



Province of the  
**EASTERN CAPE**  
COOPERATIVE GOVERNANCE  
& TRADITIONAL AFFAIRS

# *Annual* **REPORT** 2023 - 2024

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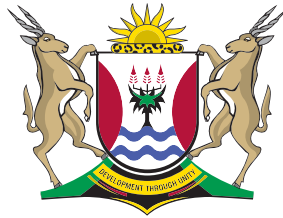
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DEPARTMENT OF COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS  
PROVINCE OF THE EASTERN CAPE



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& TRADITIONAL AFFAIRS

**DEPARTMENT OF  
COOPERATIVE GOVERNANCE &  
TRADITIONAL AFFAIRS**

**VOTE 7**

**ANNUAL REPORT**

**2023 / 2024**

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# PART A GENERAL INFORMATION



## PART A: GENERAL INFORMATION

### 1. DEPARTMENT GENERAL INFORMATION

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1.1 LIST OF ABBREVIATIONS/ACRONYMS

<b>AGSA</b>	<b>Auditor-General of South Africa</b>	<b>SMME</b>	<b>Small Medium and Micro Enterprises</b>
<b>AO</b>	Accounting Officer	<b>SCM</b>	Supply Chain Management
<b>BBBEE</b>	Broad Based Black Economic Empowerment	<b>EU</b>	European Union
<b>CFO</b>	Chief Financial Officer	<b>SITA</b>	State Information Technology Agency
<b>MEC</b>	Member of Executive Council	<b>SDIP</b>	Service Delivery Improvement Plan
<b>HOD</b>	Head of Department	<b>AFS</b>	Annual Financial Statements
<b>PFMA</b>	Public Finance Management Act, Act 1 of 1999	<b>APP</b>	Annual Performance Plan
<b>TR</b>	Treasury Regulations	<b>BAS</b>	Basic Accounting System
<b>MTEF</b>	Medium Term Expenditure Framework	<b>BCMM</b>	Buffalo City Metropolitan Municipality
<b>CDWs</b>	Community Development Workers	<b>CWP</b>	Community Works Programme
<b>CHDM</b>	Chris Hani District Municipality	<b>DCOGTA</b>	Department of Co-operative Governance and Traditional Affairs
<b>DM</b>	District Municipality	<b>DORA</b>	Division of Revenue Act
<b>DPSA</b>	Department of Public Service and Administration	<b>DR&amp;PW</b>	Department of Roads and Public Works
<b>DWIF</b>	District Wide Infrastructure Fora	<b>EE</b>	Employment Equity
<b>EHWP</b>	Employee Health and Wellness Programme	<b>FBS</b>	Free Basic Services
<b>GPSSBC</b>	General Public Service Sectoral Bargaining Council	<b>GRAP</b>	Generally Recognised Accounting Practices
<b>HDIs</b>	Historically Disadvantaged Individuals	<b>HRDC</b>	Human Resource Development Committee
<b>HRM</b>	Human Resources Management	<b>ICT</b>	Information and Communication Technology
<b>IDP</b>	Integrated Development Plan	<b>IGR</b>	Inter-Governmental Relations
<b>ISD</b>	Institutional and Social Development	<b>IYM</b>	In-Year Monitoring
<b>KPA</b>	Key Performance Area	<b>LED</b>	Local Economic Development
<b>LM</b>	Local Municipality	<b>MFMA</b>	Municipal Finance Management Act
<b>MER</b>	Monitoring, Evaluation and Reporting	<b>MIG</b>	Municipal Infrastructure Grant
<b>MPAC</b>	Municipal Public Accounts Committee	<b>MPRA</b>	Municipal Property Rates Act
<b>MTEF</b>	Medium Term Expenditure Framework	<b>MUTAS</b>	Municipal Turn Around Strategies
<b>NDMC</b>	National Disaster Management Centre	<b>NDP</b>	National Development Plan
<b>NMBM</b>	Nelson Mandela Bay Municipality	<b>PSCBC</b>	Public Service Coordinating Bargaining Council
<b>NSDF</b>	National Spatial Development Framework	<b>PSDP</b>	Provincial Spatial Development Plan
<b>OBA</b>	Outcomes Based Approach	<b>RMU</b>	Revenue Management Unit
<b>OHS</b>	Occupational Health and Safety	<b>SALGA</b>	South African Local Government Association
<b>ORT DM</b>	O R Tambo District Municipality	<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>OSD</b>	Occupation-Specific Dispensation	<b>SHE</b>	Safety Health Environment
<b>OTP</b>	Office of the Premier	<b>SLA</b>	Service Level Agreement
<b>PAC</b>	Public Accounts Committees	<b>SMS</b>	Senior Management Service
<b>PAIA</b>	Promotion of Access to Information Act, 2000 (Act 2 of 2000)	<b>UNDP</b>	United Nations Development Programme
<b>PAJA</b>	Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)	<b>URDP</b>	Urban Renewal Programme
<b>PCF</b>	Premier's Coordinating Forum	<b>WP</b>	Wellness Programme
<b>PDMC</b>	Provincial Disaster Management Centre	<b>WSP</b>	Water Services Provider
<b>PGDP</b>	Provincial Growth & Development Plan	<b>PMDS</b>	Performance Management and Development System
<b>PHOTL</b>	Provincial House of Traditional Leaders	<b>PMS</b>	Performance Management System
<b>PILLIR</b>	Policy on Ill Health and Incapacity Retirements	<b>AFM</b>	Asset and Fleet Management
<b>ICU</b>	Internal Control Unit	<b>BMP</b>	Budget management and Planning
<b>SCM</b>	Supply Chain Management	<b>DMRWP</b>	Debt management, recovery, and write-off policy
<b>ICP</b>	Internal Control Policy		
<b>RAS</b>	Risk Adjusted Strategy		



## 1.2. FOREWORD BY THE MEC



MR. ZOLILE WILLIAMS

It is with immense pride and a deep sense of responsibility that I extend my heartfelt greetings to all stakeholders, partners, and fellow citizens as we present the Annual Report 2023/2024 of the Department of Cooperative Governance and Traditional Affairs (COGTA).

As the Member of the Executive Council (MEC) entrusted with the oversight of COGTA, I am honoured to reflect on the strides we have made, the challenges we have overcome, and the aspirations that drive us forward. The past year has been a testament to our resilience, adaptability, and unwavering commitment to serving the people of our province, through the provision of support to municipalities and traditional leadership institutions. COGTA stands at the forefront of promoting cooperative governance, facilitating inclusive development, and preserving our rich cultural heritage. We recognise that the strength of our democracy lies in our ability to collaborate across all spheres of government, traditional leadership structures, civil society, and the private sector. Through dialogue, consultation, and partnership, we have endeavoured to foster a governance framework that is participatory, transparent, and responsive to the needs of our communities. As a result, the department has been actively supporting government with preparations for the national and provincial elections which took place on 29<sup>th</sup> May 2024.

Apart from the commendable dedication of management and staff, which has manifested through continuous clean audit outcomes since 2020, the department has strengthened municipal governance structures towards clean administration that respond to service delivery. As part of our support drive in coordinating government support interventions to municipalities and traditional leadership institutions, the department through the DDM approach monitored the implementation of District/Metro One Plans and coordinated IGR sessions.

Service delivery by municipalities and traditional leadership remains a cornerstone of our mandate, and we have spared no effort in advancing initiatives aimed at improving the quality of life for all citizens. Whether through fostering the provision of basic infrastructure, access to clean water, sanitation facilities, or the implementation of poverty alleviation programmes by municipalities, to ensure that no community is left behind. I am ecstatic to report that, since the introduction of the Risk Adjusted Strategy (RAS) on grant infrastructure, most municipalities in the province have spent more than 70%, which is commendable. Our focus remains on monitoring and ensuring that municipalities adhere to the RAS imperatives until the end of their financial year, in June 2024.

Furthermore, we recognise the invaluable role of traditional leadership institutions in our society and have sought to strengthen our partnerships with traditional and Khoisan leaders. Together, we have worked to preserve and promote our cultural heritage, enhance local governance structures, and empower communities to participate meaningfully in decision-making processes that affect their lives.

As we look to the future, we are mindful of the challenges that lie ahead. The ongoing global pandemic, climate change, and socio-economic disparities present formidable obstacles that require collective action and innovative solutions. However, I am confident that with the dedication of our staff, the support of our partners, and the resilience of our communities, we will overcome these challenges and emerge stronger than ever before. To curb deaths of initiates, the department convened a Provincial Initiation Summit to engage on the challenges affecting the practice of the customary male initiation in the province. In addition, a post initiation program on Uyalo lwamakrwala was spearheaded by the House in conjunction with the initiation fora in all districts and the two metropolitan municipalities. The Department facilitated a new partnership that was entered into, to support pro-poor initiatives for traditional leadership institutions.

The House of Traditional Leaders is doing a sterling job in coordinating communities to oversee this age-old rite of passage to manhood. In the final analysis, the goal of the department is to make the initiates death a thing of the past.

In conclusion, let us recommit ourselves to the principles of cooperative governance, inclusivity, and service excellence. Together, let us continue to work towards a province that is prosperous, equitable, and resilient, where every citizen could thrive.



**ZOLILE WILLIAMS**

MEC OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

30 AUGUST 2024

### 1.3. REPORT OF THE ACCOUNTING OFFICER



**MR. VUYO MLOKOTHI**

The year 2023/2024 marks the end of the 6th Term of Government (2019/2024) in relation to the extent to which the five-year Strategic Plan deliverables have been achieved, and the level of contribution towards the national and provincial Medium Term Strategic Framework (MTSF) priorities as well as the National Development Plan, Vision 2030 targets.

This annual report, encapsulate our collective endeavours, achievements, and challenges encountered in fulfilling our mandate. COGTA remains steadfast in its commitment to promoting cooperative governance, facilitating service delivery, and fostering sustainable development across our nation.

In the year 2023/2024, and in a bid to improve the functionality of municipalities and traditional and Khoisan Leadership in the Eastern Cape Province, the Department continued to provide hands on support to municipalities and traditional leadership institutions despite the budget cuts due to the shrinking fiscus. The diminished budget for the department continues to negatively affect the department's constitutional obligation. However, despite

this challenge, the Department has managed to produce a Medium-Term Performance Report (MTPR) as well as the End-Term Performance Report (ETPR), to determine the extent to which the outcomes in the 5-year strategic plan have been achieved, linked to the National and Provincial Medium Term Strategic Framework (MTSF) as well as the Provincial Priorities. This Annual Report provides a summative reflection on the realisation of the 2023/2024 deliverables contained in the Annual Performance Plan (APP) as well as the Annual Operational Plan (AOP), as a final year of the sixth administration. The diminished budget for the department continues to negatively affect the department's constitutional obligation in that not all MTSF targets were met during the year under review.

Amongst the interventions made, include the provision of support which includes the capacity building of municipalities, monitoring of municipal audit action plans, implementation of municipal support intervention plans (MSIP), training of MPAC's and councillors on rules of order and the code of conduct.

The department further supported the municipalities in the following areas:

- Supported and monitored on the implementation of their Audit Response Plan.
- Commencement of the implementation of the Stutterheim Master Plan which was approved in 2022/23 financial year, this has started to yield results as the old municipal office building has been refurbished as part of the public transport precinct.
- The Petitions Management Framework was rolled out to Districts and Metros which serves as a guide for the municipalities and other stakeholders on the management of petitions.
- To comply with applicable legal provisions including monitoring of gazzeted bylaws,
- Institutional stability and good governance,
- Appointment of qualified and competent Senior Managers
- Payments of debts by government departments through quarterly area debt meetings
- Focused monitoring of both strategic and operational risks by an independently chaired Risk Management Committee (RMC), together with effective security and anti-corruption services within the department was done by the department.

It is worth mentioning that, during the year under review, as part of managing the disaster management in the Province, the Department has procured Drones to support damage assessment when there is disaster mainly for the areas that are unreachable, profiling and mapping of the disaster risk (pictorial evidence), enhance the functionality of the disaster management system, to support in the process of search and rescue during disaster incidents. Pilots have also been trained within the department to operate the drones.

The land issues remain a challenge in the province, in a bid of managing these issues, Land Invasion Policy Framework was approved during the year under review with a view of supporting and guiding municipalities in the Eastern Cape Province with the processes of how to effectively handle matters relating to land invasion. Hands-on support was also provided by capacitating municipalities through training sessions for MPT members, Appeal Authorities (Councillors) and

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municipalities support in terms of administration to understand their role in the roll out of SPLUMA. Through the CWP and EPWP programmes, 46 499 and 182 job opportunities have been created.

In responding to the basic needs of communities in a much more holistic manner by setting a clear non-negotiable standard, the Risk Adjusted Strategy (RAS) non-negotiables were translated into Work Plan Agreements of Municipal Managers, Technical Directors, CFOs, and PMU Managers. The non-negotiables were also included in the implementation protocol signed between the provincial government and municipalities. Furthermore, RAS has been implemented in 2023/24 financial year and is yielding the results, as at end March 2024, MIG's average provincial performance is commendable, performing above 70%.

To strengthen the IGR system within the departments, during the year under review, the District Development Model (DDM) Political Champion Engagement Concept & the Framework was approved by EXCO to standardise the DDM Political Champion Oversight Programme. In terms of traditional leadership institutions' support, the Department capacitated the newly and serving Traditional Leaders and Members through the training on Leadership Programmes, as well as awarding of bursaries. The process of the reconstitution of traditional councils in line with the legislative requirements is still in progress, the formula was published on the 24th of February 2024 and the Minister extended the date for conclusion of the reconstitution of Traditional Councils to 04 February 2025. This will be done in Project Phases (1. Reconstitution & 2. Capacity Building).

The functionality of District Initiation Fora (DIF) was monitored in all six districts and two metros to ensure compliance with the Eastern Cape Customary Male Initiation Act. As part of monitoring of District Initiation Forum, the PITT engagements were convened. The Eastern Cape House of Traditional and Khoisan leaders has played an oversight responsibility over Local Houses of Traditional Leaders in terms of Section 75(4) a of the Eastern Cape Traditional Leadership and Governance Act No 1 of 2017. To realise the responsibility Chairperson of the House convened Chairperson's forum meetings.

### Overview of the financial results of the department:

Table 1.1: 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
Tax Receipts	-	-	-	-	-	-
- Casino taxes	-	-	-	-	-	-
- Horse racing taxes	-	-	-	-	-	-
- Liquor licences	-	-	-	-	-	-
- Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	1 398	1 169	229	1 340	1 142	198
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	9	(9)	-	37	(37)
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	519	2 508	(1 989)	494	1 785	(1 291)
<b>Total</b>	<b>1 917</b>	<b>3 686</b>	<b>(1 769)</b>	<b>1 834</b>	<b>2 964</b>	<b>(1 130)</b>

The Department is not a major contributor to the Provincial Revenue Fund (PRF) and all collections are mainly attributed to the commissions earned from insurance deductions from employees for various financial institutions. The Department collected revenue amounting to R3,686 million as at 31 March 2024, which is more than the budgeted revenue included in the appropriation of R1,917 million. There was an over collection of R1,769 million, and all revenue collected was surrendered to the PRF in terms of Section 22 of PFMA. The over collection is mainly due to insurance claim paid to the department for vehicles that got into accident as well as proceeds from auctioned motor vehicles for executives. The department requested Provincial Treasury to re-allocate some of these funds in the 2023/24 adjustment budget to allow the department to replace the vehicle affected.

## Programme Expenditure

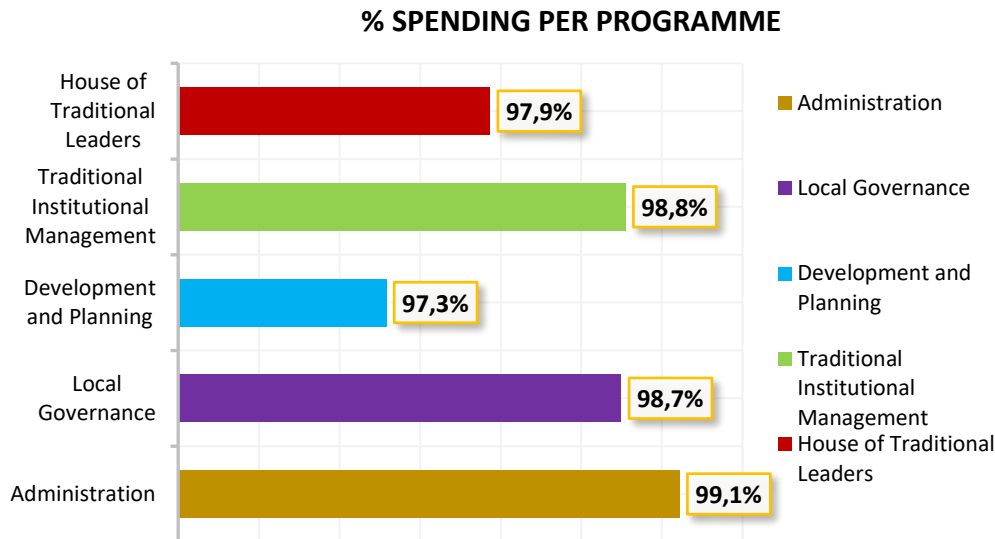
The table below reflects a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year.

Table 1.2: Departmental Expenditure by per Programme

Programme Name	2023/2024				2022/2023			
	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent
Administration	286 166	283 489	2 677	99.1%	275 663	263 597	12 066	95.6%
Local Governance	267 962	264 603	3 359	98.7%	246 902	244 831	2 071	99.2%
Development and Planning	113 685	110 604	3 081	97.3%	113 551	105 548	8 003	92.6%
Traditional Institutional Management	368 413	363 894	4 519	98.8%	358 514	343 943	14 571	95.9%
House of Traditional Leaders	34 592	33 877	715	97.9%	29 443	28 673	770	97.4%
<b>Total</b>	<b>1 070 818</b>	<b>1 056 467</b>	<b>14 351</b>	<b>98.7%</b>	<b>1 024 073</b>	<b>986 592</b>	<b>37 480</b>	<b>96.3%</b>
Member Remuneration	2 144	2 144	-	100.0%	2 059	2 053	6	99.7%
<b>Total</b>	<b>1 072 962</b>	<b>1 058 611</b>	<b>14 351</b>	<b>98.7%</b>	<b>1 026 132</b>	<b>988 645</b>	<b>37 486</b>	<b>96.3%</b>

The department has spent 98.7% of its allocated Adjusted Budget of R1,072 billion. An application for a roll-over of unspent funds amounting to R412 thousand has been submitted to Provincial Treasury for consideration.

Figure 1.1: % Spending per Programme



The details of under expenditure are as follows per Economic Classification: -

### Compensation of Employees (COE):

The Department recorded underspending as at 31 March 2024 of 1.4% and this deviation is below 2% of Provincial Treasury threshold set for the IYM reporting. It is important to note that the department experienced some delays in implementing the 2023/24 financial year Annual Recruitment Plan (ARP). The delays were amongst other factors due to non-granting of approval by Provincial Coordinating and Management Team (PCMT) to fill in vacant funded posts. The ARP implementation is continuing into the 2024/25 financial year and the unspent funds will be surrendered to the PRF.

## Goods & Services:

The department recorded underspending by 1.3% for the year mainly from the following:

- The underspent by 1.3% and this deviation is below 2% of Provincial Treasury threshold set for the IYM reporting.
- It is important to note that the department has made a roll-over request to Provincial Treasury amounting to just over R142 thousand for which there is a commitment against those projects.

**Transfers and Subsidies:** The underspent by 0.2% and this deviation is below 2% of Provincial Treasury threshold set for the IYM reporting. This balance will be surrendered to the PRF.

**Payment for Capital Assets:** -Underspent by 1.3% and this deviation is below 2% of Provincial Treasury threshold set for the IYM reporting. It is important to note that the department has made roll-over request to Provincial Treasury amounting to just over R270 thousand for which there is a commitment against those projects.

**Roll-Over:** During the 2023/24 financial year the Department received a roll-over amounting to R 412 thousand. The roll over relates to the following:

An application for a roll-over of unspent funds amounting to R412 thousand has been submitted to Provincial Treasury for consideration.

**List related party relationships and nature thereof:** - The Department occupied buildings in 2023/24 financial year that are owned by / under the custodianship of / leased by the Department Public Works and Infrastructure (DPW&I). These buildings are occupied for no consideration and no amounts are paid to the DPW&I for the occupation of these premises. It is the mandate of the DPW&I to provide capital infrastructural services to all government departments/institution.

**Unauthorised expenditure (R0.00)-** The department has not incurred any unauthorised expenditure for the past 18 financial years including 2023/24 financial year.

**Irregular expenditure:** Opening balance for 2023-2024 financial year amounts to R2,196 million and the movement is as follows: During 2023-24 financial year-end, the total irregular expenditure amounting to R664 thousand had been identified and is accumulating from the transgression relating to the non-compliance with recruitment and selection policy identified in the previous financial year. An amount of R916 thousand was condoned and R6 thousand was removed. Irregular expenditure amounting to R724 thousand relates to services that were rendered without following proper SCM processes, which include R165 thousand that had been submitted to Provincial Treasury for condonement and response had been received, the response indicates that it was not condoned because the department did not implement consequence management and R139 thousand had been submitted for condonement to Provincial Treasury and no response yet received. The remaining amount of R422 thousand is being investigated by Provincial Treasury giving us a closing balance for 2023/24 financial year amounts to R 1,938 million.

**Fruitless and wasteful expenditure:** Opening balance for 2023-2024 financial year amounts to R4,143 million: A significant portion of it relates to an amount of R3, 865 million for the procurement of smart pens for CDW's which was investigated by Provincial Treasury. The report coming from that investigation had been issued and forwarded to Office of the Premier for implementation. Fruitless and wasteful expenditure incurred in 2023-24 financial year amounts to R400 thousand and a total of R12 thousand had been written off leaving R388 thousand confirmed additions disclosed in the main note of the Annual Financial Statements (AFS) and it is still at determination test stage.

Total amount recovered relating to the previous years is R135 thousand and write offs for previous years is R133 thousand and total write-offs is R146 thousand. The closing balance for 2023/24 financial year amounts to R 4, 262 million.

**Supply Chain Management (SCM):** For Financial year 2023/24 the Department did not receive any unsolicited bid. SCM operates in a legislative environment and the relevant provisions are followed to avoid irregular expenditure, in a case where there are cases identified of irregular expenditure the matter/cases are handled through Internal Control Unit following the Irregular Expenditure Framework guideline.

**Deviation from financial reporting requirements:** No deviation from the financial reporting requirements received for the current or previous financial year.

**Gifts and Donations received in kind from non-related parties:** There are no donations received by the department received in kind and donation from non-related parties.

**Exemptions and deviations received from the National Treasury:** There are no exemptions from PFMA or TR or deviation from the financial reporting requirements received for the current or previous financial year.

**Events after the reporting date:** No significant events after the reporting date identified.

I extend my sincere gratitude to the dedicated staff of COGTA, whose unwavering commitment and tireless efforts have been instrumental in driving our mission forward. I also extend my appreciation to our partners, stakeholders, and communities whose collaboration and support have been invaluable in our collective endeavours.

In closing, let us rededicate ourselves to the noble cause of cooperative governance, service delivery, and sustainable development. Together, let us chart a course towards a brighter future for all South Africans.



