 408	-	-	36 408	36 408	100,0%	400 216	400 216
South African Local Government Association	401 454	-	-	401 454	401 454	100,0%	36 280	36 280
South African Broadcasting Cooperation	-	-	22	22	22	100%	-	-
TOTAL	510 966	-	22	510 988	510 988	510 966	510 836	510 836



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE IE

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

				2022	2/23			
		TRANSFER A	ALLOCATION		EXPENI	DITURE		
Foreign government / International organisation	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Commonwealth Local Govt Forum	383	-	-	383	378	98,7%	666	336
United Cities and Local Governments of Africa – Moroccan office	I 576	-	-	I 576	-	0,0%		
Total	I 959	-	-	I 959	378	I 959	666	336
Subsidies	_	_	_			_	_	_
Total	-	-	-	-	-	-	-	-
TOTAL	I 959	-	-	I 959	378	I 959	666	336





DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE IF

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

/23	2022/			/24	2023		
		DITURE	EXPEND		LLOCATION	TRANSFER A	
Actual transfer	Final Budget	% of available funds transferred	Actual transfer	Total Available	Adjustments	Roll overs	Adjusted Budget
R'000	R'000	%	R'000	R'000	R'000	R'000	R'000
8 508	8 508	100,0%	8 538	8 538	-	-	8 538
-	94	100,0%	95	95	95	-	-
-	7 973	0,0%	-	6 425	-	-	6 425
8 508	16 575	14 963	8 633	15 058	95	-	14 963

Non-profit institutions

Transfers

South African Cities Network Disaster Man Inst of SA United Cities & Local Gov of Africa **TOTAL**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE IG

STATEMENT OF TRANSFERS TO HOUSEHOLDS

				2022	/23			
		TRANSFER A	LLOCATION		EXPEND	DITURE		
Household	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	% of available funds transferred %	Final Budget R'000	Actual transfer R'000
Transfers	ROOD	N CCC		N ooo	H COC	,,		
Leave Gratuity	I 825	-	454	2 279	I 963	86,1%	3 338	3 337
PMNT Refund & Rem Act of grace	-	-	160	160	160	100,0%	12 865	8 939
Non-Employee Bursaries	2 000	-		2 000	I 934	96,7%	I 899	1 600
Claims Against the State	-	-	81	81	81	100,0%	50	50
TOTAL	3 825	-	695	4 520	4 138	3 825	18 152	13 926



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of accordance	Nicona d'alfa dancelar an arrandita	2023/24	2022/23
Name of organisation	Nature of gift, donation or sponsorship	R'000	R'000
Received in kind			
Sponsorships			
UN Habitat	Sponsor official trip to Cairo		40
German IZ	Sponsor official trip to Germany		273
African Union Commission	Sponsor official trip to Mozambique		19
Esri South Africa	Sponsor official trip to United State		50
Centre for the Study of Violence & Recon	Sponsored official trip to Ivory Coast		40
UN Office for Outer Space Training Workshop	Sponsored official trip to Bonn: Germany		30
Two Continental Workshop-Disaster Risk Reduction	Sponsored official trip to Dar es Salam: Tanzania		20
Validation Workshop -2nd Africa Biennial Report on Disaster Risk	Sponsored trip to Ethiopia:Addis Ababa	36	
Esri South Africa	Sponsored trip to San Diego:Carlifonia	142	
African Union Commission	Sponsored trip to Eswatini	14	
eThekwini Municipality	Sponsored flowers,graphic artists, dinner, musical item, photocopy machine during BRICS	997	
KZN National Conventions Bureau	Sponsored entertainment during BRICS urbanisation forum in July 2023 & BRICS Disaster meetings in september 2023	50	
Santam	Sponsored corporate gifts during BRICS meeting	100	
Southern African Development Community (SADC) Secretariat	Sponsored trip to Mozambique	41	
United Nations Office for Disaster Risk Reduction (UNDRR)	Sponsored trip to Kobe, Japan	33	
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH(GIZ)	Sponsored trip to Richards Bay, KZN	50	
United Nations Office for Disaster Risk Reduction	Sponsored trip to Phillipines	28	
UN Office for Outer Space Training Workshop	Sponsored trip to Bonn, Germany	46	
Total sponsorships		I 537	472
Subtotal – received in kind		-	
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		I 537	472



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE IJ

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship (Group major categories but list material items including name of organisation)	2023/24 R'000	2022/23 R'000
Made in kind		
Gifts		
Bereavement gifts	1	2
Gifts for International guests	34	4
Total gifts	35	6
TOTAL GIFTS DONATIONS AND SPONSORSHIPS MADE IN KIND	35	6