**MR. V. MLOKOTHI**

ACTING ACCOUNTING OFFICER

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 30 AUGUST 2024

#### 1.4. 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. V. MLOKOTHI**  
ACTING ACCOUNTING OFFICER  
DATE: 30 AUGUST 2024



## 1.5. STRATEGIC OVERVIEW

### Vision

Development-oriented municipalities and institutions of traditional leadership that deliver sustainable quality services to communities in an integrated, responsive, and accountable manner.

### Mission

To co-ordinate support through government spheres and partnerships to municipalities and institutions of traditional leadership to fulfil their developmental mandates, for a better quality of life for all communities.

### Values

VALUES	DEFINITION
Innovation	We consistently strive to create an innovative culture of excellence within our organisation.
Transformative	Creating a learning organisation enabling employees to reach their full potential and who are committed to the public good and capable of delivering consistently high-quality services, while prioritising the departmental developmental objectives.
Professionalism	We believe that our customers are entitled to be treated courteously and with the highest level of professionalism.
Equality	We shall give equal access to our services to all, with special emphasis on targeted groups.
Highest ethical standards	We shall always maintain zero tolerance towards fraud and corruption
Staff our greatest assets	We believe that our employees are integral to the success of the department, and we will always endeavor to ensure that their organisational needs are satisfied
Responsiveness	We pledge to respond speedily and effectively to the needs of stakeholders and communities

## 1.6. LEGISLATIVE AND OTHER MANDATES

### 1.6.1. Constitutional Mandates

The Department of Cooperative Governance and Traditional Affairs (DCoGTA) finds its mandate in the Constitution of the Republic of South Africa (1996), as amended, (hereafter referred to as the Constitution of the RSA (1996)) by way of Chapter 1: Founding Provisions; Chapter 2: Bill of Rights; Chapter 3: Co-operative Government; Chapter 6: Provinces; Chapter 7: Local Government and Chapter 12: Traditional Leaders.

#### The Constitution of the Republic of South Africa (1996), Chapter 3: Co-operative Government

In the Constitution of the RSA (1996), Section 40. (1), states that, In the Republic, government is constituted as national, provincial, and local spheres of government which are distinctive, interdependent, and interrelated. Section 40. (2), states that, all spheres of government must observe and adhere to the principles in this Chapter and must conduct their activities within the parameters that the Chapter provides. Chapter 3 further states the principles of co-operative government and intergovernmental relations, to which all spheres of government must adhere to.

#### The Constitution of the RSA (1996), Chapter 6: Provinces – (Section 139)

The MEC as per the directive of the Provincial Executive Committee (EXCO) may intervene in the affairs of a municipality.

#### The Constitution of the RSA (1996), Chapter 7: Local Government – (Section 154)

The MEC as assigned by the provincial government to ensure by legislative or other measures support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and to perform their functions.

#### The Constitution of the RSA (1996), Chapter 7: Local Government – (Section 155(6))

The MEC as assigned by the provincial government to establish municipalities in the province in a manner consistent with the legislation enacted in terms of subsections (2) and (3) and, by legislative or other measures, must (a) provide for the monitoring and support of local government in the province and (b) promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.

### The Constitution of the RSA (1996), Chapter 7: Local Government - Section 155(7)

The MEC as assigned by the provincial government, subject to section 44, has the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156(1).

### The Constitution of the RSA (1996), Chapter 7: Local Government - Section 163(b)

**Departmental responsibility:** To determine procedures by which the department may consult with National Government, designate representatives to participate in the NCOP and Financial and the Fiscal Commission.

### The Constitution of the RSA (1996), Chapter 12: Traditional Leaders - Section 211

**Recognition:** Section 211. (1) The institution, status, and role of traditional leadership, according to customary law, are recognised, subject to the Constitution. (2) A traditional authority that observes a system of customary law may function subject to any applicable legislation and customs, which includes amendments to, or repeal of, that legislation or those customs. (3) The courts must apply customary law when that law is applicable, subject to the Constitution and any legislation that specifically deals with customary law.

### The Constitution of the RSA (1996), Chapter 12: Traditional Leaders - Section 212

**Role of traditional leaders:** Section 212. (1) National legislation may provide for a role for traditional leadership as an institution at local level on matters affecting local communities. (2) To deal with matters relating to traditional leadership, the role of traditional leaders, customary law and the customs of communities observing a system of customary law — (a) national or provincial legislation may provide for the establishment of houses of traditional leaders; and (b) national legislation may establish a council of traditional leaders.

**Departmental responsibility:** To acknowledge the role for traditional leadership as an institution at local level on matters affecting local communities and to deal with matters relating to traditional leadership, the role of traditional leaders, customary law and the customs of communities observing a system of customary law by the establishment of houses of traditional leaders.

**Departmental responsibility** to acknowledge Schedule 4 – Functional areas of concurrent national and provincial legislative competence: Part A:

- Disaster management
- Indigenous law and customary law, subject to Chapter 12 of the Constitution
- Traditional leadership, subject to Chapter 12 of the Constitution

### Objectives of Local Government

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe healthy environment.
- To encourage the involvement of communities and community organisations in matters of local governance;
- Municipalities must strive, within their financial and administrative capacity to achieve these objects.

### Mandate of Co-operative Governance

The mandate of the Department as outlined by Cabinet is as follows:

- To coordinate all organs of state to ensure maximum impact.
- Interventionist approach.
- Improved internal and external cooperation and outcomes based Inter- Governmental Relations Structures.

Ensure single window of coordination and regulation of national, provincial, and local government. In essence the mandate of the Department has been equated to the cog of the wheel, standing at the center of integrated planning, development and to strengthen municipal IDPs.

The White Paper on Traditional Leadership and Governance of 2003, elaborates on the roles of Traditional Leadership in Governance and Development, roles, functions, and structures within the Spheres of Government. The Traditional Leadership and Governance Framework Act, 2003, provides for the roles and functions of Traditional Leadership Institutions.

### 1.6.2. Local Government Legislation

LEGISLATION	DESCRIPTION
Local Government: Municipal Structures Act, 1998 & 2000 (Act 117 of 1998 and Amendment Act 33 of 2000)	Provides for the establishment of municipalities in accordance with the requirements relating to and types of municipalities; provides for an appropriate division of functions and powers between categories of municipality; regulates the internal systems, structures, and office-bearers of municipalities.
Local Government: Municipal Systems Act, 32 of 2000 as amended	Provides for the core principles, mechanisms, and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that are affordable to all. Section 31 (b) states that the MEC for Local Government in the Province may: Assist a municipality with the planning, drafting, adoption and review of its integrated development plan through the approved Spatial Development Frameworks (SDFs) and Land Use Management Systems:
Spatial Planning and Land Use Management Act, 16 of 2013	Section 5 (2)(b) provides for the: Monitoring of compliance by municipalities with this Act and provincial legislation in relation to the preparation, approval, review and implementation of land use management systems; <ul style="list-style-type: none"> <li>a framework for spatial planning and land use management in the republic;</li> <li>the specification of the relationship between the spatial planning and the land use management system and other kinds of planning;</li> <li>the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government;</li> <li>a framework for the monitoring, coordination and review of the spatial planning and land use management system;</li> <li>a framework for policies, principles, norms and standards for spatial development planning and land use management.</li> <li>addressing past spatial and regulatory imbalances.</li> <li>promotion of greater consistency and uniformity in the application procedures and decision-making by authorities responsible for land use decision and development applications.</li> <li>the establishment, functions, and operations of Municipal Planning Tribunals.</li> <li>the facilitation and enforcement of land use and development measures;</li> </ul>
Land Survey Act, 8 of 1997	To regulate the survey of land in the Republic; and to provide for matters connected therewith.
Local Government: Municipal Finance Management Act, 1 of 2003	Provides for the governance of municipal financing, minimising the opportunity for undue political influence

LEGISLATION	DESCRIPTION
Local Government: Municipal Property Rates Act, 6 of 2004 by the Local Government: Municipal Property Rates Amendment Act, 2014 (Act No. 29 of 2014)	Provides for compilation of municipal valuation rolls; provide powers for municipalities to impose rates on properties. <ul style="list-style-type: none"> <li>the regulation of the powers of a municipality to impose rates on a property;</li> <li>the exclusion of certain properties from rating;</li> <li>municipalities to implement a transparent and fair system of exemptions reductions and rebates through their rating policies;</li> <li>fair and equitable valuation methods of properties; and</li> <li>an '<b>objection and appeal</b>' process.</li> </ul> The Local Government: Municipal Property Rates Amendment Act, 2014 came into operation on 1 July 2015. The Act aims to provide for the various amendments, insertions and deletions in order to enhance proper reporting, compliance and implementation of the processes and procedures pertaining to the Act.
Local Government: Municipal Demarcation Act, 27 of 1998 as amended	Provides for criteria and procedures for the determination of municipal boundaries by an independent authority
Disaster Management Act, 57 of 2002	This Act provides for: <ul style="list-style-type: none"> <li>integrate and co-ordinate disaster management policy, which focuses on preventing or reducing the risk of disasters mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery;</li> <li>the establishment and functioning of national, provincial and municipal disaster management centres;</li> <li>Disaster management volunteers; and</li> <li>Matters incidental thereto.</li> </ul>

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LEGISLATION	DESCRIPTION
Disaster Management Amendment Act, 2015 (Act 16 of 2015)	The Act provides for: <ul style="list-style-type: none"> <li>• clarity on the policy focus on rehabilitation and functioning of disaster management centres;</li> <li>• the alignment of the functions of the National Disaster Management Advisory Forum to accommodate the South African National Platform for Disaster Risk Reduction;</li> <li>• the South African National Defence Force, South African Police Service and any other organ of state to assist the disaster management structures; and</li> <li>• <b>strengthening of the disaster risk reporting systems in order to improve the country's ability to manage potential disasters.</b></li> </ul>
Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)	The aim of this Act is to establish a framework for national government, provincial governments and municipalities to promote and facilitate intergovernmental relationships, and to provide mechanisms and procedures to facilitate the settlement of inter-governmental disputes.

### 1.6.3. Traditional Affairs Legislation

Legislation	Description
Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)	To provide for the functions and roles of traditional leaders
Eastern Cape Traditional Leadership and Governance Act, 2017 (Act No 1 of 2017).	To provide for the recognition of traditional communities, to provide for the establishment and recognition of principal traditional councils, to provide for the establishment and recognition of traditional councils, to provide for the recognition of traditional leaders, to provide for the functions of traditional leaders, to provide for the removal of traditional leaders from office, to provide for the recognition of regents, to provide for establishment of houses of traditional leaders.
Traditional Leadership and Governance Framework Amendment Act, 2019 (Act No. 2 of 2019)	To make provision for extended timeframes within which kingship or queenship councils and TCs must be established; to provide for extended timeframes within which community authorities have to be disestablished; to align the term of all Traditional Leadership Institutions.
Eastern Cape Customary Male Initiation Practice Act, 2016 (Act No. 5 of 2016)	To regulate the practice of customary male initiation in the province, to provide for the co-ordination structures and key role-players of customary male initiation monitoring programme.
The Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019)	To provide for the recognition of Traditional and Khoi-San communities, leadership positions and for the withdrawal of such recognition; to provide for the functions and roles of traditional and Khoisan leaders; to provide for recognition, establishment, functions, roles and administration of kingship of queenship councils, principal TCs, TCs, Khoi-San councils and traditional sub-councils. To provide for establishment of Traditional Leadership Institutions.

### 1.6.4. Further Pieces of Legislation

**Eastern Cape Repeal of Local Government Laws (Act 1 of 2020):** The Act was passed to provide for the repeal of obsolete and old order Spatial Planning and Land Use Management and other local government laws assigned to the Department of Cooperative Governance and Traditional Affairs in the Province of the Eastern Cape. The latest development will ensure that SPLUMA becomes the main legislation on spatial planning and land use related matters. The provincial government's role on planning is now limited to supervisory and monitoring, implementation is the responsibility of local government.

- Administration and Control of Townships in Black Areas Regulations.
- Control of Access to Public Premises Act, 1985 (Act 53 of 1985);
- Environment Impact Assessment Regulations: Implementation of Sections; 21, 22, 26 of the Environment Conservation Act, 1998 (Act 107 1998);
- Fire Brigade Services Amendment Act; 2000 (Act 14 of 2000);
- Land Tenure in Towns Regulations;
- Land Use Planning Ordinance 15 of 1985;
- Less Formal Township Establishment Act, 1991 (Act 113 of 1991);
- Municipal Act of 1985 (Ciskei);
- Municipal Act of 1979 (Transkei);
- Municipal Ordinance 20 of 1974 (Cape Provincial Administration);
- Physical Planning Act 1991 (Act 125 of 1991);
- Re-determination of the Boundaries of Cross-Boundary Municipalities Act, 2005 (Act 6 of 2005);
- Townships Proclamation No R293 of 1962;
- Removal of Restrictions Act, 1967 (Act 84 of 1967);
- Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998);
- State Information Technology Agency Act, 1998 (Act 88 of 1998);
- Townships Ordinance 33 of 1934 and;

- Transfer of staff to Municipalities Act, 1998 (Act 17 of 1998).

### 1.6.5. Transversal Legislation

LEGISLATION	DESCRIPTION
Occupational Health and Safety Act, 1993 (Act 85 of 1993)	To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in relation with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters related therewith.
Public Service Act, 1994 (Act 103 of 1994) (as amended by the Public Service Amendment Act 30 of 2007)	The Public Service Act (PSA) forms the basis of national and provincial planning and reporting and promotes integrated planning. Chapter II (3)(1) of the PSA states that the Minister of Public Service and Administration is responsible for establishing the norms and standards relating to transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public. To provide for the organisations and administration of the public service of the Republic of South Africa, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters related therewith.
Labor Relations Act, 1995 (Act 66 of 1995)	To regulate and guide the employer in recognizing and fulfilling its role in effecting labor peace and the democratization of the workplace.
Basic Conditions of Employment Act, 1997 (Act 75 of 1997 as amended)	To give effect to the right to fair labor practices referred to in section 23(1) of the Constitution, 1996 by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic of South Africa as a member state of the International Labor Organisation; and to provide for matters related therewith.
Employment Equity Act, 1998 (Act. 55 of 1998)	To promote equality, eliminate unfair discrimination in employment and to ensure the implementation of employment equity measures to redress the effects of discrimination; to achieve a diverse and efficient workforce broadly representative of the demographics of the Province of the Eastern Cape.
Skills Development Act, 1998 (Act 97 of 1998)	To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learner ships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
Public Finance Management Act, 1999 (Act 1 of 1999)	To regulate financial management in the National and Provincial Governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.  Skills Development Levies Act, 1999 (Act 9 of 1999): To provide any public service employer in the national or provincial sphere of Government with exemption from paying a skills development levy; and for exemption from matters related therewith.
Statistics Act, 1999 (Act 6 of 1999)	The Statistics Act provides the basis for the planning, production, analysis, documentation, storage, dissemination, and use of official and other statistics. The purpose of these statistics is to help organs of state, businesses, other organisations, and the public with planning, decision-making and monitoring or assessing policies.
Promotion of Access to Information Act, 2000 (Act 2 of 2000)	To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters related therewith.
Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)	To give effect to the right to administrative action that is lawful, reasonable, and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
The Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (PEPUDA or the Equality Act) (Act No. 4 of 2000)	The purpose of the Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA) is to give effect to the letter and the spirit of the Constitution and to promote equality, non-racialism and non-sexism; prevent unfair discrimination; and protect human dignity as contemplated in Sections 9 and 10 of the Constitution. 0835560520
Broad-Based Black Economic Empowerment Act 53 of 2003 (BBBEE) (as amended by Broad-Based Black Economic Empowerment Amendment Act 46 of 2013)	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.

## 1.6.6. Policy Mandates

The table below depicts the policy frameworks that govern the operations of the department in the implementation of Strategic documents, towards the realization of the pre-determined objectives, outputs, and outcomes.

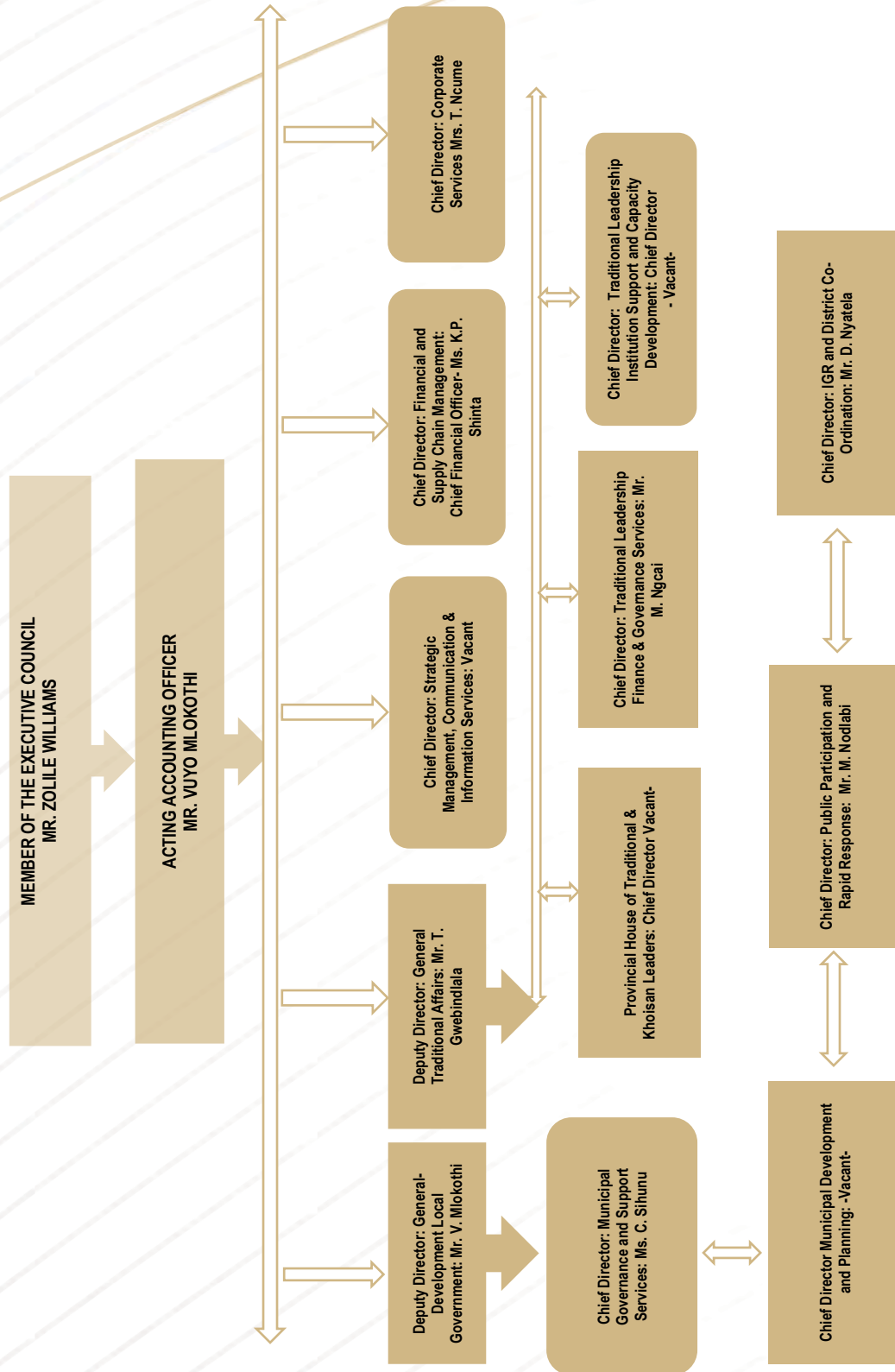
No	Chief Directorate/Directorate	Name of the Policy
1.	Corporate Secretariat,	Guidelines for Policy Development
2.	Human Resource Management	Acting Policy
3.	Human Resource Planning and Development	Bursary Policy
4.	Human Resource Management	Bereavement Policy
5.	Human Resource Planning and Development	Internship Policy
6.	Human Resource Management	Leave Management Policy
7.	Human Resource Management	Overtime and Hours of work Policy
8.	Human Resource Planning and Development	Performance Management and Development Policy
9.	Organisational Transformation	Records Management Policy
10.	Human Resource Management	Recruitment and Selection Policy
11.	Human Resource Management	Resettlement Policy
12.	Human Resource Planning and Development	Attraction and Retention Strategy
13.	Labour Relations	Sexual Harassment Policy
14.	Human Resource Management	Special Leave Policy
15.	Labour Relations	Strike Management Policy
16.	Labour Relations	Suspension Policy
17.	Human Resource Planning and Development	Training Policy
18.	Human Resource Utilization and Capacity Building	Career Path Development & Management
19.	Human Resource Utilization and Capacity Building	Talent Management
20.	Human Resource Utilization and Capacity Building	Experiential Learning
21.	Labour Relations	Abscondment Policy
22.	Labour Relations	Labour Relations Policy
23.	Labour Relations	Consequence Management Policy
24.	Human Resource Management	Dress Code Policy
25.	Employee Wellness Programme	Wellness Management Policy
26.	Employee Wellness Programme	HIV/AIDS & TB Management Policy
27.	Employee Wellness Programme	SHERQ Policy
28.	Employee Wellness Programme	Health & Productivity Management Policy
29.	Human Resource Management	Exit Management Policy
30.	Organisational Transformation	Job Evaluation Policy
32.	Human Resource Management	Persal Management Policy
33.	Human Resource Management	Smoking Policy
34.	Human Resource Management	Transfer Policy
35.	Security Management and Anti-Corruption	Security Policy
36.	Municipal Support & Monitoring and Evaluation	Funds Transfer
37.	Supply Chain Management	Cellular Policy
38.	Financial Accounting Services	Travel Subsistence Policy
39.	Financial Accounting Services	Debt write-off Policy
40.	Financial Accounting Services	Bas policy
41.	Financial Accounting Services	Bas procedure manual
42.	Financial Accounting Services	Supply chain management policy
43.	Financial Accounting Services	Pay point management guide
44.	Financial Accounting Services	Management debts and Recovery Plan
45.	Financial Accounting Services	Asset management policy
46.	Financial Accounting Services	Policy on unauthorised, fruitless and wasteful and irregular expenditure
47.	Supply Chain Management	Acquisition Management
48.	Supply Chain Management	Demand Management
49.	Supply Chain Management	Compliance Management
50.	Traditional Leadership Institutional Services	Eastern Cape Regulations for the Establishment of Traditional Councils: Amended Section 10 of the Regulations.
51.	Traditional Leadership Institutional Services	Guidelines on participation of Traditional Leaders in Municipal Councils.
52.	Traditional Leadership Institutional Services	Policy guide on the Identification, Recognition and Appointment of a Traditional Leader: Department of Local Government and Traditional Affairs Eastern Cape Province.
53.	Traditional Leadership Institutional Services	Policy Guide on Customary Male Initiation Practices and the Role of Traditional Leaders in the Traditional Male Initiation in the Eastern Cape Province.
54.	Traditional Leadership Institutional Services	Handbook on Tools of Trade for Traditional Leaders & members of Traditional Leadership Institutions.
55.	Traditional Leadership Institutional Services	Training & Development Policy for Traditional Leaders and members of Traditional Leadership Institutions.
56.	Traditional Leadership Institutional Services	Guidelines on the involvement of Traditional Leaders in Rural/ Community Development.

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<b>No</b>	<b>Chief Directorate/Directorate</b>	<b>Name of the Policy</b>
57.	Traditional Leadership Institutional Services	Policy on financial management of traditional Councils and transfer of funds for traditional council
58.	Traditional Leadership Institutional Services	Policy on financial management of traditional Council
59.	Traditional Leadership Institutional Services	Reviewed Guidelines on Sittings for Traditional Councils and payment to non-Traditional Leaders members of Traditional Councils.
60.	Traditional Leadership Institutional Services	Review of Acting Appointments
61.	Traditional Leadership Institutional Services	Procedure manual
62.	Traditional Affairs	Training and Development of Traditional Leaders
63.	House of Traditional Leaders	Standing Rules and orders of Eastern Cape House of Traditional Leaders
64.	House of the Traditional Leaders	Act no. 1 of 1995, as amended through Act 7 of 1997 and act 9 of 2001
65.	Disaster Management	Disaster Risk Management Framework
66.	Risk Management	Risk Management Policy
67.	Special Programmes	Youth Policy
68.	Special Programmes	Disability Strategy
69.	Special Programmes	Gender Policy
70.	Monitoring and Evaluation	Monitoring and Evaluation
71.	Strategic Management	Strategic Planning Guidelines
72.	ICT Policy	Internet and Email Policy
73.	ICT Policy	ICT Security Policy
74.	ICT Policy	Password Policy
75.	ICT Policy	ICT Acceptable use Policy
76.	ICT Policy	ICT Change Management Policy
77.	ICT Policy	ICT incident Report Policy
78.	Corporate Communications	Corporate Communications Policy

1.7. ORGANISATIONAL STRUCTURE





1.8. ENTITIES REPORTING TO THE MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Valuation Appeals Board	Municipal Property Rates Act, 2004 (Act 6 of 2004)	The entities have no effect on the Annual Financial Statements of the Department.	Consider Appeals relating to objections to property values by property owners in municipalities.



Province of the  
**EASTERN CAPE**  
COOPERATIVE GOVERNANCE  
& TRADITIONAL AFFAIRS

# PART B

## PERFORMANCE INFORMATION



## PART B: PERFORMANCE INFORMATION

### 2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

#### Report of the auditor-general to Eastern Cape Provincial Legislature on vote no. 7: Eastern Cape Department of Cooperative Governance and Traditional Affairs

##### Report on the audit of the annual performance report

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

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
Local governance	44 - 50	To ensure the transformation of developmental local government by strengthening municipal institutions that will be responsive to the needs of communities
Development and planning	52 - 60	To render support services regarding integrated planning and development in municipalities.

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

I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

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

## Other matter

I draw attention to the matter below.

### Achievement of planned targets

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

The table that follows provides information on the achievement of planned targets and list the key service delivery 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 page 47.

## Local governance

<b>Targets achieved: 94%</b>		
<b>Budget spent: 99%</b>		
<b>Key indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
Number of municipalities supported to promote participation in community based local governance processes (Priority 1: Capable, Ethical and Developmental State) (Priority 6 MTEF indicatory: Social Cohesion and Safer Communities).	8	6

## Report on compliance with legislation

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.

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

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

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

## Other information in the annual report

The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

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.

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.

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

Internal control deficiencies

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.

I did not identify any significant deficiencies in internal control.

*Auditor General*  
East London

31 July 2024



*Auditing to build public confidence*

### 3 OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 3.1. Service Delivery Environment

The service delivery landscape within the Department of Cooperative Governance and Traditional Affairs (COGTA) is characterised by a commitment to excellence, inclusivity, and responsiveness to the needs of municipalities and traditional and Khoisan leadership. Despite the myriad challenges in local government, the Department has remained steadfast in its dedication to delivering essential services to all citizens, particularly those in underserved areas. Through strategic partnerships with municipalities, traditional leadership structures, and other stakeholders, we have worked tirelessly to address infrastructure deficits, improve access to basic services such as water and sanitation, and promote sustainable development across our province.

The Department maintained its improved performance on the implementation of all its service delivery priorities during the year under review mainly due to the improvement in its performance management processes such as the holding of the quarterly performance reviews. This is evidenced by the achievement of ninety-eight percent (98%) of the targets set for the performance year under review 2023/2024. This great improvement is a result of joint effort by the management and employees of the institution.

In line with the pronouncement as per the departmental strategic planning documents, the department adopts an improved strategy in monitoring its performance in that it goes beyond the actual target achievement reporting, it will closely implement monitoring processes that reports on whether the stated goals/outcomes have been achieved.

The department responded to the urgent calls by the public and government to deal with the challenges pertaining to Gender-Based Violence and Femicide (GBVF-) in that twelve municipalities were monitored on the implementation of GBV interventions, namely Chris Hani, Inxuba Yethemba, Enoch Mgijima, Intsika Yethu, Sakhisizwe, Dr. AB. Xuma, O.R. Tambo, Nyandeni, KSD, Mhlontlo, PSJ and Ingquza Hill. Furthermore, the department held a Gender Based Violence and Femicide (GBV&F) awareness sessions inclusive of Youth & Disability focal at Elangeni & Ngxaza Hlubi Traditional Councils at Elundini.

To improve the quality of decision making and manage the risk of non-compliance with applicable legislation, the department attended to seven new litigation matters. In four of these matters there is no relief sought against the MEC, he was cited only as an interested party and the department elected not to enter the fray of litigation and will abide by the outcome. The other litigation matter was instituted by the department for reversal of an irregular appointment. Furthermore, we have generated eight legal opinions, 34 written legal comments and vetted four contracts.

In support of the fight against corruption and harnessing ethical conduct, Matatiele, Ingquza Hill, Winnie Madikizela-Mandela, Intsika Yethu, Ndlambe, Elundini, Blue Crane Route, Kouga, Buffalo City, Amathole, Makana, Senqu and Ngqushwa Municipalities were capacitated and monitored on implementation of Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework. Furthermore, in implementing Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework, an advocacy session was conducted at Enoch Mgijima municipality. Cybersecurity awareness sessions were also conducted as part of the above advocacy session, and ICT Systems Security Assessment was conducted in Enoch Mgijima municipality. Furthermore, Investigation on Fruitless and Wasteful Expenditure amounting to R18 122,30 was completed processed to ICU for further handling.

MEC Zolile Williams has called on municipal leadership to deliver services to communities equitably regardless of class, race, and gender biases. MEC Williams made the call during his outreach programme in Kouga Municipality. Included in his programme was a visit to a Centenarian grandfather in Patensie who stands benefitted from a house built by government. The outreach programme was for the MEC to interact with the municipal leadership and the community to discuss service delivery as well as governance and administrative issues.

As part of the District Development Model-DDM- intervention of the government, during the year under review six districts and two metros were monitored on the implementation of 'One Plans'. Meanwhile, the Inter-Governmental Relations-IGR-structures were monitored in ensuring that they remain functional and fit for purpose.

To support municipalities in ensuring that they collect the revenue billed by way of municipal services such as rates, water and electricity to the government departments, four municipal debt collection intervention sessions were convened to encourage departments to timeously pay monies owed to municipalities. This intervention is particularly aimed at ensuring that municipalities do collect revenues (from rates, electricity, and other services) due to them to be able to service their debts including ESKOM.

Thus, various meetings were held with the municipalities where commitments to effect payments were made by several government departments. Furthermore, all 39 municipalities were supported and monitored to ensure the functionality of its public accounts' committees with a goal of promoting good governance. It is encouraging to notice that Municipal Public Accounts Committees (MPAC's) are functional in all municipalities, and meetings are convened regularly according to the adopted Schedule of Meetings. However, notwithstanding the intervention and strides being put in place by the department to recover municipal debts, there is still a challenge of non-payment of municipal revenue by government departments. New mechanisms are being explored to resolve this, which include a dispute ombud mechanism and re-assigning the license of persistent defaulters. Therefore, ESKOM is encouraged to implement a regime of installation of pre-paid meters in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime.

Regarding Operation Masiphathisane, fourteen municipalities were supported to respond promptly to community concerns. This is to ensure the improved customer satisfaction levels among the municipal communities, which ultimately leads to reduced service delivery protests. Furthermore, thirty-three municipalities were supported on the functionality of its respective ward committees for effective community participation on municipal activities.

Twenty-eight municipalities were supported to comply with the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA) Regulations on the appointment of senior managers. This intervention is aimed at ensuring that only suitable officials are appointed to the management positions in municipalities for effective service provision. Secondly, it ensures proper performance management and ultimate service delivery to the communities. We also supported municipalities to align their organograms with the IDPs as well as the development of HR Plans.

In line with the implementation of Spatial Planning and Land Use Management Act (SPLUMA), the department supported sixteen municipalities, namely, Walter Sisulu, Ndlambe, Makana, Enoch Mjijima, Sarah Baartman, Inxuba Yethemba, Matatiele, Ngqushwa, Mbashe, Umzimvubu, Elundini, Dr Beyers Naude, Great Kei, Kouga, Mhlontlo and Amahlathi in establishment of municipal planning tribunals and training of its members. This was done to achieve hands on support by capacitating municipalities through the training sessions for MPT members, municipal officials, municipal councillors and (traditional leaders) to understand their role in the roll out of SPLUMA. Furthermore, Sundays River Valley, Matatiele, Amahlathi, Sarah Baartman, Amathole, Chris Hani, Mnquma, Ingquza Hill, Dr Beyers Naude, Raymond Mhlaba, Ntabankulu, OR Tambo, Sakhisizwe, Inxuba Yethemba, Nyandeni and KSD municipalities were supported on the development of a functional Integrated Geographic Information Systems-GIS-. Kouga and Dr Beyers Naude municipalities were also monitored and supported to administer land use management in the implementation of SPLUMA.

With regards to Land Survey services, the department provided support to Joe Gqabi, Sarah Baartman and Amathole District Municipalities with identification of land parcel beacons to resolve property boundary disputes and encroachments.

Twelve municipalities were guided in ensuring that they comply with the Municipal Property Rates Act, which are Senqu, Enoch Mjijima, Ngqushwa, Buffalo City, Nyandeni, Kouga, Sakhisizwe, Elundini, Nelson Mandela, Emalaheni, Matatiele and Sundays River Valley. This intervention contributes to dealing with the underlying challenges associated with inadequate revenue collection by the municipalities.

Thirty-eight municipalities were supported to implement indigent policies in ensuring that even those that are not economically effective members of the society are not left out in the service provision. In this regard ours is to support these municipalities by ensuring that those who are disadvantaged are not deprived of the much-needed municipal services such as water, electricity, sanitation, refuse removal and other subsidies owing to its socio-economic status. In so doing we are contributing to the macro-economic policy imperative of the country of ensuring equality and equitable distribution of services regardless of socio-economic status in communities. The department has also monitored progress in the implementation of Indigent Policies by municipalities in respect of the adopted policy by the council, existence of FBS coordinating structures, availability of Free Basic Services budget & personnel, alignment of Indigent Policy with other municipal policies and availability of a credible Indigent Register.

To strengthen controls around who qualifies for indigent support in order to prevent the abuse of the system, the department handed over (38) Indigent Registers to the Regional Office of South African Social Security Agency (SASSA) for cross referencing on SASSA data bases (SOCPEN beneficiaries – social grant beneficiaries) and the project of the verification of Indigent Data between SASSA and COGTA has been finalized. COGTA is now rolling out feedback to municipalities on findings made by SASSA through the verification of personal information provided by applicants for social assistance and claims for indigent support. Consent forms were also collected from municipalities for the verification of income levels through the partnership with SARS.

On the area of municipal infrastructure spending four municipalities were intensely supported under the Municipal Infrastructure Grant-MIG- Cost Reimbursement Support model, and these are, Walter Sisulu, Senqu, Enoch Mgijima and Raymond Mhlaba and their performance on MIG has significantly improved after this intense intervention. Out of 36 (thirty-six) MIG receiving municipalities, twenty-seven are spending above 70%, which is commendable, five municipalities are spending between 60% and 70% which is progressive, and four municipalities are spending below 60% by end February 2024 and that is seriously in contravention of the RAS imperatives.

On disaster management matters the department conducted functionality assessments of the disaster management centre and the fire services based on the Disaster Management Act and Fire Brigade Services Act, for Nelson Mandela and Sarah Baartman Disaster Management Centres.

The Department has also supported twelve municipalities to develop and implement Local Economic Development (LED) strategies, which are Ntabankulu, Winnie Madikizela-Mandela, Amahlathi, Mbhashe, Makana, Sundays River Valley, Senqu, Walter Sisulu, Sakhisizwe, Intsika Yethu, Ingquza Hill and OR Tambo. Subsequent to that 182 work opportunities were created through the Community Works Programme (CWP) where people were employed to participate in community works programmes in areas such as cleaning, maintenance, and beautification of towns in their selected municipal areas to contribute to poverty eradication strategy. This intervention supported participants in ensuring that they become economically effective members of the society after its implementation. Seven municipalities were supported to promote the small towns' revitalisation programme to ensure town development, accessibility of government services and beautification.

Senqu municipality in collaboration with COGTA has reviewed municipal LED Strategy in 2018 and was adopted by the municipal Council in 2021. The potential catalytic projects were identified and packaged. The municipality has been encouraged to finance the LED initiatives in the reviewed LED Strategy, and as such municipality provided seed for funding value add proposals from local entrepreneurs. Furthermore, the department supported the construction of the Ntabankulu Internal Streets which is a flagship programme under the Small Towns Revitalization Programme. Thus 51 job opportunities were facilitated to support livelihoods in line with the Local Economic Development strategy.

Alfred Nzo municipality was also supported in its Gravel Roads Rehabilitation and Construction that took place in various wards under the Alfred Nzo District. The aim of the project is the rehabilitate of the gravel roads which will be the enabler for local economic development and job creation opportunities in the district.

Forty-six thousand four hundred and ninety-nine (46 499) Community Works Programme (CWP) job opportunities have been created in the Eastern Cape Province.

Five research reports on genealogies of Royal families were conducted for Nkosi D. Mpangele of Imidange Traditional Council in Gcaleka, Nkosi T. Dike of Tyali Traditional Council in Gcaleka and Nkosi X. Sigcawu of Bashee Traditional Council in Gcaleka, Nkosi S.J. Mapasa of Tutura Traditional Council in Gcaleka and Nkosi S. Binase of Wezashe Traditional Council in Gcaleka. The following activities in respect of conducting and confirming the genealogical research were performed; -

- Conducted awareness session on Section 59 of Traditional and Khoi-San Leadership Act, 2019 (Act No.3 of 2019)
- Sourced relevant literature review on the origin of the two Royal Families.
- Conducted genealogical research with members of the affected Royal Families.
- Confirmed genealogical research.
- Compiled and submitted signed and confirmed genealogical reports.

Forty-two awareness sessions with affected stakeholders on the approved policies and legislation were conducted in identified Traditional Councils which include Maluti Region, Qaukeni Region, Dalindyebo Region and Gcaleka Region that had challenges in respect of generating revenues for the Traditional Council, managing and reporting on TC's funds and accounting for the funds collected by such TCs.

Oversight was conducted on consultation of Joe Gqabi LHoTKL on draft regulations for reconstitution of Traditional Councils on 05 February 2024 in Aliwal North to ensure the participation of stakeholders in policy making process, in accordance with the provisions of Section 195 of the Constitution of the Republic. Conducted oversight on the meetings held at Hala Traditional Council that was responding to the written request by Tshatshu Development Forum seeking intervention and support of the department and meeting held in Guba Traditional Council that had continuous non-compliance on financial management reporting requirements. The meetings were held with the aim of ensuring that proper guidance was provided on how Traditional Councils should manage challenges and affairs of the community and providing an understanding on the role of the Traditional Council in its communities.



Visited Cape Town National Archives on 04-05 April 2024 for verification on genealogies for Nkosi Mditshwa, Nkosi S.J. Mapasa and Nkosi S. Binase targeted for Quarter 4 of 2023/24 FY for credible genealogical database that will be used as source of reference in future.

The department also partnered with South African Police Service, NPA, Department of Social Development, Department of Correctional Services, Legal Aid, Mnquma municipality and Pakamisanani NGO to create awareness on the impact of crime and GBVF to communities and how it manifests. Communities were provided with information on where to go when they experience GBV. Women were cautioned against the withdrawal of GBV cases as this exposes them to more abuse that can also lead to loss of life. The awareness sessions were conducted in Mhala and Ngqwara Traditional Councils.

A Gender-based Violence and Femicide (GBVF) awareness was held at Ngangeqgili Traditional Council that falls under Amathole district. A second GBVF awareness session was conducted at Thornhill in the Ntabethemba area in Western Thembuland under Chris Hani District Municipality. These areas were selected due to high incidents of GBVF related matters as contained in the SAPS and Community Safety reports. The target audience was Traditional Leaders, Councillors, and general members of the community. About 560 people attended these awareness sessions and incidents on GBVF were key in the awareness.

The functionality of District Initiation Fora (DIF) was monitored in all six districts and two metros to ensure compliance with the Eastern Cape Customary Male Initiation Act. This compliance contributes to a broader outcome that involves the prevention/reduction of initiates deaths in mountains where they are initiated into manhood. Furthermore, A Provincial Initiation Summit was convened to discuss challenges affecting customary male initiation and charting a way forward that will serve as a blueprint for initiation related interventions in the Eastern Cape.

All eight District Initiation Fora tabled their 2023 Summer Initiation Season reports during the above-mentioned meeting for discussion and endorsement with an objective of crafting an Integrated Provincial Initiation Summer Season Reports for submission to the Executive Committee, MEC, Provincial Initiation Coordinating Committee (PICC) and finally to the National Initiation Oversight Committee (NIOC). As part of this programme, A post initiation program on Uyalo lwamakrwala was spearheaded by the House in conjunction with the initiation fora in all districts and the two metropolitan municipalities.

Moreover, a new partnership was entered into to support pro-poor initiatives for traditional leadership institutions. A presentation was made to the House of a challenge of illegal immigrants in rural areas. To deal with this a discussion also ensued regarding the capacitation of Traditional and Khoisan Leaders in dealing with the identification of illegal foreign nationals in rural areas.

### 3.2. Service Delivery Improvement Plan

The Department in its operations is responsible for all 39 municipalities as well as traditional leadership institutions –

- Two (2) Metropolitan municipalities;
- Six (6) District Municipalities;
- Thirty-one (31) local municipalities;
- Seven (7) Kingships/Queenships;
- Ten (10) Traditional Regions aligned.
- 239 Traditional Councils;
- One (1) Provincial House of Traditional Leaders and.
- Six (6) Local Houses of Traditional Leaders.

In terms of Sections 154 of the Constitution the Department has a duty to provide capacity support to all the 39 municipalities. Furthermore, the Department is also responsible for the provision of support to the Institution of Traditional Leadership. Sections 211 and 212 of the Constitution give express recognition to the Institution of Traditional Leadership.

The Department has embarked on an extensive consultation to review its organisational structure which is best suited to implement its strategic plan. The review process is at an advanced stage, and it is anticipated that the process will be finalised during the current financial year (2024/ 2025).

**Table 3.1: Main Services and Standards**

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Support provision of free basic services by municipalities	Municipalities	Proper implementation of indigent policies to roll out free basic services by municipalities.	Quarterly Indigent Steering Committee meetings at local level. Quarterly Free Basic Services District Forums. Annual workshops with District municipalities. One on one sessions with municipalities 1 x annually. Municipality engagement on request.	In our endeavor to support municipalities to have access to Free Basic Services by deserving indigent beneficiaries, FBS Directorate has partnered with the Department of Home Affairs to assist municipalities to uproot all the deceased from indigent registers, the Directorate has also provided municipalities with an ID Checker i.e., system to verify the authenticity of ID Numbers that are in the indigent register.  The Directorate has monitored and guided municipalities in the implementation of their Indigent Policies. This seeks to ensure that their indigent policies are credible in terms of the required standards and are reviewed annually. FBS Directorate has resuscitated FBS District Fora for the promotion of integrated planning and coordination in the rolling out of FBS BY District and local municipalities. Finally, the directorate has conducted Indigent Policy Workshops in six municipalities so far for the capacitation of Councillors, CWDs and ward committee members in the correct implementation of FBS programme. In the process Indigent Steering Committees are also established for the coordination of FBS activities at municipal level.
Improve infrastructural spending by municipalities	Municipalities	Lack of Technical capacity and poor planning	Pre district appraisal committee, PMISD: Provincial Municipal Infrastructure Service Delivery DWIF: District Wide	Technical capacity and infrastructure expenditure in the province has considerably improved through PMISD and Capital Grants allocations, including District Municipalities.
Improve construction of traditional councils	Traditional Leadership institutions and traditional communities	Construction of Traditional Councils very slow	Site meetings and inspections with all members of the house after every milestone	No traditional council could be completed.

### 3.2.1. Batho Pele Arrangements with Beneficiaries

The Table below reflects Batho Pele arrangement with beneficiaries in the provision of support services to Municipalities and Traditional Leadership Institutions.

**Table 3.2: Batho Pele Arrangements with Beneficiaries**

Main service	Current/actual arrangements	Desired arrangements	Actual achievements
Indigent Policies	Quarterly Indigent Steering Committee Meetings at local level. Quarterly Free Basic Services District Forums.	Quarterly Indigent Steering Committee Meetings at local level. Quarterly Free Basic Services District Forums.	All Free Basic Services District Forums held. Engagement sessions held with municipalities to monitor and evaluate progress on the implementation of indigent policies. Imbizo/ awareness conducted to municipalities.
Support provision of free basic services by municipalities	Pre district appraisal committee, PMISD: Provincial Municipal Infrastructure Service Delivery	Pre district appraisal committee (DACs), PMISD: Provincial Municipal Infrastructure Service Delivery	FBS District Fora for the promotion of integrated planning and coordination in the rolling out of FBS BY District and local municipalities. Finally, the directorate has conducted Indigent Policy Workshops in six municipalities so far for the capacitation of Councillors, CWDs and ward

Main service	Current/actual arrangements	Desired arrangements	Actual achievements
			committee members in the correct implementation of FBS programme. In the process Indigent Steering Committees are also established for the coordination of FBS activities at municipal level.
Improve Construction of Traditional Councils	Meetings and workshops with traditional leaders, representatives from DPW and construction company	Site meetings and inspections with traditional leaders, representatives from DPW and construction company after every milestone.	No traditional council could be completed.

### 3.2.2. Service delivery information tool

The table below provides summary of service delivery information tools as part of the Service Delivery Scorecard.

**Table 3.3: Service delivery information tool**

Current/actual arrangements	Desired arrangements	Actual achievements
Departmental Communication Action Plan reviewed	Reviewed Communication Action Plan to be in place	Departmental Communication Action Plan reviewed and implemented

### 3.2.3. Complaint mechanisms

The below table provides summary of Complaint mechanisms as part of the Service Delivery Scorecard.

**Table 3.4: Complaints mechanisms**

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Queries and complaints are not dealt with in a structured manner.  Complaints management mechanism institutionalised through the Service Delivery Charter.	Queries and complaints mechanism to be incorporated in a Service Delivery Charter Personnel to administer the complaints and compliments management system to be employed or re-assigned.  Personnel made aware and trained on the complaints and compliments management system.	Service Delivery Charter with complaints mechanism for lodgement of complaints is implemented.  Batho Pele service delivery audits/assessments conducted during March 2021 and identified gaps could not be attended fully due to budget cuts.