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE IL

STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

		GRANT ALLOCATION					
	Division of						
Name of Grant	Revenue Act	Roll overs	Adjustments	Total Available	Amount spent		
	R'000	R'000	R'000	R'000	R'000		
Municipal Systems Improvement Grant (MSIG)							
Training on Municipal Staff Regulations	-	-	-	-	671		
Nelson Mandela Bay	250	-	-	250	100		
Sarah Baartman	2 160	-	-	2 160	366		
Amathole	3 000	-	-	3 000	433		
Chris Hani	1 060	-	-	1 060	64		
Joe Gqabi	2 060	-	-	2 060	411		
O.R. Tambo	17 728	-	-	17 728	64		
Alfred Nzo	1 000	-	-	1 000	100		
Mangaung	1 150	-	-	1 150	1711		
Xhariep	2 100	-	-	2 100	769		
Lejweleputswa	3 113	-	-	3 113	I 778		
Thabo Mofutsanyana	4 000	-	-	4 000	2 621		
Fezile Dabi	I 900	-	-	1 900	I 536		
City of Ekurhuleni	-	-	-	-	100		
City of Johannesburg	-	-	-	-	64		
City of Tshwane	-	-	-	-	64		
Sedibeng	-	-	-	-	367		
West Rand	-	-	-	-	64		
eThekwini	16 666	-	-	16 666	420		
Ugu	1 390	-	-	I 390	128		
uMgungundlovu	3 000	-	-	3 000	2 236		
uThukela	2 000	-	-	2 000	981		
uMzinyathi	1 000	-	-	1 000	111		
Amajuba	1 000	-	-	1 000	378		
Zululand	2 000	-	-	2 000	138		
uMkhanyakude	2 000	-	-	2 000	482		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

		GRANT ALLOCATION					
	Division of						
Name of Grant	Revenue Act	Roll overs	Adjustments	Total Available	Amount spent		
	R'000	R'000	R'000	R'000	R'000		
King Cetshwayo	1 120	-	-	1 120	138		
iLembe	3 460	-	-	3 460	2 301		
Harry Gwala	1 150	-	-	1 150	128		
Mopani	2 900	-	-	2 900	83		
Vhembe	2 900	-	-	2 900	1 593		
Capricorn	1 000	-	-	1 000	83		
Waterberg	20 666	-	-	20 666	3 723		
Sekhukhune	3 500	-	-	3 500	1012		
Gert Sibande	4 300	-	-	4 300	1 571		
Nkangala	2 000	-	-	2 000	975		
Ehlanzeni	3 900	-	-	3 900	3 046		
Namakwa	2 000	-	-	2 000	1 061		
Pixley Ka Seme	2 200	-	-	2 200	642		
Z.F. Mgcawu	4 743	-	-	4 743	563		
Frances Baard	3 200	-	-	3 200	I 37I		
John Taolo Gaetsewe	2 000	-	-	2 000	914		
Bojanala Platinum	5 500	-	-	5 500	I 426		
Ngaka Modiri Molema	5 300	-	-	5 300	599		
Dr Ruth Segomotsi Mompati	5 100	-	-	5 100	2 102		
Dr Kenneth Kaunda		-	-	-	118		
Cape Winelands		-	-	-	111		
Garden Route	1 000	-	-	1 000	1 107		
Central Karoo		-	-	-	111		
Municipal System Improvement Grant	146 516		-	146 516	40 935		
Local Government:Thukela	10 000	_	_	10 000	_		
Local Government: Emfuleni	20 000	-	-	20 000	_		
Municipal Infrastructure Grant	30 000	-	-	30 000	-		
TOTAL	176 516	_	-	176 516	40 935		
. •	173 310			170 310	10 /33		







DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening balance I April 2023 R'000	Liabilities incurred during the year R'000	Liabilities paid / cancelled / reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing balance 31 March 2024 R'000
Claims against the department					
Seriti Institute NPC issued summons to the Department for the payment of retention fee amounting R2,352,926.15 plus interest of 10.25%.	3 080	241	(3 321)	-	-
Pro Rentals including interest at 7.25%	13	1	(14)	-	-
Maphalala NR	58	-		-	58
Sibambene Projects T/A Sibambane Consortium including interest at 10.25%	1881	181	(2 062)	-	
Iketsetse NPO	-	43 23 1	-	-	43 23 I
Labour court matters	4 060	I 307	(3 696)	-	l 67 l
TOTAL	9 092	44 961	(9 093)	-	44 960



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 4

CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
Government entity	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year end	Amount
Department	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department of Traditional Affairs Gauteng Dept of COGTA Pension Fund Government Printing Works Department of Women, Youth & Person with Disabilities Department of Public Works	699 - - 92 -	- 35 - 31 -	3 - - - - 26	868 - 49 - 146	702 - - - 92 26	l 868 35 49 31 146		
Subtotal	92	66	29	2 063	820	2 129		
Other Government Entities Municipal Infrastructure Support Agent	-	-	-	290	-	290		
Subtotal	-	-	-	290	-	290		
TOTAL	791	66	29	2 353	820	2 419		