## 3.3. Organisational environment

Within the Department of Cooperative Governance and Traditional Affairs (COGTA), the organisational environment is defined by a culture of collaboration, innovation, and accountability. As a government department tasked with promoting cooperative governance and facilitating service delivery, COGTA operates within a dynamic and multifaceted ecosystem. Our organisational structure is designed to foster synergy and cohesion among various directorates, units, and stakeholders, ensuring alignment with our strategic objectives and mandates.

Furthermore, COGTA is committed to fostering a work environment that values diversity, inclusivity, and continuous learning. We recognise that our greatest asset lies in our people, and as such, we are dedicated to investing in their professional development, well-being, and empowerment. Through training programmes, mentorship initiatives, and performance incentives, we strive to cultivate a workforce that is agile, adaptable, and driven by a shared sense of purpose. By nurturing a culture of innovation and collaboration, COGTA aims to harness the collective expertise and creativity of its employees to address the complex challenges facing our communities and achieve our vision of a more prosperous, equitable, and resilient society.

## 3.4. Key policy developments and legislative changes

The following is new legislation passed at National sphere on Traditional Affairs during this period. It will be rolled out during the 2023 MTEF period moving forward. It will require additional budget to be implemented.

Traditional Leadership and Governance Framework Amendment Act, 2019 (Act 2 of 2019).

The aim of the legislation is as follows; To make provision for extended timeframes within which Kingship or Queenship councils and TCs must be established; to provide for extended timeframes within which community authorities have to be disestablished; to align the term of all traditional leadership institutions.

**Traditional and Khoi-San Leadership Act, 2019 (Act 3 of 2019).**

- The aim of the legislation is as follows:
- To provide for the recognition of Traditional and Khoi-San communities, leadership positions and for the withdrawal of such recognition; to provide for the functions and roles of traditional and Khoisan Leaders;
- To provide for recognition, establishment, functions, roles, and administration of Kingship of Queenships councils, Principal TCs, TCs, Khoi-San councils and traditional sub-councils and,
- To provide for establishment of Traditional Leadership Institutions.

**4. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES**

**PROGRAMME 1: ADMINISTRATION**

<b>MTSF Priority 1: Capable, Ethical and Developmental State</b> <b>MTSF Priority 2: Economic Transformation and Job Creation</b> <b>MTSF Priority 3: Education, Skills, and Health</b> <b>MTSF Priority 5: Spatial Development, Human Settlements and Local Government</b> <b>MTSF Priority 7: A better Africa and the World</b>				
Outcomes	Outcome Indicator	Baseline	Five-year target	Performance as at 31 <sup>st</sup> March 2024
High performing Department enhancing service delivery through integrated support services.	Compliance with the relevant governance prescripts towards clean administration.	<ul style="list-style-type: none"> <li>• 2013/14 clean audit.</li> <li>• 5 (2014/19 period) consecutive unqualified audits.</li> </ul>	Clean audit outcomes from 2020/21 to 2024/25	3 Clean Audit Outcomes achieved (2020/2021, 20221/2022 & 2022/2023 )

**PROGRAMME 2: LOCAL GOVERNANCE**

<b>MTSF Priority 1: Capable, Ethical and Developmental State</b> <b>MTSF Priority 2: Economic Transformation and Job Creation</b> <b>MTSF Priority 3: Education, Skills, and Health</b> <b>MTSF Priority 5: Spatial Development, Human Settlements and Local Government</b> <b>MTSF Priority 7: A better Africa and the World</b>				
Outcomes	Outcome Indicator	Baseline	Five-year target	Performance as at 31 <sup>st</sup> March 2024
Responsive, capable and stable local state that deliver seamless services to the communities	Number of municipalities with good public participation practices	<ul style="list-style-type: none"> <li>◇ 33 municipalities have functional ward committees.</li> <li>◇ 33 municipalities responding to community concerns.</li> </ul>	<ul style="list-style-type: none"> <li>◇ 33 municipalities with good public participation practices</li> </ul>	<ul style="list-style-type: none"> <li>◇ All 33 municipalities have functional ward committees until November 2021 LG elections.</li> <li>◇ The establishment phase continued where a roadmap was developed as a guide to elect new ward committees.</li> </ul>
	Municipalities complying with applicable legislations, institutional capacity and governance matters to improve service delivery.	<ul style="list-style-type: none"> <li>◇ 14 Dysfunctional Municipalities.</li> <li>◇ 39 councils convene the legislated quarterly meetings.</li> <li>◇ 35 municipalities complied with MSA Regulations on the appointment of senior managers.</li> <li>◇ 39 municipalities Institutionalised the performance management system</li> </ul>	<ul style="list-style-type: none"> <li>◇ 39 Functional and effective Municipalities</li> </ul>	<ul style="list-style-type: none"> <li>◇ 39 Municipalities are fully functional and effective. The Municipal Councils of all the 39 municipalities exercise their oversight role over administrations.</li> </ul>
	Number of municipalities that obtained clean audit opinion	<ul style="list-style-type: none"> <li>◇ 23 municipalities with improved financial performance and governance.</li> <li>◇ 39 Municipal Public Account Committee's.</li> <li>◇ 39 municipalities implemented Audit Response Plans.</li> </ul>	<ul style="list-style-type: none"> <li>◇ 39 municipalities with clean audit outcomes</li> </ul>	<ul style="list-style-type: none"> <li>◇ So far there are 4 Municipalities with clean audit for 2022/23 Financial year, namely Mquma LM, Winnie Madikizela LM, Joe Gqabi DM, and Senqu LM.</li> </ul>

PROGRAMME 3: DEVELOPMENT AND PLANNING

MTSF Priority 1: Capable, Ethical and Developmental State MTSF Priority 2: Economic Transformation and Job Creation MTSF Priority 3: Education, Skills, and Health MTSF Priority 5: Spatial Development, Human Settlements and Local Government MTSF Priority 7: A better Africa and the World																															
Outcomes	Outcome Indicator	Baseline	Five-year target	Performance as at 31 <sup>st</sup> March 2024																											
Improved integrated planning and development for better services delivery	Well consulted integrated and responsive IDPs for improved service delivery	» 39 municipalities with IDPs	» 39 municipalities with responsive IDPs	» 39 Municipalities with credible IDPs																											
	Percentage of households with access to basic water increased	» Water access: 75.1% (2018)	» 24.9% households with access to basic services increased	» 80% households have access to basic water services and the backlog decreased by 5% instead of 24.9% due to inadequate grant funding.																											
	Percentage of households with access to basic sanitation increased	» Sanitation 88% (2018)	» 12% households with access to basic sanitation increased	» 94% households have access to basic sanitation services and the backlog decreased by 6% instead of 12% due to inadequate grant funding.																											
	Percentage of households with access to basic electricity increased	» Electricity 87.4% (2018)	» 12.6% households with access to basic electricity increased	» 95% households have access to basic sanitation services and the backlog decreased by 7.6% instead of 12.6% due to inadequate grant funding.																											
	Percentage of households with access to refuse removal increased	» Refuse removal 51% (2018)	» 49% households with access to refuse removal increased	» 57% households have access to basic refuse removal services and the backlog decreased by 6% instead of 49% due to non-prioritisation of refuse removal in the rural areas by municipalities.																											
	Responsive Disaster Management Centres and Fire Brigade Services in the province	» 6 District municipalities and 2 metro municipalities Disaster Management Centres.	» 8 Responsive Disaster Management Centres and Fire Brigade Services in the Province	» 8 Responsive Disaster Management Centres and Fire Brigade Services in the Province																											
	Work opportunities created through public employment programmes (EPWP)	Municipalities have strategies for enhancing their LED. 794 work opportunities created through EPWP.	1020 work opportunities created through EPWP	Nine hundred and fifty-one (951) work opportunities were created through EPWP as follows: - <table border="1"> <thead> <tr> <th colspan="5">Actual Performance</th> </tr> <tr> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> </tr> </thead> <tbody> <tr> <td>187</td> <td>187</td> <td>201</td> <td>194</td> <td>182</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Demographics</th> </tr> <tr> <th>Women</th> <th>Male</th> <th>Youth</th> <th>PwD</th> </tr> </thead> <tbody> <tr> <td>614 (64%)</td> <td>337 (36%)</td> <td>203 (21%)</td> <td>30 (3%)</td> </tr> </tbody> </table> The department couldn't achieve the term target of creating 1020 job opportunities as there was anticipation of budget escalations when the target was set however the allocations remained relatively constant.	Actual Performance					2019/20	2020/21	2021/22	2022/23	2023/24	187	187	201	194	182	Demographics				Women	Male	Youth	PwD	614 (64%)	337 (36%)	203 (21%)	30 (3%)
	Actual Performance																														
2019/20	2020/21	2021/22	2022/23	2023/24																											
187	187	201	194	182																											
Demographics																															
Women	Male	Youth	PwD																												
614 (64%)	337 (36%)	203 (21%)	30 (3%)																												
Responsive Spatial Planning and Land Use Management (SPLUM) in municipalities	» 6 District municipalities and 2 metro municipalities implementing of SPLUM	» Responsive SPLUM in 6 district municipalities and 2 metro municipalities	The two Metros have functional Municipal planning tribunals, and all systems are in place. Status per district: Chris Hani and Joe Gqabi District municipalities have established DMPTs to assist their local municipalities in the assessment and processing of land development applications. The Alfred Nzo, Sarah Baartman and OR Tambo District MPTs have since lapsed with OR Tambo and Sarah Baartman being in the process of re-establishment while Alfred Nzo has decided not to continue with the process																												

**PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT**

<b>MTSF Priority 1:</b>	<b>Capable, Ethical and Developmental State</b>			
<b>MTSF Priority 2:</b>	<b>Economic Transformation and Job Creation</b>			
<b>MTSF Priority 3:</b>	<b>Education, Skills, and Health</b>			
<b>MTSF Priority 5:</b>	<b>Spatial Development, Human Settlements and Local Government</b>			
<b>MTSF Priority 7:</b>	<b>A better Africa and the World</b>			
<b>Outcomes</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Five-year target</b>	<b>Performance as at 31<sup>st</sup> March 2024</b>
Functional and effective traditional leadership institutions for socioeconomic development	Responsive traditional leadership institutions in the province	» 1 Provincial House of Traditional Leaders » 6 Local Houses » 239 Traditional Councils » 7 Kings/ Queens Councils	» Provincial House of Traditional Leaders » 6 Local Houses » 239 Traditional Councils » 7 Kings/ Queens Councils	» 1 Provincial House of Traditional Leaders » 6 Local Houses » 239 Traditional Councils » 7 Kings/ Queens Councils

**PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS**

<b>MTSF Priority 1:</b>	<b>Capable, Ethical and Developmental State</b>			
<b>MTSF Priority 2:</b>	<b>Economic Transformation and Job Creation</b>			
<b>MTSF Priority 3:</b>	<b>Education, Skills, and Health</b>			
<b>MTSF Priority 5:</b>	<b>Spatial Development, Human Settlements and Local Government</b>			
<b>MTSF Priority 7:</b>	<b>A better Africa and the World</b>			
<b>Outcomes</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Five-year target</b>	<b>Performance as at 31<sup>st</sup> March 2024</b>
Functional and effective traditional leadership institutions for socioeconomic development	Responsive traditional leadership institutions in the province	» 1 Provincial House of Traditional Leaders » 6 Local Houses » 239 Traditional Councils » 7 Kings/ Queens Councils	» Provincial House of Traditional Leaders » 6 Local Houses » 239 Traditional Councils » 7 Kings/ Queens Councils	» Provincial House of Traditional Leaders » 6 Local Houses » 239 Traditional Councils » 7 Kings/ Queens Councils



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# PROGRAMME 1 ADMINISTRATION



5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

5.1. Programme One: Administration



5.1.1. Programme Purpose

- To give effective strategic leadership and proficient administration support services to the Department of Cooperative Governance and Traditional Affairs.

5.1.2. Sub-Programmes

Sub-Programmes		Sub-Programme Purpose
1.1	Office of the MEC	To provide political direction and set policy priorities for intervention and play an oversight over the department to ensure alignment to its mandate and mainstreaming the needs of vulnerable groups.
1.2	Corporate Services	To provide efficient and effective corporate support services to the department.

5.1.3. Institutional Outcome

High performing Department enhancing service delivery through integrated support services.



## Outcomes, Outputs, Output Indicators, Targets and Actual Achievements:

### Sub-Programme 1.1- Office of the MEC

The National Department of Planning Monitoring and Evaluation (DPME) as well as the Office of the Premier (OTP) requested the Department to reduce the number of indicators, especially input and process indicators in the APP. Furthermore, the request elaborated that such indicators must only be reflected in the Departmental Operational Plan.

The Output indicator: "Number of Municipalities monitored on the implementation of GBVF responsive programmes (Final M&E Plan for NSP on GBVF) (Pillar 2: Prevention and Restoration of Social Fabric)" is reflected below under Sub-programme 1.2: Corporate Services.

### Sub-Programme 1.2: Corporate services

The Department has monitored twelve municipalities on the implementation of Gender-Based Violence (GBV) programmes namely, Chris Hani, Inxuba Yethemba, Enoch Mgijima, Intsika Yethu, Sakhisizwe, Dr. AB. Xuma, O.R. Tambo, Nyandeni, KSD, Mhlontlo, PSJ and Ingquza Hill, towards reduction of inequality among vulnerable members of the society.

As part of the District Development Model (DDM) intervention of the government, during the year under review, eight municipalities (six districts and two metropolitans) were monitored on the implementation of 'One Plans'. Meanwhile, the Inter-Governmental Relations-IGR- structures were monitored in ensuring that they remain functional and fit for purpose.

In support of the fight against corruption and harnessing ethical conduct, Matatiele, Ingquza Hill, Winnie Madikizela-Mandela, Intsika Yethu, Ndlambe, Elundini, Blue Crane Route, Kouga, Buffalo City, Amathole, Makana, Senqu and Ngqushwa Municipalities were capacitated and monitored on implementation of Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework.

Furthermore, in implementing Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework, an advocacy session was conducted at Enoch Mgijima municipality. Cybersecurity awareness sessions were also conducted as part of the above advocacy session, and ICT Systems Security Assessment was conducted in Enoch Mgijima municipality. Furthermore, Investigation on Fruitless and Wasteful Expenditure amounting to R18 122,30 was completed processed to ICU for further handling.



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**Table 5.1: Programme One\_Outcomes, Outputs, Performance Indicators and Targets**

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
High performing Department enhancing service Delivery through Integrated support services	GBVF responsive Programmes implementation monitored in municipalities	Number of Municipalities monitored on the implementation of GBVF responsive programmes (Final M&E Plan for NSP on GBVF) (Pillar 2: Prevention and Restoration of Social Fabric)	7	17	12	12	0	No deviation
	Anti-corruption measures are implemented	Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Linked to MTSF 2019-2024, Priority 1)	4	14	10	14	+4	Four more requests of support were received from Ngqushwa, Makana, Intsika Yethu and Alfred Nzo municipalities
	District and Metro One Plan	Number of District/Metro monitored on the implementation One Plans (MTSF 2019 – 2024, Priority 5: Spatial integration, human settlements, and local government)	8	8	8	8	0	No deviation
	Improved service delivery through functional IGR system.	Number of functional IGR Structures monitored	8	8	8	8	0	No deviation
	Digitalized business processes	Number of paperless business solutions implemented	1	2	2	2	0	No deviation
	Increased Institutional Capacity	Number of vacant funded posts filled	104	97	75	86	11	The recruitment processes were fast-tracked to ensure that the department is not affected by the DPSA circular issued on recruitment.

5.1.4. Linking Performance with Budgets

Table 5.2: Sub-Programme Expenditure

PROGRAMME 1: ADMINISTRATION								
Sub-Programme Name	2023/2024				2022/2023			
	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent
Office of the MEC	11 228	10 957	271	97.6%	11 986	11 583	403	96.6%
Corporate Services	277 082	274 676	2 406	99.1%	265 736	254 067	11 669	95.6%
<b>Total</b>	<b>288 310</b>	<b>285 633</b>	<b>2 677</b>	<b>99.1%</b>	<b>277 722</b>	<b>265 650</b>	<b>12 072</b>	<b>95.7%</b>

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

- All customised sector indicators for 2023/2024 have been included in the Annual Performance Plan 2023/2024 and been reported on.





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# PROGRAMME 2

## LOCAL GOVERNANCE



## 5.2. PROGRAMME TWO: LOCAL GOVERNANCE



### 5.2.1. Programme Purpose

- To ensure the transformation of developmental local government by strengthening municipal institutions that will be responsive to the needs of the communities.

### 5.2.2. Sub-Programmes

Sub-Programmes		Purpose
2.1	Municipal Administration	To provide support services and monitor the effective municipal administration matters within the regulatory framework.
2.2	Municipal Finance	To provide support services and monitor the implementation of efficient and effective financial management systems in municipalities in accordance with the applicable acts.
2.3	Public Participation	To deepen democracy for better service delivery.
2.4	Capacity Development	To provide support and management services to municipalities in respect of capacity building.
2.5	Municipal Performance Monitoring, Reporting and Evaluation	To provide effective, coordinated and hands-on support to municipalities, improve performance, monitoring, reporting and evaluation services.

### 5.2.3. Institutional Outcomes

- Responsive, capable, and stable local state that deliver seamless services to the communities.

## PROGRAMME TWO: LOCAL GOVERNANCE

To support municipalities in ensuring that they collect the revenue billed by way of municipal services such as rates, water, and electricity to the government departments, four municipal debt collection intervention sessions were convened to encourage departments to timeously pay money owed to municipalities. This intervention is particularly aimed at ensuring that municipalities do collect revenues (from rates, electricity, and other services) due to them to service their debts including ESKOM.

Thus, various meetings were held with the municipalities where commitments to effect payments were made by several government departments. Furthermore, all 39 municipalities were supported and monitored to ensure the functionality of its public accounts' committees with a goal of promoting good governance. It is encouraging to notice that Municipal Public Accounts Committees (MPAC's) are functional, and meetings are convened regularly according to the adopted Schedule of Meetings. However, in some municipalities MPACs are not fully functional due to political instability.

Notwithstanding the intervention and strides being put in place by the department to recover municipal debts, there is still a challenge of non-payment of municipal revenue by government departments. New mechanisms are being explored to resolve this, which include a dispute ombud mechanism and re-assigning the license of persistent defaulters. As a result, ESKOM has been encouraged to implement a regime of installation of pre-paid meters in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime.

Regarding Operation Masiphathisane, fourteen municipalities were supported to respond promptly to community concerns. This is to ensure the improved customer satisfaction levels among the municipal communities, which ultimately leads to reduced service delivery protests. Furthermore, thirty-three municipalities were supported on the functionality of its respective ward committees for effective community participation on municipal activities.

Twenty-four municipalities were supported to comply with the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA) Regulations on the appointment of senior managers. This intervention is aimed at ensuring that only suitable officials are appointed to the management positions in municipalities for effective service provision. Secondly, it ensures proper performance management and ultimate service delivery to the communities. The department also supported municipalities to align their organograms with the IDPs as well as the development of HR Plans. In addition, the Department supported 39 municipalities with the institutionalisation of the Municipal Performance Management System (PMS), as well as monitored the implementation of the municipal support plans.



### Sub-Programme 2.1: Municipal Administration

Table 5.3: Municipal Administration: Outcomes, Outputs, Performance Indicators and Targets

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
Responsive, capable and stable local state that deliver seamless services to the communities.	Local government that upholds Good Corporate Governance.	Number of consolidated assessment quarterly reports produced in compliance with relevant legislation.	-	4	4	4	0	No deviation

### Sub-Programme 2.2: Municipal Finance

Table 5.4: Municipal Finance: Outcomes, Outputs, Performance Indicators and Targets

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
Responsive, capable, and stable local state that deliver seamless services to the communities.	Clean audit opinion.	Number of municipalities monitored on the implementation of audit response plans, (Linked to MTSF 2019-2024, Priority 1)	39	39	39	39	0	No deviation
	Increased revenue collection by municipalities	Number of quarterly interventions conducted to monitor government debt payable to municipalities (Sub-outcome 3, Action 1)	4	4	4	4	0	No deviation
Responsive, capable and stable local state that deliver seamless services to the communities	Municipalities complying with good governance principles.	Number of municipalities supported to have functional Municipal Public Account Committee's	39	39	39	39	0	No deviation

**Sub-Programme 2.3: Public Participation**

**Table 5.5: Public Participation: Outcomes, Outputs, Performance Indicators and Targets**

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
Responsive, capable and stable local state that deliver seamless services to the communities.	Functional ward committees to improve citizen interface	Number of municipalities supported to maintain functional ward committees (Linked to MTSF 2019 –2024, Priority 1)	39	33	33	33	0	No deviation
	Municipalities are responsive to community concerns	Number of municipalities supported to resolve community concerns (Outcome-9: Sub-Outcome 2) (B2B Pillar 1)	25	49	Demand driven	14	0	No deviation
	Communities participated meaningfully in municipal governance for attainment of a developmental local government	Number of municipalities supported to promote participation in community based local governance processes (Priority 1: Capable, Ethical and Developmental State) (Priority 6 MTEF indicator: Social Cohesion and Safer Communities)	8	8	8	6	-2	MEC office postponed the outreach programmes due to its non-availability. However, preparatory meetings were held.
	Free and fair local government elections	Number of municipalities supported in preparation for elections	33	8	8	8	0	N/A
	Access to government services and relevant information leading to socio-economic empowerment.	Number of CDWP implemented in municipalities	4	4	4	4	0	No deviation



SUB-PROGRAMME 2.4- CAPACITY DEVELOPMENT

Table 5.6: Capacity Development: Outcomes, Outputs, Performance Indicators and Targets

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
Responsive, capable and stable local state that deliver seamless services to the communities.	Compliant recruitment process in line with prescribed regulations.	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers (Linked to MTSF 2019 – 2024, Priority 1) MTSF 2019-2024, Priority 1)	39	25	Demand Driven	24	0	No deviation
	Capacitated local government	Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019– 2024, Priority 1) (B2B Pillar 5)	2	12	3	4	1	Request from National COGTA to Facilitate training of mayors on Staff regulations.
	Municipalities have reviewed integrated HR Plans	Number of municipalities supported in reviewing draft integrated HR Plans	2	2	2	2	0	No deviation
	Reviewed organograms with IDP's aligned	Number of municipalities supported in aligning their reviewed organograms with IDP's	1	2	2	10	8	Received requests for support from Amathole, Enoch Mgijima, ADM, Kouga, Sarah Baartman, Amahlathi OR Tambo and Koukamma
	Successful and sound labour relationship	Number of municipalities supported in resolving labour relations matters	2	1	Demand Driven	Demand Driven (0) <sup>1</sup>	0	No deviation

<sup>1</sup> Demand Driven (0) denotes that the Department did not receive any requests for support from municipalities on labour relations matters during the year under review.