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 5

INTERGOVERNMENT PAYABLES

		d balance ınding		ed balance anding	То	tal	Cash-in-transit at year end 2023/24 *	
GOVERNMENT ENTITY	31/03/2024 R'000	31/03/2023 R'000	31/03/2024 R'000	31/03/2023 R'000	31/03/2024 R'000	31/03/2023 R'000	Payment date up to six (6) working days after year end	Amount R'000
DEPARTMENTS								
Current								
South African Police Services	94	-	-	48	94	48		
Department of Justice	3	I 778	-	-	3	I 778		
Department of Public Works and Infrastructure		3 948	-	-	-	3 948		
Western Cape Government	47	88	-	-	47	88		
Gauteng Provincial Government G-fleet		41	-	-	-	41		
Department of Home Affairs			-	384	-	384		
Government Printing Works		25	-		-	25		
Total Departments	I 452	5 880	-	432	I 452	6 312		
OTHER GOVERNMENT ENTITIES Non-Current								
SITA	903	851		2 940	903	3 791		
MISA	491	-		-	491			
Total Other Government Entities	I 394	851		2 940	I 394	3 791		
TOTAL INTERCOVERNIMENT DAYAR: 50	2.047	/ 72:		2 272	2.047	10.102		
TOTAL INTERGOVERNMENT PAYABLES	2 846	6 73 1		3 372	2 846	10 103		



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 8A

INTERENTITY ADVANCES PAID (Note 13)

	Confirmed balan	ce outstanding	Unconfirmed ba	ance outstanding	ТОТ	AL
ENTITY	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
	1 192	-	-	15	1 192	15
Government Communication and Information System						
Dept of International Relations (DIRCO)	-	34	-	-	-	34
Subtotal	l 192	34		15	l 192	49
PUBLIC ENTITIES						
SANRAL	11	31	-	-	11	31
Development Bank of South Africa	8 329				8 329	-
Subtotal	8 340	31	-	-	8 340	31
OTHER ENTITIES						
City of Tshwane	-	319	-	-	-	319
Subtotal		319	-	-	-	319
TOTAL	9 532	384	-	15	9 532	399





DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 8B

INTERENTITY ADVANCES RECEIVED (Note 21 AND Note 22)

	Confirmed balar	nce outstanding	Unconfirmed bal	ance outstanding	TOTAL		
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023	
ENTITY	R'000	R'000	R'000	R'000	R'000	R'000	
PUBLIC ENTITIES							
Current							
LGSETA	376	-	-	447	376	447	
TOTAL	376	-	-	447	376	447	



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 11

NATURAL DISASTER OR RELIEF EXPENDITURE

Per quarter and in total

	2023/24							
Expenditure per economic classification	QI	Q2	Q3	Q4	Total	Total		
	R'000	R'000	R'000	R'000	R'000	R'000		
Goods and services								
Cons: Supplies	-	-	-	-	-	-		
Property Payments	-	-	-	-	-	-		
Transfers and subsidies								
Provinces and municipalities	343 527	56 062	28 772	l 779 384	2 207 745	3 835 402		
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	343 527	56 062	28 772	I 779 384	2 207 745	3 835 402		



DEPARTMENT OF COOPERATIVE GOVERNANCE | VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2 AND 13)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value R'000	Balance outstanding as at 31 March 2023 R'000	Total amount prepaid / advanced in the current year R'000	Less: goods, services or capital assets received in the current year R'000	Add/Less: Other R'000	Balance outstanding as at 3 I March 2024 R'000
Prepayments									
Aids Foundation -		Department project		-	l 229	-	(1 229)	-	-
Beulah Africa-		Department project		-	3 491	-	(3 491)	-	-
Icembe Foundation		Department project		-	2 895	-	(2 895)	-	-
Tsoha O Iketsetse-		Department project		-	8 082	-	(8 082)	-	-
Out of the Box Foundation-		Department project		-	948	-	(948)	-	-
South African Youth Movement		Department project		-	5 244	-	(5 244)	-	-
Thembalethu Development-		Department project		-	497	-	(497)	-	-
3 L Development-		Department project		-	I 527	-	(1 527)	-	-
Green development		Department project		-	568	-	(264)	-	304
Insika (LGSETA training)		Department project		-	376	-	(376)		
Total prepayments				-	24 857	-	(24 553)	-	304
Advances									
Development Bank of Southern Africa		Department project	Public entities	10 764	-	10 764	(10 764)	-	-
Development Bank of Southern Africa		Department project	Public entities	21 147	-	21 147	(12 818)	-	8 329
SANRAL		eToll services	Public entities	100	31	50	(70)	-	11
Government Communication Information System (GCIS)		Department project	National departments	2 830	15	2 830	(1 653)	-	1 192



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value R'000	Balance outstanding as at 3 I March 2023 R'000	Total amount prepaid / advanced in the current year R'000	Less: goods, services or capital assets received in the current year R'000	Add/Less: Other R'000	Balance outstanding as at 3 I March 2024 R'000
Depart of International Relations and Cooperation (DIRCO)		Subsistance and Travel	National departments	-	34	-	(34)	-	-
City of Tshwane		Billing of electricity	Other institutions	-	319	-	(319)	-	-
Total advances				-	399	34 791	(25 658)	-	9 532
TOTAL PREPAYMENTS AND ADVANCES				-	25 256	34 791	(50 211)	-	9 836



Notes:	



RP100/2023

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