## SUB-PROGRAMME 2.5- MUNICIPAL PERFORMANCE MONITORING, REPORTING AND EVALUATION

**Table 5.7: MPRE: Outcomes, Outputs, Performance Indicators and Targets**

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
Responsive, capable and stable local state that deliver seamless services to the communities	Institutionalised performance management systems in local government	Number of municipalities supported to institutionalize the performance management system (PMS) (Linked to MTSF 2019 –2024, Priority 1)	20	39	39	39	0	No deviation
	Consolidated municipal performance report of the province	Number of Section 47 reports compiled as prescribed by the MSA (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5)	1	1	1	1	0	No deviation
	Improved state of Local Government	Number of reports on the implementation of support plans by municipalities (MSIP's) developed	4	4	4	4	0	No deviation
	Municipal support Programmes evaluate	Number of evaluation reports with findings compiled	1	1	1	1	0	No deviation

### 5.2.4. Linking Performance with Budgets

**Table 5.8: Sub-programme Expenditure**

Sub-Programme Name	PROGRAMME 2: LOCAL GOVERNANCE 2023/2024				2022/2023			
	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	% Spent	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	% Spent
	R'000	R'000	R'000		R'000	R'000	R'000	
Municipal Administration	16 993	16 473	520	96.9%	14 836	14 533	303	98.0%
Municipal Finance	12 455	11 664	791	93.6%	10 740	10 628	112	99.0%
Municipal Public Participation	214 209	213 686	523	99.8%	200 327	199 924	403	99.8%
Municipal Capacity Development	11 330	10 909	421	96.3%	9 882	9 536	346	96.5%
Municipal Performance Monitoring, Reporting and Evaluation	12 975	11 871	1 104	91.5%	11 117	10 210	907	91.8%
<b>Total</b>	<b>267 962</b>	<b>264 603</b>	<b>3 359</b>	<b>98.7%</b>	<b>246 902</b>	<b>244 831</b>	<b>2 071</b>	<b>99.2%</b>

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

- All customised sector indicators for 2023/2024 have been included in the Annual Performance Plan 2023/2024 and been reported on.





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# PROGRAMME 3

## DEVELOPMENT AND PLANNING



### 5.3. PROGRAMME THREE: DEVELOPMENT AND PLANNING

#### 5.3.1. Programme Purpose

- To render support services regarding integrated planning and development in municipalities

#### 5.3.2. Sub-Programmes

	Sub-Programmes	Sub-Programme Purpose
3.1	Spatial Planning	To support municipalities with spatial planning and Geographic Information Systems.
3.2	Land Use Management	To support municipalities with effective and efficient land use management and administration.
3.3	Local Economic Development	To provide seamless and integrated local economic development facilitation.
3.4	Municipal Infrastructure	To build efficient social infrastructure to support service delivery.
3.5	Disaster Management	To improve disaster prevention, mitigation and responses.
3.6	IDP Coordination	To provide support for effective and efficient municipal integrated development planning.

#### 5.3.3. Institutional outcomes

- Improved integrated planning and development for better services delivery.
- Thriving local economies based on sustainable infrastructure and spatial reconstruction.



### PROGRAMME 3: DEVELOPMENT AND PLANNING

In line with the implementation of Spatial Planning and Land Use Management Act (SPLUMA), the department supported sixteen municipalities, namely, Walter Sisulu, Ndlambe, Makana, Enoch Mgijima, Sarah Baartman, Inxuba Yethemba, Matatiele, Ngqushwa, Mbhashe, Umzimvubu, Elundini, Dr Beyers Naude, Great Kei, Kouga, Mhlontlo and Amahlathi in establishment of municipal planning tribunals and training of its members. This was done to achieve hands on support by capacitating municipalities through the training sessions for MPT members, municipal officials, municipal councillors and (traditional leaders) to understand their role in the roll out of SPLUMA. Furthermore, Sundays River Valley, Matatiele, Amahlathi, Sarah Baartman, Amathole, Chris Hani, Mnquma, Ingquza Hill, Dr Beyers Naude, Raymond Mhlaba, Ntabankulu, OR Tambo, Sakhisizwe, Inxuba Yethemba, Nyandeni and KSD municipalities were supported on the development of a functional Integrated Geographic Information Systems-GIS-. Nine municipalities were also monitored and supported to administer land use management in the implementation of SPLUMA.

Twelve municipalities were guided in ensuring that they comply with the Municipal Property Rates Act, which are Senqu, Enoch Mgijima, Ngqushwa, Buffalo City, Nyandeni, Kouga, Sakhisizwe, Elundini, Nelson Mandela, Emalaheni, Matatiele and Sundays River Valley. This intervention contributes to dealing with the underlying challenges associated with inadequate revenue collection by the municipalities.

Thirty-eight municipalities were supported to implement indigent policies in ensuring that even those that are not economically effective members of the society are not left out in the service provision. In this regard ours is to support these municipalities by ensuring that those who are disadvantaged are not deprived of the much-needed municipal services such as water, electricity, sanitation, refuse removal and other subsidies owing to its socio-economic status. In so doing we are contributing to the macro-economic policy imperative of the country of ensuring equality and equitable distribution of services regardless of socio-economic status in communities. The department has also monitored progress in the implementation of Indigent Policies by municipalities in respect of the adopted policy by the council, existence of FBS coordinating structures, availability of Free Basic Services budget & personnel, alignment of Indigent Policy with other municipal policies and availability of a credible Indigent Register.

To strengthen controls around who qualifies for indigent support to prevent the abuse of the system, the department handed over (38) Indigent Registers to the Regional Office of South African Social Security Agency (SASSA) for cross referencing on SASSA data bases (SOCPEN beneficiaries – social grant beneficiaries) and the project of the verification of Indigent Data between SASSA and COGTA has been finalized. COGTA is now rolling out feedback to municipalities on findings made by SASSA through the verification of personal information provided by applicants for social assistance and claims for indigent support. Consent forms were also collected from municipalities for the verification of income levels through the partnership with SARS.

On the area of municipal infrastructure spending four municipalities were intensely supported under the Municipal Infrastructure Grant-MIG- Cost Reimbursement Support model, and these are, Walter Sisulu, Senqu, Enoch Mgijima and Raymond Mhlaba and their performance on MIG has significantly improved after this intense intervention. Out 36 (thirty-six) MIG receiving municipalities, twenty-seven are spending above 70%, which is commendable, five municipalities are spending between 60% and 70% which is progressive, and four municipalities are spending below 60% by end February 2024 and that is seriously in contravention of the RAS imperatives.

On disaster management matters the department conducted functionality assessments of the disaster management centre and the fire services based on the Disaster Management Act and Fire Brigade Services Act, for Nelson Mandela and Sarah Baartman Disaster Management Centres.

The Department has also supported twelve municipalities to develop and implement Local Economic Development (LED) strategies, which are Ntabankulu, Winnie Madikizela-Mandela, Amahlathi, Mbhashe, Makana, Sundays River Valley, Senqu, Walter Sisulu, Sakhisizwe, Intsika Yethu, Ingquza Hilla and OR Tambo. Subsequently, to that 182 work opportunities were created through the Community Works Programme (CWP) where people were employed to participate in community works programmes in areas such as cleaning, maintenance, and beautification of towns in their selected municipal areas to contribute to poverty eradication strategy.

This intervention supported participants in ensuring that they become economically effective members of the society after its implementation. Seven municipalities were supported to promote the small towns' revitalisation programme to ensure town development, accessibility of government services and beautification.

The potential catalytic projects were identified and packaged. The municipality has been encouraged to finance the LED initiatives in the reviewed LED Strategy, and as such municipality provided seed for funding value add proposals from local entrepreneurs. Furthermore, the department supported the construction of the Ntabankulu Internal Streets which is a flagship programme under the Small Towns Revitalisation Programme. Thus 51 job opportunities were facilitated to support livelihoods in line with the Local Economic Development strategy. Alfred Nzo municipality was also supported in its Gravel Roads Rehabilitation and Construction that took place in various wards under the Alfred Nzo District. The aim of the project is the rehabilitate of the gravel roads which will be the enabler for local economic development and job creation opportunities in the district.

Forty-six thousand four hundred and ninety-nine (46 499) Community Works Programme (CWP) job opportunities have been created in the Eastern Cape Province. The Department also supported 39 municipalities in developing credible and compliant Integrated Development Plans (IDP).



### SUB-PROGRAMME 3.1- SPATIAL PLANNING

Table 5.9: Spatial Planning: Outcomes, Outputs, Performance Indicators and Targets

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
Improved integrated planning and development for better services delivery	Municipalities that are implementing SPLUMA.	Number of municipalities supported with the implementation of SPLUMA (Outcome 9, Sub-outcome 1) non-standardised (B2B Pillars 1, 2 and 3)	24	13	16	16	0	No deviation

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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 deviations
	Functional Integrated GIS systems in municipalities.	Number of municipalities supported to develop functional Integrated Geographic Information Systems	24	17	16	16	0	No deviation

### SUB-PROGRAMME 3.2- LAND USE MANAGEMENT

**Table 5.10: Land Use Management: Outcomes, Outputs, Performance Indicators and Targets**

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
Improved integrated planning and development for better services delivery.	Municipalities comply with the MPRA.	Number of municipalities guided to comply with the MPRA (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 4)	12	16	12	12	0	No deviation
	Land parcels surveyed and registered in the municipalities.	Number of district municipalities supported to conduct cadastral surveys for access to land rights.	2	2	3	3	0	No deviation
	Municipalities that are administering land use management for the purpose of SPLUMA implementation	Number of municipalities supported to administer land use management in the implementation of SPLUMA	5	5	8	10	2	The Department received request for support from Intsika Yethu and Enoch Mgijima Local Municipalities



SUB-PROGRAMME 3.3- LOCAL ECONOMIC DEVELOPMENT

Table 5.11: Local Economic Development \_ Outcomes, Outputs, Performance Indicators and Targets

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
Improved integrated planning and development for better services delivery	LED projects implementation supported in municipalities	Number of municipalities monitored to implement Local Economic Development projects in line with updated municipal LED Strategies (Sub-outcome 4)	9	9	12	12	0	No deviation
	Promoted integrated strategic LED implementation	Number of LED IGR structures supported in municipalities to promote strategic collaboration	8	8	6	6	0	No deviation
	Local economic development capacity Institutionalised	Number of municipalities supported with LED enhancement programmes	-	-	6	6	0	No deviation
	Reduced unemployment levels in municipalities.	Number of municipalities supported to implement Community Work Programme (CWP)	33	33	33	33	0	No deviation
	Created work opportunities	Number of EPWP job opportunities created through CWP norms and standards	201	194	180	182	2	Over-recruitment is made to cover for workdays not fully utilised by participants.
	Improved public and private sector investments in targeted towns.	Number of municipalities supported to promote the Small-Town Development	7	7	7	7	0	No deviation

**SUB-PROGRAMME 3.4- MUNICIPAL INFRASTRUCTURE**

**Table 5.12: Municipal Infrastructure: Outcomes, Outputs, Performance Indicators and Targets**

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
Improved integrated planning and development for better services delivery	Efficient provision of infrastructure and delivery of services in line with the IDPs.	Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1) (B2B Pillar 5)	36	36	36	36	0	No deviation
		Number of Districts monitored on the spending of National Grants.	6	6	6	6	0	No deviation
	Delivered basic services to the indigent communities	Number of municipalities monitored on the implementation of indigent policies (Sub-outcome 1) (B2B Pillar 2)	38	38	38	38	0	No deviation
	Efficient provision of infrastructure and delivery of services in line with the IDPs.	Number of supported municipalities monitored on implementation of the Provincial Municipal Infrastructure Grants Policy Compliance Management Framework (PMIG-PCMF)	-	-	36	36	0	No deviation
		Number of supported municipalities monitored on the implementation of the Provincial Municipal Infrastructure Operations & Maintenance Performance Management Framework (PMI-O&M-PMF)	-	-	36	36	0	No deviation
		Number of supported municipalities assessed with the implementation of Institutional and Social Development (ISD) principles in line with the ISD Framework	36	36	36	36	0	No deviation

**SUB-PROGRAMME 3.5- DISASTER MANAGEMENT**

**Table 5.13: Disaster Management: Outcomes, Outputs, Performance Indicators and Targets**

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement t 2023/2024	Reasons for deviations
Improved integrated planning and development for better services delivery	Integrated systems and structures for disaster management maintained to have safer and resilient communities.	Number of municipalities supported to maintain functional Disaster Management Centres	8	8	8	0	No deviation
	Fire and Rescue Services Capability improved to have safer and resilient communities.	Number of municipalities supported on Fire Brigade Services	8	8	8	0	No deviation

**SUB-PROGRAMME 3.6- IDP COORDINATION**

**Table 5.14: IDP Outcomes, Outputs, Performance Indicators and Targets**

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
Improved integrated planning and development for better services delivery	All municipalities with IDPs addressing service delivery and development	Number of municipalities with legally compliant IDPs	38	39	39	39	0	No deviation



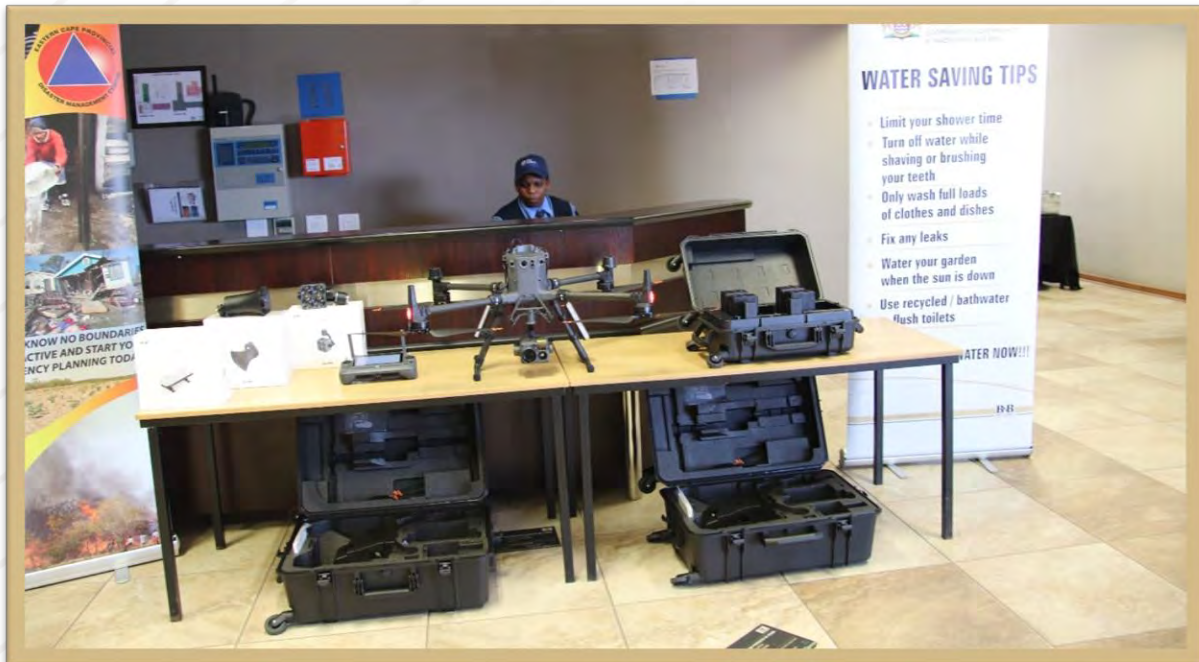
5.3.4. Linking Performance with Budgets

**Table 5.15: Sub-programme Expenditure**

Sub-Programme Name	PROGRAMME 3: DEVELOPMENT AND PLANNING 2023/2024				2022/2023			
	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent
Spatial Planning	15 888	15 788	100	99.4%	14 672	14 303	369	97.5%
Land Use Management	20 678	19 543	1 135	94.5%	20 278	19 134	1 144	94.4%
Local Economic Development (LED)	23 200	22 200	1 000	95.7%	26 478	24 844	1 634	93.8%
Municipal Infrastructure	28 458	28 189	269	99.1%	26 332	25 247	1 085	95.9%
Disaster Management	17 253	16 749	504	97.1%	18 888	15 448	3 440	81.8%
IDP Co-ordination	8 208	8 135	73	99.1%	6 903	6 572	331	95.2%
<b>Total</b>	<b>113 685</b>	<b>110 604</b>	<b>3 081</b>	<b>97.3%</b>	<b>113 551</b>	<b>105 848</b>	<b>8 003</b>	<b>93.2%</b>

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

- All customised sector indicators for 2023/2024 have been included in the Annual Performance Plan 2023/2024 and have been reported on.







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# PROGRAMME 4

## TRADITIONAL INSTITUTIONAL MANAGEMENT



#### 5.4. PROGRAMME FOUR: TRADITIONAL INSTITUTIONAL MANAGEMENT



##### 5.4.1. Programme Purpose

- To support and capacitate institutions of traditional leadership to effectively perform their statutory and customary obligations.

##### 5.4.2. Sub-Programmes

Sub-Programmes	Sub-Programme Purpose
<b>4.1: Traditional Institutional Administration</b>	» To conduct Traditional Leadership research and policy development, and to provide administrative capacity building and financial management support to Traditional Leadership Institutions.
<b>4.2: Traditional Resource Administration</b>	» To provide administrative and infrastructural support to traditional leadership institutions
<b>4.3: Rural Development Facilitation</b>	» To facilitate traditional community development initiatives.

##### 5.4.3. Institutional Outcomes

Functional and effective traditional leadership institutions for socioeconomic development

##### 5.4.4. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements: Narrative

Ten research reports on genealogies of Royal families were conducted for Nkosi D. Mpangele of Imidange Traditional Council in Gcaleka, Nkosi T. Dike of Tyali Traditional Council in Gcaleka and Nkosi X. Sigcawu of Bashee Traditional Council in Gcaleka, Nkosi S.J. Mapasa of Tutura Traditional Council in Gcaleka and Nkosi S. Binase of Wezashe Traditional Council in Gcaleka, Nkosi T. Gwebindlala and Nkosi. V. Gwebindlala, Nkosi. M. Makaula, Nkosi S. Bikwe and Nkosi. Bonkolo. The following activities in respect of conducting and confirming the genealogical research were performed: -

- Conducted awareness session on Section 59 of Traditional and Khoi-San Leadership Act, 2019 (Act No.3 of 2019)
- Sourced relevant literature review on the origin of the two Royal Families.
- Conducted genealogical research with members of the affected Royal Families.

- Confirmed genealogical research.
- Compiled and submitted signed and confirmed genealogical reports.

Fourty-two awareness sessions with affected stakeholders on the approved policies and legislation were conducted in identified Traditional Councils which include Maluti Region, Qaukeni Region, Dalindyebo Region and Gcaleka Region that had challenges in respect of generating revenues for the Traditional Council, managing and reporting on TC's funds and accounting for the funds collected by such TCs.

Oversight was conducted on consultation of Joe Gqabi LHoTKL on draft regulations for reconstitution of Traditional Councils on 05 February 2024 in Aliwal North to ensure the participation of stakeholders in policy making process, in accordance with the provisions of Section 195 of the Constitution of the Republic. Conducted oversight on the meetings held at Hala Traditional Council that was responding to the written request by Tshatshu Development Forum seeking intervention and support of the department and meeting held in Guba Traditional Council that had continuous non-compliance on financial management reporting requirements. The meetings were held with the aim of ensuring that proper guidance was provided on how Traditional Councils should manage challenges and affairs of the community and providing an understanding on the role of the Traditional Council in its communities. Visited Cape Town National Archives on 04-05 April 2024 for verification on genealogies for Nkosi Mditshwa, Nkosi S.J. Mapasa and Nkosi S. Binase targeted for Quarter 4 of 2023/24 financial year, for credible genealogical database that will be used as source of reference in future.

The Department also partnered with South African Police Service, NPA, Department of Social Development, Department of Correctional Services, Legal Aid, Mnquma LM and Pakamisanani NGO to create awareness on the impact of crime and GBVF to communities and how it manifests. Communities were provided with information on where to go when they experience GBV. Women were cautioned against the withdrawal of GBV cases as this exposes them to more abuse that can also lead to loss of life. The awareness sessions were conducted in Mhala and Ngqwara Traditional Councils.

A Gender-based Violence and Femicide (GBVF) awareness was held at Ngangeqgili Traditional Council that falls under Amathole district. A second GBVF awareness session was conducted at Thornhill in the Ntabethemba area in Western Thembuland under Chris Hani District Municipality. These areas were selected due to high incidents of GBVF related matters as contained in the SAPS and Community Safety reports. The target audience was Traditional Leaders, Councillors, and general members of the community. About 560 people attended these awareness sessions and incidents on GBVF were key in the awareness.





SUB-PROGRAMME 4.1 -TRADITIONAL INSTITUTIONAL ADMINISTRATION

Table 5.16: Traditional Institutional Administration: Outcomes, Outputs, Performance Indicators and Targets

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
Functional and effective Traditional Leadership Institutions for socio-economic development	Policies that increase efficiency of Traditional Leadership Institutions processes.	Number of policies reviewed for improved governance	-	4	2	5	3	The department had to facilitate finalisation of other reviewed policies which were carried over from the previous financial year.
	Building a future for good governance	Number of research reports on genealogies of Royal Families conducted	6	11	10	10	0	No deviation
	Effective implementation of approved policies and legislation to ensure compliance and proper functioning of Traditional and Khoi-San Leadership Institutions.	Number of awareness sessions conducted with stakeholders on approved policies & legislation	2	2	42	42	0	No deviation



**SUB - PROGRAMME 4.2 – TRADITIONAL RESOURCE ADMINISTRATION**

**Table 5.17: Traditional Resource Administration: Outcomes, Outputs, Performance Indicators and Targets**

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
Functional and effective Traditional Leadership Institutions for socio-economic development	Traditional Councils that uphold Good Corporate Governance	Number of Traditional Councils supported to perform their functions	360	261	150	150	0	No deviation
	Curbing gender based violence in their communities	Number of Anti GBVF Intervention/campaigns for traditional leaders (Final M&E Plan for the NSP on GBVF) (Pillar 2: Prevention and Restoration of Social Fabric of the NSP)	1	2	2	2	0	No deviation
	Traditional Leadership dignity restoration.	Number of Traditional Leadership Institutions monitored in construction towards completion	1	4	4	4	0	No deviation
		Number of Traditional Leadership Institutions monitored in renovation towards completion	-	-	1	1	0	No deviation
	Skilled and competent Traditional Leaders.	Number of bursaries awarded to qualifying traditional leaders	1	2	10	10	0	No deviation
		Number of induction sessions (orientation and re-orientation) conducted for Traditional Leaders	1	4	2	2	0	No deviation



SUB - PROGRAMME 4.3 – RURAL DEVELOPMENT FACILITATION

Table 5.18: Rural Development Facilitation: Outcomes, Outputs, Performance Indicators and Targets

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
Functional and effective Traditional Leadership Institutions for socio-economic development	Implementable Structured development addressing the Traditional Community needs.	Number of Traditional Councils supported on formulation of Development Plans	9	60	16	16	0	No deviation
	Responsive development based on community development needs	Number of Traditional Leadership Institutions supported through partnerships	20	60	30	30	0	No deviation



#### 5.4.5. Linking Performance with Budget Allocation

**Table 5.19: Traditional Institutional Management Budget**

Sub-Programme Name	PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT 2023/2024				2022/2023			
	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent
Traditional Institutional Administration	16 289	15 256	1 033	93.7%	16 204	15 218	986	93.9%
Traditional Resource Administration	341 684	339 178	2 506	99.3%	331 488	318 230	13 258	96.0%
Rural Development Facilitation	10 440	9 460	980	90.6%	10 822	10 580	242	97.8%
<b>Total</b>	<b>368 413</b>	<b>363 894</b>	<b>4 519</b>	<b>98.8%</b>	<b>358 514</b>	<b>344 028</b>	<b>14 486</b>	<b>96.0%</b>

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

- All customised sector indicators for 2023/2024 have been included in the Annual performance plan 2023/2024 and have been reported on.



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# PROGRAMME 5

## HOUSE OF TRADITIONAL LEADERS



5.5. PROGRAMME FIVE: HOUSE OF TRADITIONAL LEADERS



5.5.1. Programme Purpose

- To ensure effective and efficient functioning of the Eastern Cape House of Traditional Leaders.

5.5.2. Sub-Programmes

Sub-Programmes	Sub-Programme Purpose
<b>5.1: Administration of House of Traditional Leaders</b>	<ul style="list-style-type: none"> <li>• To provide administrative support services to the House of Traditional Leaders in line with good governance principles.</li> </ul>
5.2: House Operations and Secretariat Services	<ul style="list-style-type: none"> <li>• To provide operational and secretariat support to the House of Traditional Leaders to enable it to realise its legislative mandate.</li> </ul>

5.5.3. Institutional Outcomes

Functional and effective traditional leadership institutions for socioeconomic development

5.5.4. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements: Narrative

The functionality of District Initiation Fora (DIF) was monitored in all six districts and two metros to ensure compliance with the Eastern Cape Customary Male Initiation Act. This compliance contributes to a broader outcome that involves the prevention/reduction of initiates deaths in mountains where they are initiated into manhood. Furthermore, A Provincial Initiation Summit was convened to discuss challenges affecting customary male initiation and charting a way forward that will serve as a blueprint for initiation related interventions in the Eastern Cape.

All 8 District/Metro Initiation Fora tabled their 2023 Summer Initiation Season reports during the above-mentioned meeting for discussion and endorsement with an objective of crafting an Integrated Provincial Initiation Summer Season Reports for submission to the Executive Committee, MEC, Provincial Initiation Coordinating Committee (PICC) and finally to the National Initiation Oversight Committee (NIOC). As part of this programme, A post initiation program on Uyalo lwamakrwala was spearheaded by the House in conjunction with the initiation fora in all districts and the two metropolitan municipalities. Moreover, a new partnership was entered into to support pro-poor initiatives for traditional leadership institutions. A presentation was made to the House of a challenge of illegal immigrants in rural areas. To deal with this a discussion also ensued regarding the capacitation of Traditional and Khoisan Leaders in dealing with the identification of illegal foreign nationals in rural areas.

**SUB-PROGRAMME 5.1- ADMINISTRATION OF HOUSE OF TRADITIONAL LEADERS**

**Table 5.20: Administration of HoTL: Outcomes, Outputs, Performance Indicators and Targets**

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
Functional and effective Traditional Leadership Institutions for socio-economic development	Partnerships in place to enhance pro poor rural community programmes in Traditional institutions	Number of partnerships entered into to support pro poor initiatives for Traditional Leadership Institutions.	3	1	Demand-driven	1	0	No deviation



**Sub-Programme: 5.2- House Operations and Secretariat Services**

**Table 5.21: House Operations and Secretariate Services: Outcomes, Outputs, Performance Indicators and Targets**

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
Functional and effective Traditional Leadership Institutions for socio-economic development.	Safe Male Initiation Practice.	Number of District initiation fora monitored on the extent of compliance with the National Customary Male Initiation Act	4	8	8	8	0	No deviation
	Restored cultural belief systems and identity.	Number of districts supported to promote preservation of culture and heritage	2	5	2	2	0	No deviation

5.5.5. Linking Performance with Budget

**Table 5.22: House of Traditional Leaders**

Sub-Programme Name	PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS 2023/2024				2022/2023			
	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent	Final Appropriation R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000	% Spent
Administrati on of House of Traditional Leaders	13 595	13 288	307	97.7%	13 284	12 674	610	95.4%
Committees and Local Houses of Traditional Leaders	20 997	20 589	408	98.1%	16 159	15 999	160	99.0%
<b>Total</b>	<b>34 592</b>	<b>33 877</b>	<b>715</b>	<b>97.9%</b>	<b>29 443</b>	<b>28 673</b>	<b>770</b>	<b>97.4%</b>

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

- All standardised indicators for 2023/2024 are reflected in the Annual Performance Plan 2023/2024 and have been implemented and reported on.



## 6. TRANSFER PAYMENTS

### 6.1. Transfer payments to public entities

The table below relates to Public Entities who received funding from the department.

**Table 6.1 Transfers Payments to Public Entities**

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
NOT APPLICABLE				

### 6.2. Transfer Payments to All Organisations Other Than Public Entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024

**Table 6.2: Transfer Payments Made Other Than Public Entities**

Name of municipality	2023/24					2022/23				
	GRANT ALLOCATION			Total Available	Actual transfer	TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments			Funds withheld	Reallocations by National Treasury / National Department	%		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Buffalo City Metropolitan Municipality (BCMM)	149	-	-	149	149	-	-	-	-	
<b>TOTAL</b>	149	-	-	149	149	-	-	-	-	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

**Table 6.3: Transfer Payments Made which were budgeted for, But no transfer.**

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

## 7. CONDITIONAL GRANTS

### 7.1. Conditional Grants and Earmarked Funds Paid

No conditional grants were paid by the Department during the year under review.

Department/ Municipality to whom the grant has been transferred Purpose of the grant Expected outputs of the grant Actual outputs achieved Amount per amended DORA Amount transferred (R'000) Reasons if amount as per DORA not transferred Amount spent by the department/ municipality (R'000) Reasons for the funds unspent by the entity Monitoring mechanism by the transferring department	No conditional grants were paid by the Department during the year under review.
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### 7.2. Conditional grants and earmarked funds received.

A conditional grant of R2,040 million was received from Provincial Treasury for the year under review. An amount of R2,040 million was spent as at 31 March 2024. The grant was part of the EPWP Integrated Grant Project to facilitate Public Employment Programmes. The table below details the conditional grants and ear marked funds received during for the period 1 April 2023 to 31 March 2024.

**Table 6.4: Conditional Grants and Ear Marked Funds Received**

Department who transferred the grant	Provincial Treasury
Purpose of the grant	To facilitate Public Employment Programmes through EPWP
Expected outputs of the grant	Job Creation
Actual outputs achieved	Job Opportunities Created
Amount received (R'000)	R2,040 million
Amount spent by the department (R'000)	R2,040 million

## 8. DONOR FUNDS

### 8.1. Donor Funds Received

There were no donor funds received for the year under review and all the Department's funds are from equitable share or own revenue as disclose in the Annual Financial Statements.

Name of donor Full amount of the funding Period of the commitment Purpose of the funding Expected outputs Actual outputs achieved Amount received (R'000) Amount spent by the department (R'000) Reasons for the funds unspent Monitoring mechanism by the donor	NONE
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## 9. CAPITAL INVESTMENT

### 9.1. Capital Investment, Maintenance, And Asset Management Plan

- An amount of R979 thousand was spent on Capital Assets during the year under review, which was for tangible assets.
- The amount spent as stated above relates to the construction of AmaGqunukhwebe Traditional Council and the project is still work-in-progress

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Infrastructure	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
New and replacement assets	882	641	241	1 980	979	1 001
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations, and refurbishments	-	-	-	20	-	20
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>TOTAL</b>	<b>882</b>	<b>641</b>	<b>241</b>	<b>2 000</b>	<b>979</b>	<b>1 021</b>

The variance in 2023/24 financial year is as result of outstanding installation of furniture and final account delays which is part of the implementation of AmaGqunukhwebe Traditional Council. The remaining milestone of this project is earmarked for completion in the 2024/25 as the department has requested a roll-over for the balance unspent of R241 thousand.

**Measures to ensure accurate asset register.**

- Additions to assets were reconciled to the BAS and Asset Register monthly.
- New assets were barcoded and correctly recorded in the Asset Register.
- Physical asset verification was conducted in all areas i.e., Head Office, Regional and District offices, Traditional Councils etc.
- Where a movement of assets were identified, the asset register was updated as such.
- Details as to how asset holding have changed over the period under review including information on disposal, adjustments, and losses due to theft are as follows:

Description	Opening Balance 1 April 2023 R'000	Disposals/prior year adjustment R'000	Additions 2023/2024 R'000	Loss Control Register R'000	Closing Balance 31 March 2024 R'000
Transport Assets	23 975	(4 206)	6 472	-	26 241
Computer Equipment	37 904	(69)	7 684	-	45 519
Furniture & Office Equipment	25 360	-	659	-	26 019
Other Machinery & Equipment	8 585	(17)	2 255	-	10 823
Biological Assets	-	-	-	-	-
Software	7 368	-	-	-	7 368
<b>Total</b>	<b>103 192</b>	<b>(4 292)</b>	<b>17 070</b>	<b>-</b>	<b>115 970</b>



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# PART C GOVERNANCE



## PART C: GOVERNANCE

### 10. GOVERNANCE



#### 10.1. INTRODUCTION

The Department is committed to the maintenance of the highest standards of professionalism, ethics, integrity, and good governance in managing public finances and resources in compliance with legislation and relevant prescripts such as the Constitution of the Republic, 1996.

In ensuring the implementation of the above commitment, sound governance structures are in place to ensure effective, efficient, and economical utilization of the state resources for the general benefit of the citizens of this Province, not forgetting municipalities and Traditional Councils and its stakeholders.

#### 10.2. RISK MANAGEMENT

The Departmental Enterprise - Wide Risk Management (ERM) approach is established from the following three overarching pillars.

**ERM Policy:** Provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving departmental risk management process.

**Risk Governance:** Risk Management Committee with a main role of providing *oversight* and *assigning responsibility* and *accountability* for risk. The department has an independent Chairperson for Risk Management Committee. Audit Committee advises the department on risk management and independently monitors the effectiveness of risk management processes through the audits performed by Internal Audit function.

## Assessment and Monitoring

- Risk and control assessment focuses on risk identification, risk analysis and risk prioritisation. The department has undergone a formal process of identifying and assessing both strategic and operational risks which were managed and reported upon on a quarterly basis. In the year under review there has been a significant reduction of residual risk ratings because of strengthened systems of internal controls to mitigate risks.
- Monitoring activities to determine the effectiveness of management of risk response strategies and effectiveness of internal controls to mitigate risks were performed throughout the financial year and reported upon on quarterly basis.

Effective implementation of these pillars has influenced the improvement in the risk maturity and consequently contributed to the improved overall performance within the department.

### 10.3. FRAUD AND CORRUPTION

The fraud prevention plan aims to create a culture within the Department which does not tolerate unethical conduct. As such it applies to all forms of fraud and corruption, as well as other forms of serious misconduct. This includes but is not limited to Corruption as defined in the Prevention and Combating of Corrupt Activities Act, Act No. 12 of 2004. In terms of progress made in the Fraud Prevention Implementation Plan, the department has an existing Fraud and Corruption Risk register that is monitored on an ongoing basis and reviewed with the relevant Risk owners. Awareness sessions conducted on the Fraud and Anti-Corruption Plan were held with the Corporate Services Chief Directorate SMS, MMS and Interns also another separate session for Assistant Directors and all other officials' levels below ASDs was conducted with the chief directorate. Furthermore, an awareness was conducted for Municipal Public Participation and Rapid Response Chief Directorate's non-SMS officials.

ICT Security awareness emails are sent monthly to all ECCOGTA staff. This includes Cybersecurity awareness on information security, ransomware, spyware, financial scams, sextortion, dating scams, backup, anti-virus, patch management, safe internet browsing, ICT device physical security and password management. ICT Security Assessment is conducted to assess the following (as entailed in ICT Systems Security Assessment Tool/Checklist), personnel security, physical security, account and password management, confidentiality of sensitive data, disaster recovery, security awareness and education and lastly the compliance and audit. Employee Terminations report is requested monthly from HR, terminated employees are checked against LOGIS, BAS and PERSAL including Active Directory (AD). System controllers are notified of any terminations that are not deactivated in the systems. Systems controllers resolved the issues by disabling the identified active users if they are no longer part of the department. Issues related to ICT Systems and security are also addressed in quarterly meetings (with DGITO, BAS, LOGIS, PERSAL, Asset Management and Auxiliary Services). The meeting focuses on the following issues

- Transversal Systems (LOGIS, BAS and PERSAL)
- Active Directory (AD)
- ICT Equipment storerooms
- Server room
- Main DGITO office access control
- Network switches
- Firewall
- Wireless Network
- Anti-virus and patch management
- ICT business continuity and backup
- Endpoint backup solution
- Website
- ICT Security Monthly Awareness
- ICT Systems Security Meeting
- Printing

The Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework and its initiative, which entails the implementation with practical applications thereof. Also forming part of the programme is the development or reviewal of the fraud risk register and awareness on the establishment of the Ethics office, with its champions etc. Advocacy sessions conducted on the Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework at Matatiele LM, Winnie Madikizela-Mandela LM, Ingquza Hill, Ngqushwa LM, Alfred Nzo DM, Kouga LM, Ndlambe LM, Blue Crane Route, Makana LM, Senqu LM, Elundini LM, Intsika Yethu LM, BCMM and Enoch Mgijima LM.

There is an approved Whistle blowing Policy in place which outlines the processes on how to report incidents of fraud and corruption. There is a National Anti-Corruption Hotline (0800 701 701) accessible to all officials where whistle blowers can report anonymously to protect themselves from any possible intimidation. There is also what is called a Walk-in where a complainant can report an incident of fraud and corruption to the Office of MEC or HoD.

The cases would then be processed to the Security Management and Anti-Corruption Services directorate for investigation through the Office of Head of Department or MEC and are recorded on a Case register for tracking and monitoring. Terms of Reference are then developed for the approval to conduct investigation. 6 cases were recorded and investigated during the period under review. One (1) transaction with regards to fruitless and wasteful expenditure incurred was referred to South African Police Services (SAPS) as it had a criminal element. The below mentioned cases were recorded and investigated in the past financial year.

### Departmental Fruitless and Wasteful Expenditure investigations (ICU referrals received)

- Investigations on fruitless and wasteful expenditure amounting to R151 871.11 (Theft of fuel).
- Investigations on fruitless and wasteful expenditure amounting to R1440.00 (No-show).
- Investigations on fruitless and wasteful expenditure amounting to R18 122.35 was conducted. (Windscreen damaged to hired vehicle).
- Investigations on fruitless and wasteful expenditure amounting to R38 617.00 was conducted. (Damage government garage vehicle).
- Investigations on fruitless and wasteful expenditure amounting to R45 332.71 was conducted. (Damage government garage vehicle).
- Investigations on fruitless and wasteful expenditure amounting to R1784.78 was conducted. (Accident repairs to hired vehicle).

### Referred fruitless and wasteful expenditures investigations to SAPS.

- Fruitless and wasteful expenditure amounting to R151 871.11 which resulted to theft of fuel.

The Department further implemented Minimum Information Security Standards (MISS), Minimum Physical Security Standards (MPSS), by ensuring there is Security Policy in place which gives emphasise to the issues of information, personnel, physical and vetting issues of the department. There was a ninety two percent (92 %) submission of vetting forms by SMS and ninety-five (95%) in SCM Practitioners members and improvement of security pre-screening conducted to ensure eligibility of people who are employed by the Department, although it only focused on criminal record checks. Advocacy sessions on information, personnel and physical security were conducted with interns that were joining the organisation, SMS and below SMS for Corporate Service in two different sessions, another session was conducted with Rapid Response and Public Participation Chief Directorate to ensure that security standards and systems are implemented. CCTV cameras installed and monitored twenty-four hours a day and seven days a week (24/7) as part security Departmental assets. Security Threat and Risk Assessments conducted for Events of COGTA accordingly to ensure there are no negative incidents. Continued to foster relations with State Security Agency (SSA), South African Police Services (SAPS), and Office of the Premier (OTP).

## 10.4. MINIMISING CONFLICT OF INTEREST

The department has preventative measures that are in place in relation to conflict of interest linked to employees conducting business with organs of state as reflected in the Ethics and Integrity Management Implementation Plan. Awareness sessions on Ethics and Integrity Management were conducted emphasizing on the prohibition of employees from conducting business with organs of state by registering companies in the Central Supplier Database which poses a potential to conduct business with organs of state.

## 10.5. CODE OF CONDUCT

Awareness sessions on Ethics and Integrity Management were conducted. There are internal control measures in place to ensure that officials comply with the code of conduct of the department. Following are the control measures namely.

- Provincial Policy Prohibiting Officials from trading with the state.
- A declaration by all SCM practitioners and Bid Committees: A Conduct for Supply Chain Management Practitioners and Other Role Players together with the Confidentiality Agreement and Declaration of Interest signed by all SCM

practitioners annually. The Confidentiality Agreement and Declaration of Interest is signed by Bid Committee Member on the committee sitting before considering any project tabled before the committee.

- Annual disclosures of financial interests and.
- Disclosure of gifts received by officials in a gift register.

All other matters get to be investigated by the security and anti-corruption management as the need arises.

#### 10.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

- The Department has a functional Occupational Health and Safety Committee which is chaired by the GM: Corporate Services. This committee is responsible for the management of all occupational health and safety related matters for the entire department and makes recommendations to the Head of Department.
- Tyamzashe Building does not have building plans and cannot be found by the Department of Public Works and Infrastructure which makes it impossible to have emergency evacuation routes displayed on the building.
- The delays by the training directorate to ensure mandatory training such as first aiders and fire marshals is prioritized compromises departmental employees in the event when injured or in an emergency evacuation (fire).
- Bird infestation at Tyamzashe exposes employees to health risks.
- The delapidated state of the carpets in some offices has health issues on employees suffering from sinus and other health conditions. Doctors even write to the department for such employees to be removed from these offices.
- More and more employees are experiencing back problems because of chairs that are not ergonomically suitable for them, and the Asset Management Directorate needs to purchase chairs that are ergonomically suitable to reduce such safety problems
- Improper disposal methods by Asset Management thus blocking the emergency evacuation exits.
- Poor Contractor Management by some directorates i.e., Asset management had just instructed a painting service provider to do painting at Tyamzashe building whilst department employees were still at work without considering the effect that would have on them, the fume were so unbearable that the Management of the affected Directorates had to release their employees.
- The allocation of Office space without conducting a thorough risk assessment thus exposing employees to an unsafe environment regarding their Occupational Health and Safety

#### 10.7. PORTFOLIO COMMITTEES

Provide commentary on the following:

DATE	TOPIC
9 and 18 May 2023	Meeting To Consider the Budget Vote 7 Of the Department- All Programmes (no findings received)
14 and 16 November 2023	Half Year Financial Oversight Report 2023/2024 And Annual Performance Report 2022/2023



RESOLUTIONS / RECOMMENDATIONS

PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON  
ANNUAL REPORT 2022/23

PROGRAMME 1: ADMINISTRATION				
No	Finding	Recommendations	Status feedback	Status Quo Update
1 (a)	The Department has obtained an unqualified (clean) audit opinion for the 3 <sup>rd</sup> consecutive year.	The Department must ensure that the clean audit outcomes are translated to effective service delivery for the benefit of communities.	<p>The department has supported the municipalities on the assessment of adequacy of their audit responses plans to address issues raised by AG. They were then advised through feedback letters to make corrections on their Audit Action Plans and ensure implementation to improve their audit outcomes. MPACs are being trained to look at matters of improvement of audit outcomes and to also deal with UIFWE.</p> <p>Municipalities are assisted on the Risk Management function so that ultimately the root causes of non-compliance leading to negative audit outcomes can be dealt with. Capacitation and sharing of best practices through Municipal Internal Audit and Risk Management forums.</p> <p>Through the collaboration between PT, COGTA &amp; SALGA, sessions were held with individual municipalities to assess the progress on the implementation of audit response plans as well as to look on their readiness to submit AFS for 2022/23 municipal FY.</p>	Implemented
(b)	The Department has poor internal control systems which makes it unable to timeously stop payments of terminated employees from the payroll.	The Department must put measures in place that will enable its systems to timeously detect and remove all terminated employees from the payroll as that could lead to fruitless and wasteful expenditure.	Corporate Services has since addressed the challenges of poor internal controls through continuous engagement of Human Resource Management (HRM) and Financial Accounting Services (FAS) Directorates respectively to monitor the process of avoiding and detecting the potential salary overpayments.	Implemented
(c)	The department has a cumulative irregular expenditure to the value of R1.47 million incurred from previous financial years.	The Department must ensure that necessary processes are followed to ensure that this irregular expenditure is investigated, recovered and or condoned.	<p>The department has an Expenditure Review Committee that assists the Accounting Officer with the proper processes to clear the irregular expenditure register. The Security Management and Anti-Corruption directorate assists with conducting investigations and in certain instances (e.g., when the directorate is conflicted), it refers the expenditure to Provincial Treasury (PT) for investigation. Currently R422 thousand is being investigated by PT. An amount of R916 thousand has been condoned and the rest is being processed internally (determination test conducted and presented to ERC, to be submitted to PT for condonation).</p>	Implemented
(d)	The Department has in some instances not complied with its recruitment and selection policy in relation to appointments.	The Department must provide the committee with a report on steps that have been taken against those officials responsible for non-compliance with recruitment and selection policy and also provide the committee with measures	In the financial year 2023/24, there are no reported cases of non-compliance with the recruitment and selection policy of the Department. The department is currently investigating reported cases of transgression of the recruitment and selection policy of the department.	Implemented

PROGRAMME 1: ADMINISTRATION				
No	Finding	Recommendations	Status feedback	Status Quo Update
		that will be put in place to prevent any future non-compliance with the policy.	The Department also reviewed the recruitment and selection policy wherein some of the sections which were not clear and silent in some of the critical areas of the recruitment process have been addressed.	
(e)	There are still poor IGR relations and the Department has indicated that some Departments do not co-operate and send junior officials and do not implement IGR resolutions	The Department working with the Office of the Premier must follow the mechanism provided for in Intergovernmental Relations Framework Act, 2005, to ensure effective functioning of IGR in the province.	Provincial CoGTA has since developed a binding Implementation Protocol to commit the various state organs in the province to commit in participating to IGR processes and implement the resolutions of IGR Forums in the Province. The IGR binding Implementation Protocol is signed by Mayors, Executive Mayors, MEC, State Owned Entities CEOs, Municipal Managers and HODs. Final signing of IGR binding Implementation Protocol will be in the Provincial Technical Intergovernmental (IG) & Political MuniMEC Forums by 31 March 2024 during the Provincial Technical IG, Political MuniMEC and Premier's IG Forums in February and March 2024 respectively. The conclusion of the Implementation Protocol by the relevant authorities is now set between April and June 2024 as it was not concluded during the March 2024 due to other competing government programmes leading to unavailability of some authorities to sign the IP.	<p>The introduction of Implementation Protocol seeks to commit members of IGR Forums to implement the resolutions and agreements of the IGR Forums as per Section 35 of the IGR Framework Act No. 13 of 2005. COGTA developed Implementation Protocols Agreement as mechanism provided in the IGR Framework Act to strengthen IGR and increase accountability by the various state organs who participate in the IGR Structures.</p> <p>The Protocol Agreement expects MECs, HODs, CEOs of State-Owned Entities in the Province, Executive Mayors &amp; Mayors, Municipal Managers and Heads of National Sector Department present in the province to sign the Pledge of Implementation Protocol Agreement with a work plan delivery agreement. The Implementation Protocol Agreement commits members to pledge their participation in the IGR Forums and pledge to strengthen IGR structures.</p> <p>However, the COGTA Department encounters delays and anticipates more delays in signing the Implementation Protocol Agreement. Reasons for the delays are attributed to postponement of IGR Political MuniMEC sessions in this period due to unavailability of leadership occasioned by their commitments to National and Provincial Government Elections. It has been difficult to get hold of leadership to sign and pledge. The Pledge of Implementation Protocol Agreement has 76 members to enter into delivery agreement and 40 members have signed and 36 members have not signed. All MECs not signed except COGTA MEC, All HODs not signed except COGTA, Heads of Eskom and SALGA. NMBM Mayor and City Manager not signed. Walter Sisulu LM Mayor and Municipal Manager not signed.</p> <p>The Elections may also usher in new leadership who may need to sign and commit on behalf of their institutions a support to IGR structures. This could result in further delays in completion of IGR IP agreement in the province. The</p>

PROGRAMME 1: ADMINISTRATION				
No	Finding	Recommendations	Status feedback	Status Quo Update
				<p>department projects to complete the signing of IGR agreement in the province in December 2024.</p> <p>In line with the recommendations of the Portfolio Committee, three (3) coordinating departments, COGTA, OTP, Provincial Treasury and ECSECC convened several times in the period of May 2024 to develop an IGR mechanism as provided for in IGR Framework Act to ensure effective functioning of IGR in the province. A draft IGR Consolidation Plan has been developed by the three coordinating departments to strengthen IGR System in the 2024-2030 Seventh (7<sup>th</sup>) Term of Administration Democratic Governance.</p> <p>The move to strengthen IGR System by OTP, COGTA, Provincial Treasury and ECSECC complies with the mechanism provided in the IGR Framework Act, 2005.</p> <p>The Draft 2024-2030 IGR Consolidation Plan is developed as a mechanism to strengthen IGR System and it focuses on, 1) Agenda Setting &amp; Programming; 2) IGR Outreach Programming Support; 3) Strengthen Inter-governmental Fiscal Relations Support; 4) IGR-DDM Interface; 5) Provincial integration and planning programmes; 6) Monitoring Support, Reporting and Evaluation, and 7) Strengthen IGR Structures.</p> <p>The sixth programmatic theme area of the draft IGR Plan focuses on Monitoring Support, Reporting and Evaluation through Binding Implementation Protocol Agreement.</p> <p>There are two IGR regulatory alerts from the National Government Publications that seeks to strengthen IGR System, 1) IGR Amendment Bill 2024 and 2) DDM Section 47 (1) (b) Regulations that have been gazetted in May 2024.</p>
PROGRAMME 2: DEVELOPMENTAL LOCAL GOVERNMENT				
No	Finding	Recommendations	Status feedback	Status Quo Update
1 (a)	Some councillors have still not signed the declaration of interest as required within 3 days of the adoption of this report.	The Department must ensure that all councillors sign the declaration of interests as required by section 7 of the Municipal Systems Act.	Councillors have signed the declaration of interest in all local municipality where verification was conducted by the department in all district municipality within the province except Sarah Baartman District, where only 20 out of 30 councillors declared in the last financial year.	The status quo remains the same. However, regarding Sarah Baartman District feedback was sent for the attention of the Speaker after verification.
(b)	An amount of R1.3 billion is owed to Municipalities by different government departments during the year under review and the main culprits are the	The Department must work out a plan with the Office of the Premier and Provincial Treasury that will ensure that government Departments pay for the	The department of COGTA has been on quarterly basis facilitating sessions to engage government departments on debt owed to EC municipalities with a view to resolve any disputes emanating from non-payment of owed debt.	The amount owed to municipalities by departments is still escalating as there is no plan provided by the departments in resolving the challenges. The department has started a process of verification of

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**DEPARTMENT OF COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS  
PROVINCE OF THE EASTERN CAPE**

<b>PROGRAMME 1: ADMINISTRATION</b>				
<b>No</b>	<b>Finding</b>	<b>Recommendations</b>	<b>Status feedback</b>	<b>Status Quo Update</b>
	departments of Health, Education, Public Works and San Parks.	debts that they owe to municipalities.	Through these interventions debt owed has been reducing drastically, except for the fact that revenue cycle consists of monthly bills and there will never be a time where there's no debt owed. The plan is to have these debts owed for the current period rather than arrears. Government departments like Education and DALRRD have made strides in dropping the debt owed. The department of Health continues to flop in prioritising the municipal debt. Provincial Public Works is not adequately focused on ensuring that the debt owed to municipalities for property rates is minimal. This is done in collaboration with Provincial Treasury and SALGA. Coordinated Local Government support at OTP is amongst other things responsible for ensuring that debt owed by government departments is reduced through workstreams that have been established in this regard.	properties that are owned by the departments in order for municipalities to correctly bill the right departments, the project has started in Amathole District municipalities and will be followed by OR Tambo.
(c)	A total of 201 funded vacant CDW's post were not filled, and the Department is still busy with the audit of these critical positions.	The Department must provide the Committee with a report on reprioritised posts including the vacant positions of the Community Development Workers in line with the cost containment measures and the plan to fill these posts.	The correction under the finding column is hereby made, the 201 CDW vacant posts are not all funded, 35 of these are funded. 24 CDW vacant posts were advertised during the month of May 2023 and four of the post's appointments were made. DPSA instituted NQF Level 5 for qualification requirements and in many municipalities, candidates did not meet the requirements. Great Kei, Amahlathi, Raymond Mhlaba, Elundini, Inxuba Yethemba, Intsika Yethu locals no suitable candidate was found and that warrants the readvertisements of posts. The rest were interviewed and awaiting the confirmations of appointments. In line of the cost containment measures the department is only filling the funded post as a replacement plan. The rest of positions are not funded as a result are not advertised.	The posts of CDWs are to be readvertised due to the subsequent discussion with interested groups and stakeholders respectively.
(d)	There is continuous escalation of municipal debt to ESKOM by local municipalities in the province.	The Department must in line with the Municipal Debt Relief Programme, provide the Committee with a report on municipalities whose application outcomes are still outstanding.	Eight (8) municipalities were identified to be supported for participation in the programme, owing to the high balances in terms of ESKOM arrears. The identified municipalities were Makana, Dr Beyers Naude, King Sabata Dalindyebo, Enoch Mgijima, Inxuba Yethemba, Walter Sisulu, Amahlathi and Raymond Mhlaba.  KSD opted out of participation and indicated that they would not be applying. The municipality cited its intention to incur long term debt (prohibited activity ito MFMA Cir 124) and the fact that they had signed a payment agreement with ESKOM in terms of which the debt would be paid in full by November 2023. To-date, all the seven (7) municipalities that applied to participate in the Municipal Debt Relief Programme have been approved. WSLM was approved with effect from 01 August 2023 while Enoch Mgijima approval was effective from 01 September 2023. The other 05	The municipalities that were supported with the debt relief programme are complying with the requirements of the programme and therefore their debt is being reduced on monthly basis. Some municipalities are still struggling to meet the payment agreements they had with Eskom.

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**DEPARTMENT OF COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS  
PROVINCE OF THE EASTERN CAPE**

<b>PROGRAMME 1: ADMINISTRATION</b>				
<b>No</b>	<b>Finding</b>	<b>Recommendations</b>	<b>Status feedback</b>	<b>Status Quo Update</b>
			<p>municipalities were approved with effect from 01 November 2023 (Dr Beyers Naude was approved from 01 December 2023).</p> <p>Raymond Mhlaba is complying with the debt relief conditions. Received a payment of R7.2 million on 14 February 2024.</p> <p>It has since been observed that some municipalities are adhering to the condition of the debt relief i.e., Payment of the current account.</p>	
<b>PROGRAMME 3: DEVELOPMENT AND PLANNING</b>				
<b>No</b>	<b>Finding</b>	<b>Recommendations</b>	<b>Status feedback</b>	<b>Status Quo Update</b>
3 (a)	The Budget for Community Works Program has been cut due to the fact that some provinces are not spending on this grant	The Department must lobby the Minister of Public Works not to implement a one size fit all approach for adequate budget since the Eastern Cape is always spending up to 100% in this program.	The departmental budget for EPWP was top sliced by R220 000 to cater for government budget cuts despite consistent 100% expenditure. To cushion the participants that were already enrolled in the programme, the department reprioritised its available funding to prevent summarily laying off participants. The department is in constant engagements with National Public Works and Infrastructure on protecting and possibly increasing the grant allocation.	Implemented  The National Department of Public Works and Infrastructure has allocated R2 000 000 in the 2024/25 financial year for sustaining 170 job opportunities at Intsika Yethu LM and BCMM (Dimbaza).
(b)	There is little progress with regards to the implementation of SPLUMA since it is only implemented in urban area and not in communal land due to resistance by Traditional Leaders.	The Department must submit a report on measures taken to implement SPLUMA in the province.	A detailed report on the measures taken to implement SPLUMA in the province has been prepared and approved by the HOD for the attention for the Portfolio Committee.	Implemented
(c)	The property rates that are charged by Buffalo City Metro are too high as compared to the other metros.	The Department must ensure that the Valuation Appeals Board is established and is functioning at this Municipality to hear and decide on appeals against the decisions of a municipality by the aggrieved residents.	The Valuation Appeal Board members for BCMM have been appointed by the MEC of Local Government on the 15 November 2023. The VAB meeting set between the 12 <sup>th</sup> of April to the 2 <sup>nd</sup> of May 2024 and all outstanding appeals were dealt with.	Implemented
(d)	The Disaster Management Centre is completed and staffed; however, it is not fully operational due to the fact that it does not have Audio-Visual Equipment to properly coordinate disasters in the provinces	The Department must ensure that all the outstanding facilities are procured for the centre to be fully functional.	The department has contracted SITA to implement the audio – visual and conferencing project. In this regard, periodic meetings are held with SITA to monitor implementation progress. SITA has prepared a Project Implementation Plan that proposes the introduction of a service provider in May 2024 and the final project delivery by August 2024.	SITA has requested additional brand specific procurement information relating to the existing Audio-Visual infrastructure to enable integration with the equipment to be procured. SITA has moved the delivery timeline by a month to September 2024.
<b>Programme 4 and 5: Traditional Institutional Management and House of Traditional Affairs</b>				
<b>No</b>	<b>Finding</b>	<b>Recommendations</b>	<b>Status feedback</b>	<b>Status Quo Update</b>
4 (a)	The Department has not yet completed the construction of AmaGqunukhwebe Traditional Council.	The Department must in collaboration with the Department of Public Works and Infrastructure submit a report to the Committee on measures taken to ensure completion of the Traditional Council.	<p>Session with the Financial Institution to assist the contractor was done and the Contractor went back on site to attend to outstanding items.</p> <p>In the process of completing construction of the Traditional Council, the Contract again experienced financial challenges and ran out of funds. DPWI is arranging the 2<sup>nd</sup> session for completion of the outstanding items which are gutters, toilets, painting of doors and cleaning of the site which has already been approved by COGTA for completion by end 2023/2024 financial</p>	Implemented

PROGRAMME 1: ADMINISTRATION				
No	Finding	Recommendations	Status feedback	Status Quo Update
			year. The project has reached completion by the 20 March 2024.	
(b)	The Department had supported 25 Traditional Councils to formulate development plans.	The Department must work with the Department of Rural Development and Agrarian Reforms to ensure that such plans have developmental agenda that include the protection and development of grazing and ploughing land.	The Department is working with ALL relevant sister Departments and development entities to ensure that the socio-economic needs of Traditional Communities are addressed. This includes the Department of Rural Development and Agrarian Reform. In fact, the Department has entered a memorandum of understanding with the Department to address challenges that arise from time to time.	Implemented
(c)	The Department is still in the process of amending the Eastern Cape Customary Male Initiation Act to be in line with the national Customary Initiation Act.	The Department must complete the process of amending the Act to ensure its alignment with the National Act and to strengthen it in order to curb injuries and deaths at initiation schools.	The Department has since finalised all the internal processes of amending the Eastern Cape Customary Male Initiation Act. The Amendment Bill is currently enroute to the State Law Advisers and OTP for translation and certification thereof. Upon receiving copies of translated and certified Bill, the Department will then facilitate the tabling / introduction of the Amendment Bill by the MEC in the Provincial Legislature.	The status quo remains
(d)	The Department has partnered with the Department of Social development and Health to conduct a gender Based Violence awareness at Tholeni administrative area of Mquma Municipality.	The Department must extend such GBV awareness campaign to OR Tambo District especially at Lusikisiki area of Ingquza Hill Municipality where the statistics of GBV are very high in the province.	The Department takes note of the suggestion and will continue to be responsive as well as facilitating interactions between traditional communities and relevant social partners. The area of eGonyeni in Lusikisiki featured prominently as a focus area due to its GBV challenges. Ingquza Hill LM will be included on focus areas for 2024/25 Financial Year.	The Provincial House of Traditional and Khoi San Leaders has prioritised Gonyeni Traditional Council for a follow up visit in the second quarter of the financial year 2024/25.
(e)	The Department has awarded bursaries to nine (9) Traditional Leaders to further their studies in different fields.	The Department must consider increasing the number of bursaries awarded to Traditional Leaders to capacitate them with skills that are required by the economy.	Awarding of Bursaries is subject to available budget however for 2024/2025 the number will be increased.	Implemented

## PORTFOLIO COMMITTEE RESOLUTIONS

PROGRAMME 1: ADMINISTRATION				
No	Finding	Recommendations	Status feedback	Status Quo Update
1 (a)	The Department is projecting an under expenditure on Compensation of Employees which emanates from the non-filling of vacant funded posts.	The Department must ensure that the under spending on Compensation of Employees is addressed by ensuring that all prioritised critical vacant funded post are filled.	The Department is filling vacant funded posts in the Department, however, DPSA Circular 49 of 2023 on implementation of control measures aimed at assisting Executive Authorities in managing fiscal sustainability in creating and filling of these posts in the Department, has a huge impact in the pace of filling the critical vacant funded posts.	The OTP issued communication to relax the Circular 49 and for Departments to continue filling vacant funded and approved posts in the organogram. The recruitment process is ongoing in the Department.
(b)	The Department has recorded an under expenditure of R1.272 million on goods and services which emanates from incorrect invoices submitted by Department of Justice; late submission of invoice for leased photocopier machines and the delays by GFMS in submitting fuel invoices.	The Department must submit a detailed plan on how it is going to prevent this under expenditure.	All departments attend a quarterly State Attorney Liaison meeting with the State Attorney, which is convened by the OTP, with a view of dealing with invoicing challenges by the DJC.  The department recently visited in March 2024 the Department of Justice and Constitutional Development to perform a reconciliation of their statements and close gaps identified. This yielded positive results as gaps and discrepancies were closed and outstanding invoices collected and processed for payment in March 2024 by COGTA.	There has been a great improvement on submission of invoices by DJC. The department will be collecting invoices monthly at the EC-DJC offices.  The service provider for photocopier machines and GFMS are submitting invoices on time.

PROGRAMME 1: ADMINISTRATION				
No	Finding	Recommendations	Status feedback	Status Quo Update
			<p>In the 2024/2025 financial year, the department further plans to conduct two physical visits (subject to budget availability) to Department of Justice (DOJ) to expedite invoices. This will be in addition to the current practice where reminders are done with the DOJ.</p> <p>The Asset and Fleet Management Sub-Directorate undertakes constant consultation with the service providers (Photocopier machines and GFMS) to ensure that they invoice the department on time. This is done monthly. There has been, however, some improvement in the submission of invoices as some have been delivered on time.</p>	
(c)	The Department is projecting an over-spending on Capital Assets which emanates from the payment of 6 vehicles for the Chairpersons of Local Houses of Traditional Leaders and 184 laptops.	The Department must submit a report to the Committee on how it intends to deal with the potential over-spending on capital assets	Through the 2023/24 Adjustment Estimates, the department received a roll-over for these vehicles and laptops and has therefore addressed this challenge.	Implemented
(d)	The Department's lost register amounts to R751,000 and this amount was not investigated.	The Department must initiate an investigation and submit a report to the Committee on action taken against those responsible for the lost assets.	<p>The lost items are referred to Security Management for investigation by Asset Management. The unit had submitted a request to Anti-Corruption and Security Management to conduct investigations on all the unaccounted for smartpens.</p> <p>Anti - Corruption and Security Management cited that the reason for their delay was due to lack of staff capacity and that there is a lot of information needed to conduct the investigation which is not available.</p> <p>A meeting was organised by Security Management with the affected parties (MPP and Asset Management on the 08 February 2024 regarding this investigation).</p> <p>The meeting convened and MPP has been tasked to gather statements/affidavits of all 147 unaccounted for smartpens and submit a report to Security Management and copy Asset Management by the 8 April 2024. This will assist with a way forward with the investigations.</p>	<p>There are 95 unaccounted smart pens which amount to R470 429 which are still under investigation.</p> <p>52 smart pens were recovered from the CDW's amounting to R257 498 and taken out from the loss register.</p> <p>The departmental loss register amount to R493 502 after the recovery of 52 smart pens.</p>
PROGRAMME 2: DEVELOPMENTAL LOCAL GOVERNMENT				
No	Finding	Recommendations	Status feedback	Implemented
2 (a)	The Department is projecting an over-expenditure in this programme which is due to employee's salary increase and grade progression of CDW's.	The Department must submit a detailed plan on how it is going prevent the potential over-expenditure in this programme.	HRM has finalised Phase 1 implementation of Grade Progression for CDWs that were due for 2021. To Fastrack the process, a Task Team has been established for Phase 2 that encompass the employees due for 2022. This will include all other employees that are qualifying, and after which the Task team will deal for employees due for 2023.	A Task Team has been formed to attend to outstanding cases that deal with NOT only CDWs, but with all eligible employees from the year 2022, wherein thereafter will deal with employees that are eligible from 2023
PROGRAMME 3: DEVELOPMENT AND PLANNING				
No	Finding	Recommendations	Status feedback	Status Quo Update
3 (a)	The Department has submitted a request for a roll over in this programme which may lead to under expenditure at the end of the financial year.	As and when the Provincial Treasury approves the roll over application the Department must provide the Committee with the projected monthly expenditure as per the submission.	<p>The re-scheduling for Drones and roll over for Master Plans were both approved by PT and the Programme is working to ensure that these funds get utilised within the 2023/24 as <u>TR 6.4.3</u> does not allow funds to be rolled over more than once – not unless prior approval is obtained from PT.</p> <p>The department applied for a roll – over of R820 000 for the Port Alfred Alexandria master and precinct plan project. The</p>	An amount of R1 824 830.23 has been spent from an allocation of R1 899 698.23, having procured 2 x Drones, trained 6 pilots and completed phases one and two, out of five phases for the licensing of the drones. The remaining three phases are planned to be

PROGRAMME 1: ADMINISTRATION				
No	Finding	Recommendations	Status feedback	Status Quo Update
			<p>project has been completed and allocated funds fully utilised.</p> <p>An amount of R1 899 698.23 was re-scheduled for the drone's project. The project contract is for two years (2023/24 &amp; 2024/25) and an amount of R1 824 830.23 has already been utilised on the supply of the drones, training of the pilots and phase one and two of licensing by South African Civil Aviation Authority (SACAA). An amount of R74 868 will be rolled over for the payment of remaining three phases of licensing.</p>	<p>completed by the end of the first quarter of 2024/25 however the process is depended on the South African Civil Aviation Authority (SACAA) processes which the department has no control over. The R74 868 balance is therefore meant to pay for the finalisation of the drones licencing process by SACAA.</p>
(b)	The Department has supported twelve (12) Municipalities to develop and implements LED Strategies.	The Department must ensure that such strategies are not reduced to small project since bigger and complex LED projects are driven at the provincial level.	Municipalities are encouraged and supported to develop LED strategies with implementation plans that focus on pro – poor and pro – growth project mix. The implementation of the pro – growth projects is supported by both national and provincial sectors as well as the private sector.	Implemented
PROGRAMME 4 AND 5: TRADITIONAL INSTITUTIONAL MANAGEMENT AND HOUSE OF TRADITIONAL AFFAIRS				
No	Finding	Recommendations	Status feedback	Status Quo Update
4 (a)	The Department is projecting an underspending in this programme which is due to under projection for the payment of gratuities for Traditional Leaders and delays in the finalization of AmaGqunukhwebe Traditional Councils.	The Department must submit a plan to the Committee which details how the potential under-spending in this programme will be prevented.	<p>The payment of gratuities for Traditional Leaders is payable on demand and difficult to project accurately or to improve the expenditure.</p> <p>The cession with the Financial Institution to assist the contractor was done and the Contractor went back on site to attend to outstanding items.</p> <p>In the process of completing construction of the AmaGqunukhwebe Traditional Council, the Contractor again experienced financial challenges and ran out of funds. DPWI is arranging the 2<sup>nd</sup> session for completion of the outstanding items which are gutters, toilets, painting of doors and cleaning of the site which has already been approved by COGTA for completion by end 2023/2024 financial year. The project was completed on the 20 March 2024.</p>	<p>Implemented</p> <p>Allocated budget for gratuities has been spent by end of 2023/2024 financial year and therefore there is no under expenditure.</p>



## 10.8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		NONE		

## 10.9. PRIOR MODIFICATIONS TO AUDIT REPORTS

No matters of prior year modifications to Audit Reports recorded during 2023/2024

Nature of qualification, disclaimer, adverse opinion and matters of noncompliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
	N/A	

## 10.10. INTERNAL CONTROL UNIT

The Department has established a dedicated Internal Control Unit Directorate in 2021-22 Financial Year. PFMA Section 38(1) (a)(i) of PFMA states that “The accounting officer for a department, trading entity or constitutional department must ensure that the department, trading entity or constitutional department has and maintain effective, efficient and transparent systems of financial and risk management and internal control”.

Section 45(a) of PFMA states that “An official in a Department, trading entity or constitutional institution must ensure that the system of financial management and internal control established for that Department, trading entity or constitutional institution is carried out within the area of responsibility of that official”.

It is the preceding section of the Act that informs management in the individual programmes of the department to be responsible for developing effective internal controls such as the policies, SOP’s checklists etc. Internal Control Unit is responsible for, amongst the others:

1. monitoring the effective implementation of the designed Internal Control measures,
2. the day-to-day ensuring that Laws and Regulations are complied with (The department’s internal processes are functioning correctly),
3. the designed internal control measures are being implemented,
4. the instructions and directional guidelines fixed by Executive management are applied, and
5. Financial information is reliable.

This is mostly achieved through pre-auditing function, in order to prevent the occurrence of the unwanted expenditure like Unauthorized, Irregular and Fruitless and Wasteful expenditure.

Further, Internal Control Unit facilitates the development of the Audit Improvement Plan to address the internal Control deficiencies that the external auditors had identified. The departments’ individual programmes decide on the action plans (control measures to put in place) to address the root causes of the audit findings raised by AG to prevent future re-occurrence thereof.

Internal Auditors assist the department by evaluating the designed Internal Control measures put in place by management and advise the Accounting Officer, other senior management and those charged with governance about the effectiveness of those evaluated Internal Control measures while Risk Management Directorate is regularly conducting risk assessment to determine the skills required of management and staff to improve controls to manage the identified risks.

## 10.11. INTERNAL AUDIT AND AUDIT COMMITTEES

In terms of Section 38 read in conjunction with Sections 76 and 77 of the Public Financial Management Act (PFMA) the Department must have a functional Internal Audit Unit and Audit Committee.

### Key Activities and Objectives of the Audit Committee

The Audit Committee conducts its business in terms of its approved terms of reference (Audit Committee Charter). It assists the organisation in discharging its responsibility of oversight over internal controls, Internal Audit, Risk Management and External Audit.

The Audit Committee reports that it has complied with its responsibilities as prescribed by Section 38 (1) (a), Sections 76(4) (d) and 77 of the Public Finance Management Act (PFMA) and Treasury Regulation (TR) 3.1. The Audit Committee has adopted a formal term of reference by way of the Audit Committee Charter, has regulated its affairs in compliance with the charter and has discharged all of its responsibilities as contained therein.

### Attendance of Audit Committee Meetings by Audit Committee Members

The Audit Committee consist of the members listed hereunder and the number of meetings attended during the 2023/24 period as per the approved terms of reference and schedule of meetings. During the financial year, four (4) meetings were held and four (4) special meetings (Approval of Internal Audit Plan and Charters, Meeting with the MEC (October 2023 and March 2024) and Review the Annual Financial Statements and Draft Annual Report).

The 2<sup>nd</sup> term of office of the Audit Committee members came to an end by the 31 October 2023. The Framework on the appointment and remuneration of Audit Committee members from Provincial Treasury allows this, section 16 reads as follows; "Rotation of Members is encouraged as it enhances the independence of the Audit Committee. Selection of Audit Committee members should therefore be managed to allow rotation but allowing some level of continuity to prevent loss of knowledge and skills base at a one time. For this reason, Audit Committee member should serve a maximum of two terms(6-years) where about 50 percent of the members can be retained for each term".

Two Audit Committee members were retained for continuity as per the Framework on the appointment and remuneration of the Audit Committee members from Provincial Treasury.

Currently the department constitutes four Audit Committee members in a contract of 3 years (1<sup>st</sup> term) from 2023 - 2026 and the department needs to renew their contracts after 3 years without exceeding 6 years. The new term of office of the new members and those that were retained for continuity commenced on the 01 November 2023.

**The table below discloses relevant information on the audit committee members 1<sup>st</sup> April 2023- 31<sup>st</sup> March 2024**

Name	Qualifications	Internal or External	Date appointed	Date Resigned	No. of Meetings attended	Current/Former Member – Year under Review	If internal, position in the department
<b>Mr PG Zitumane</b> Chairperson	Master of Business Leadership Bachelor of Commerce	External member	01 November 2023	N/A	4	Current Chairperson	N/A
Ms. N. Mtebele Chairperson	Higher Diploma in Taxation and B-Tech: Cost Management Accounting	External member	01 November 2017	N/A	4	Member	N/A
Mr. J.P. Korkie	Master's in law (LLM) (Applied) Advanced Diploma in Labour Law Bachelor of Law (LLB)	External member	01 November 2017	31 October 2023	0	Former Member	N/A
Mr. S. Dzengwa	Master of Business Administration Bachelor of Arts Master of Public Administration Certificate in Development Finance	External member	02 July 2019	N/A	7	Member	N/A
Ms L Smith	Chartered Accountant Bachelor of Commerce Post Graduate Diploma in Accountancy	External member	03 March 2021	N/A	6	Member	N/A
Ms Z Mgaga	Bachelor of Accounting Sciences Certificate in Executive Development Programme Certificate in Professional Internal Auditor	External member	01 November 2023	N/A	4	Member	N/A

Section 38 (1) (a) (ii) of the PFMA requires that the Accounting Officer for a Department, trading entity or constitutional institution must ensure that the department, trading entity or constitutional institution has and maintains: "A system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of Sections 76 and 77". The Internal Audit Function mandate is derived from the PFMA section 38 read in conjunction with TR section 3.2.

The Internal Audit Directorate assists in ensuring that the department delivers on its mandate and provides a supportive role to management and the Audit Committee to achieve their objectives. The Internal Audit Directorate is responsible for independent and objective evaluation of the department's system of internal control at a detailed level and to bring any significant business risks and exposures to the attention of management and the committee through the provision of comprehensive internal audit reports. Currently a system to track the implementation of internal audit findings was implemented during the year and this has contributed significantly to ensuring that the internal control environment for the Department remains relevant. Audit Improvement Plan was also developed, and Auditor General's findings were also reviewed by Internal Audit and most of the findings were addressed by management.

### Summary of Internal Audit Performed During Financial Year

Internal Audit executed the 2023/2024 Risk-Based Plan. The Directorate produced 21 Internal Audit reports.

#### 10.12. AUDIT COMMITTEE REPORT

The Audit Committee herewith presents its report for the financial year ended 31 March 2024, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

#### Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from Section 38(1) (a) (ii) of the Public Finance Management Act, 1999 and Treasury Regulation 3.1. The Audit Committee adopted appropriate formal terms of reference as its Audit Committee Charter, conducted its affairs in compliance with this charter and discharged all its responsibilities as contained therein.

#### The effectiveness of internal control

In line with the Public Finance Management Act, 1999, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The Accounting Officer retains responsible for implementing such recommendations as per Treasury Regulation 3.1.12.

Through analysis of audit reports and engagement with the Department, the Audit Committee reports that the internal control systems for the period under review were adequate and effective. The Audit Committee is not aware of any deficiencies that may be reported by the Auditor General of South Africa.

The Audit Committee has noted the reported progress to date with regards to a process of investigating irregular, fruitless and wasteful expenditure relating to previous years and has further encouraged the Department to implement effective controls to address non-compliance to limit occurrence of the irregular expenditure.

The Audit Committee has also advised the department to properly mitigate the risk of load shedding and make sure that adequate funding is sourced in order to finance the Department's Business Continuity Action Plan.

#### Risk Management

The Audit Committee provided independent oversight to the Department's fraud and risk management system. The Audit Committee was furnished with quarterly fraud and risk management progress reports, Departmental Risk Profiles and Registers to execute their independent oversight. The Audit Committee's evaluation of the Fraud and Risk Management process was in relation to the progress of implementation of the fraud and risk plans, and this also includes risks faced by the Department and its relevant risk response/treatment strategies. Based on the quarterly reviews performed, the fraud

and risk treatment plans have been implemented adequately and effectively by the Department during the year under review. A Risk Management Committee is in place, chaired by an independent person who advises the Accounting Officer.

### In-Year Management and Quarterly Reporting

The department has reported monthly and quarterly to the Treasury as is required by the PFMA. The Audit Committee has noted the content and quality of the monthly / quarterly financial reports prepared and issued by the Department during the year under review in compliance with the statutory reporting framework..

### Evaluation of Financial Statements

The Audit Committee reviewed the Draft Annual Financial Statements prepared by the Department and advised the Accounting Officer to ensure that all matters were fully addressed prior to submission of the Draft Annual Financial Statements to the Auditor General of South Africa.

### Evaluation of Annual Report

The Audit Committee reviewed the Draft Annual Report prepared by the Department and advised the Accounting Officer to ensure that all matters were fully addressed prior to submission of the Draft Annual Report to the Auditor General of South Africa.

### Compliance with laws and regulations

The Audit Committee is satisfied with the level of compliance with laws and regulations and is continuously monitoring the implementation of Department's Compliance Management Plan.

### Internal Audit

The Audit Committee is satisfied that the Internal Audit function has properly discharged its functions and responsibilities during the year under review as outlined in the Internal Audit Plan. The Audit Committee is also satisfied that the Internal Audit Function maintains an effective Internal Quality Assurance Programme that covers all aspects of the Internal Audit Activity and that as determined during the External Quality Assessment Review, that a Generally "Conforms rating" can be applied to the internal audit work and the term "Conforms with the International Standards for the Professional Practice of Internal Auditing" may be used by the function.

The following internal audit assignments were completed during the year under review: Annual Financial Statements 2023/24

- Annual Financial Statements 2022/23
- Performance Information (Half yearly and Annual report 2022/23)
- Governance & Ethics Management
- Risk Management
- Internal Control Dashboard
- Fleet Management
- Support to municipalities in compiling Integrated HR Plans
- Support provided to municipalities on Free Basic Services
- Records Management
- Management of resources allocated to Traditional Leaders
- Support to Traditional Governance & Finance
- Management of CDWs
- Land Use Management & Administration
- Training & Development
- IT Audit
- Follow up on AG's report 2022/23
- Follow up on risk based audits

### Auditor General of South Africa

The Committee reviewed the Department's implementation plan for audit issues raised in the previous year and based on the interaction with the Department and the internal audit reports, the committee has noted improvements to address the matters that were identified. The Audit Committee has met with AGSA and is not aware of any unresolved issues with respect to the 2023/24 audit.

The Audit Committee concurs with the conclusions of the Auditor General on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the report of the Auditor General. The Audit Committee expresses its sincere appreciation to the Honourable Member of the Executive Council, Acting Head of Department, the management of the Department, Internal Audit and the AGSA for their support and co-operation during the year under review.



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**P.G. ZITUMANE**

CHAIRPERSON OF THE AUDIT COMMITTEE DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 30 AUGUST 2024

### 10.13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	The requirements of the preferential procurement act and its regulations are integral part of the Departmental Supply Chain Management Policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable



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& TRADITIONAL AFFAIRS

# PART D

## HUMAN RESOURCE MANAGEMENT



## PART D: HUMAN RESOURCE MANAGEMENT

### 11. HUMAN RESOURCE MANAGEMENT



#### 11.1. INTRODUCTION

The department's human capital is the most critical asset in driving the mandate of the Department. The following human resource initiatives were undertaken by the Department to professionalize the human resource environment towards optimal organisational performance:

- Implementation of the Human Resource Plan covering the period 01 September 2021 to 31 August 2024.
- Initiated the development and institutionalization of Standard Operating Procedures for all the five programmes of the Department.
- Finalized filled 92% posts listed in the Annual Recruitment Plan
- Strengthened coordination of employee health and wellness services.
- Provision of conditions of service for qualifying staff within the prescribed period.
- Reviewed HR delegations in terms of Public Service Regulations of 2016 (Executive Authority to Head of Department) and ensure implementation thereof.
- Review HR policies HR policies for approval namely, Resettlement Policy, Attraction & Retention Policy and the Bereavement Policy.
- Coordination of performance management and development system and ensure compliance.
- with time frames.



Human resource priorities for the year under review and their impact

HR PRIORITIES	IMPACT OF THESE PRIORITIES
Recruitment and Selection	Filled 92% posts listed in the Annual Recruitment Plan which contributed towards the performance of the department.
Fast-tracking decentralization of functions and decision making	Improved hands-on support to municipalities and traditional leadership institutions.
Counselling cases conducted on referred cases as well as full implementation of grievances and misconduct	The Department intervened successfully through Employee Wellness Programme. Grievances were attended to timeously and finalized. .
Training and Development of employees	Need to improve the capacitation and development of employees
Full implementation of Performance Management and Development System and its maintenance.	There was compliance with the submission of PMDS tools.
Implementation of the Employment Equity Act	During the period under review, the Department did perform very well on the representation of women at SMS level. However, the Department has committed itself to improve the situation.
HR Information Management	Head counting and Persal cleansing have been initiated to improve data credibility.
Implementation of job evaluation	Progress on Job evaluation process has been hampered by the termination of the Web-Enabled Evaluate Job Evaluation System in the Public Service.

## 11.2. HUMAN RESOURCES OVERSIGHT STATISTICS

The department must provide the following key information on its human resources.

### 11.2.1. Personnel related expenditure

**Table 11.1 Personnel expenditure by programme for the period 1 April 2023 and 31 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	285 633	181 695	729	1 313	63,6	69
Local Governance	264 603	252 885	881	0	95,6	97
Development & Planning	110 604	94 955	275	3 747	85,9	36
Traditional Institute Manage	363 894	334 509	30	1 128	91,9	128
House Of Traditional Leaders	33 877	23 414	0	1 677	69,1	9
Total	1 058 611	887 458	1 915	7 865	83,8	339
NOTES	1	2	3	4	5	6

Note 1: The amount of total expenditure agrees with the total expenditure for the department that agrees to the appropriation statement in the annual financial statements.

Note 2: The amount of personnel expenditure agrees to the total expenditure for compensation of employees as disclosed in the annual financial statements.

Note 3: The amount for training expenditure agrees with the total expenditure for training and development as disclosed in the note for goods and services in the annual financial statements.

Note 4: The amount for professional and special services agrees to the total expenditure for consultants and professional services as disclosed in the note for goods and services in the annual financial statements.

Note 5: The personnel expenditure in note 2 calculated as a percentage of the total expenditure in note 1.

Note 6: The amount reflects the total personnel expenditure divided by the number of employees.

**Table 11.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	2 337	0,3	13	179,8
02 Skilled (Levels 3-5)	37 597	4,1	135	278,5
03 Highly skilled production (Levels 6-8)	543 693	61,3	2121	256,3
04 Highly skilled supervision (Levels 9-12)	218 382	24	265	824,1
05 Senior management (Levels >= 13)	75 833	8,3	53	1430,8
11 Contract (Levels 3-5)	531	0,1	3	177,0
12 Contract (Levels 6-8)	1 803	0,2	19	94,9
13 Contract (Levels 9-12)	4 042	0,4	4	1010,5
14 Contract (Levels >= 13)	3 240	0,4	2	1620,0
<b>TOTAL</b>	<b>887 458</b>	<b>98,6</b>	<b>2615</b>	<b>339,4</b>
NOTES	1	2	3	4

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Note 1: The amount for personnel expenditure agrees with the total expenditure for compensation of employees as disclosed in the annual financial statements.

Note 2: This reflects % of total personnel cost for 2023/2024

Note 3: This reflects the number of employees.

Note 4: The average number of employees calculated for the 2023/2024 financial year.

**Table 11. 3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024**

Programme	Salaries		Overtime		Home Owners Allowance (refer to table 3.1.4 of the Annual report)		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	156 504	86,1	0	0	4 793	2,5	8929	4,4
LOCAL GOVERNANCE	209 450	82,8	0	0	2177	2,2	2617	2,6
DEVELOPMENT & PLANNING	83 373	87,8	0	0	687	2,8	1236	5,1
TRADITIONAL INSTITUTE MANAGE	312 098	93,3	0	0	10210	4	19477	7,6
HOUSE OF TRADITIONAL LEADERS	20 324	86,8	0	0	5053	1,5	10767	3,2
Total	781 749	<b>88,1</b>	<b>0</b>	<b>0</b>	22 920	2,5	43 026	4,6

Table 11.4 Salaries, Overtime, Home-Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	1 649	70,4	0	0	160	6,8	302	12,9
Skilled (Levels 3-5)	28 006	74,3	0	0	2 285	6,1	3830	10,2
Highly skilled production (Levels 6-8)	491 863	84,2	0	0	15 238	2,7	31 840	5,8
Highly skilled supervision (Levels 9-12)	183 799	81,3	0	0	4 268	1,9	6 688	3
Senior management (Levels >= 13)	67 569	84	0	0	951	1,2	366	0,5
Contract (Levels 3-5)	475	89,5	0	0	0	0	0	0
Contract (Levels 6-8)	1745	91,7	0	0	18	0,9	0	0
Contract (Levels 9-12)	3 675	86,5	0	0	0	0	0	0
Contract (Levels >= 13)	2 968	90,4	0	0	0	0	0	0
<b>TOTAL</b>	<b>781 749</b>	<b>98.6</b>	<b>0</b>	<b>0</b>	<b>22 920</b>	<b>2,5</b>	<b>43 026</b>	<b>4,6</b>

### 11.2.2. Employment and Vacancies

Table 11.5 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	359	302	15	19
Local Governance	143	119	17	3
Development and Planning	53	45	15	0
Traditional Institutional Management	612	574	6	0
House of Traditional Leaders	1613	1575	2	1
<b>TOTAL</b>	<b>2780</b>	<b>2615</b>	<b>6</b>	<b>23</b>

Table 11.6 Employment and vacancies by salary band as on 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) & Contract	13	13	0	0
Skilled (3-5) & Contract	161	138	14	1
Highly skilled production (6-8) & Contract	2 232	2 140	4	20
Highly skilled supervision (9-12) & Contract	303	269	11	2
Senior management (13-16) & Contract	71	55	23	0
<b>Total</b>	<b>2 780</b>	<b>2 615</b>	<b>6</b>	<b>23</b>

**Table 11.7 Employment and vacancies by critical occupations as on 31 March 2024**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	322	322	0	19
Architects town and traffic planners	7	7	0	1
Bus and heavy vehicle drivers	14	14	0	0
Cartographers and surveyors	5	5	0	1
Cleaners in offices workshops hospitals etc.	32	32	0	1
Community development workers	501	501	0	0
Engineering sciences related	15	15	0	0
Engineers and related professionals	4	4	0	0
Finance and economics related	5	5	0	0
Financial and related professionals	37	37	0	0
Financial clerks and credit controllers	4	4	0	0
General legal administration & rel. Professionals	2	2	0	0
Geologists geophysicists hydrologists & relat prof	3	1	67	0
Human resources & organisation development & relate prof	1	1	0	0
Human resources clerks	24	24	0	0
Human resources related	29	29	0	0
Light vehicle drivers	7	7	0	0
Logistical support personnel	11	11	0	0
Messengers' porters and deliverers	18	18	0	0
Motor vehicle drivers	1	1	0	0
Other administration & related clerks and organisers	9	9	0	0
Other administrative policy and related officers	5	5	0	0
Other occupations	1462	1302	11	1
Risk management and security services	7	7	0	0
Secretaries & other keyboard operating clerks	208	208	0	0
Senior managers	47	47	0	0
<b>Total</b>	<b>2780</b>	<b>2615</b>	<b>6</b>	<b>23</b>

### 11.2.3. Filling of SMS Posts

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

**Table 11.8 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
MEC & Head of Department (SL 16)	2	2	100	0	0
Salary Level 15	2	2	100	0	0
Salary Level 14	12	6	50	6	50
Salary Level 13	50	40	80	10	20
<b>Total</b>	<b>66</b>	<b>50</b>	<b>75</b>	<b>16</b>	<b>25</b>

Table 11.9 SMS post information as on 30 September 2023

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
MEC & Head of Department (SL 16)	2	2	100	0	0
Salary Level 15	2	2	100	0	0
Salary Level 14	12	7	58	5	42
Salary Level 13	50	41	82	9	18
<b>Total</b>	<b>66</b>	<b>52</b>	<b>79</b>	<b>14</b>	<b>21</b>

Table 11.10 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
MEC & Head of Department (SL 16)	0	0	0
Salary Level 15	0	0	0
Salary Level 14	4	0	0
Salary Level 13	8	1	1
<b>Total</b>	<b>12</b>	<b>1</b>	<b>1</b>

Table 11.11 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

**Reasons for vacancies Not filled within Six Months**

Recruitment process conducted but would be put on hold due to some compliance issues not followed, leading to the process to be started over again. e.g., Inconsistency with the Requirements of the job in the advertised post. In other instances, there are delays in the receipt of Competency Assessment Reports for SMS posts. Recruitment process conducted but get delayed due to not finding the suitable candidate, leading to the post to be advertised again. Government packages that become not competitive, particularly with posts that require critical/scarce skills, leading to salary offers declined by preferred suitable candidates.

**Reasons for vacancies Not filled within Twelve Months**

1. Recruitment process conducted but would be put on hold due to some compliance issues not followed, leading to the process to be started over again. e.g., Inconsistency with the Requirements of the job in the advertised post. In other instances, there are delays in the receipt of Competency Assessment Reports for SMS posts
2. Recruitment process conducted but get delayed due to not finding the suitable candidate, leading to the post to be advertised again.
3. Government packages that become not competitive, particularly with posts that require critical/scarce skills, leading to salary offers declined by preferred suitable candidates.

Table 11.12 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

**Disciplinary steps taken**

Not Applicable.

11.2.4. 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 11.13 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	9	0	0	0	0	0	0
Skilled (Levels 3-5)	133	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	876	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	273	0	0	0	0	0	0

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Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior Management Service Band A	42	0	0	0	0	0	0
Senior Management Service Band B	12	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>Total</b>	<b>1 348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Table 11.14 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Table 11.15 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024**

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

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

**Table 11.16 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024.**

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

The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

**Table 11.17 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024**

Salary band	Number of employees at beginning of period- 1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2)	11	2	0	0
Skilled (Levels 3-5)	137	8	6	4
Highly Skilled Production (Levels 6-8)	2 151	78	90	4
Highly Skilled Supervision (Levels 9-12)	269	6	20	7
Senior Management Service Band A	39	2	4	10
Senior Management Service Band B	8	0	2	25
Senior Management Service Band C	8	0	0	0
Senior Management Service Band D	1	0	0	0

Salary band	Number of employees at beginning of period- 1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Other Permanent	11	0	0	0
Contract (Levels 3-5)	1	2	1	100
Contract (Levels 6-8)	1	20	1	100
Contract (Levels 9-12)	4	0	0	0
Contract Band A	0	1	0	0
Contract Band D	1	0	0	0
<b>TOTAL</b>	<b>2 642</b>	<b>119</b>	<b>124</b>	<b>5</b>

Table 11.18 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 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
Administrative Related	311	25	21	7
Architects Town and Traffic Planners	7	0	0	0
Bus and Heavy Vehicle Drivers	14	1	0	0
Cartographers and Surveyors	6	0	0	0
Cleaners in offices workshops hospitals etc.	34	2	2	6
Community Development Workers	503	4	8	2
Engineering Sciences Related	14	1	1	7
Engineers and Related Professionals	4	0	0	0
Finance and Economics Related	4	0	0	0
Financial and related Professionals	41	1	5	12
Financial Clerks and Credit Controllers	4	0	0	0
General Legal Administration & Rel. Professionals	2	0	0	0
Geologists Geophysicists Hydrologists & Related professionals	3	0	0	0
Human Resources & Organisational Development & related professionals	1	0	0	0
Human Resources Clerks	16	7	1	6
Human Resources Related	27	1	2	7
Legal related	1	0	1	100
Library mail and related clerks	1	0	1	100
Light Vehicle Drivers	8	1	1	13
Logistical Support Personnel	13	0	1	8
Messengers Porters and Deliverers	19	1	1	5
Motor Vehicle Drivers	1	0	0	0
Other Administrative & related clerks and organisers	9	0	0	0
Other Administrative Policy and Related Officers	6	0	1	17
Other Occupations	1 317	62	64	5
Risk Management and Security Services	10	1	3	30
Secretaries & Other Keyboard Operating Clerks	217	9	6	3
Senior Managers	49	3	5	10
<b>TOTAL</b>	<b>2 642</b>	<b>119</b>	<b>124</b>	<b>5</b>

Table 11.19 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
Death	37	30
Resignation	54	44
Expiry of contract	13	9
Dismissal – operational changes	0	0
Dismissal – misconduct	2	2
Dismissal – inefficiency	0	0
Discharged due to ill-health	3	2
Retirement	27	22
Transfer to other Public Service Departments	0	0
<b>Total</b>	<b>124</b>	
<b>Total number of employees who left as a % of total employment</b>		<b>5%</b>

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**Table 11.20 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024**

Occupation	Employees 1 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
Administrative Related	311	10	3	176	57
Architects Town and Traffic Planners	7	0	0	7	100
Bus and Heavy Vehicle Drivers	14	0	0	8	57
Cartographers and Surveyors	6	0	0	1	17
Cleaners in offices workshops hospitals etc.	34	0	0	21	62
Community Development Workers	503	0	0	218	43
Engineering Sciences Related	14	0	0	6	43
Engineers and related professionals	4	0	0	0	0
Finance and Economics Related	4	0	0	3	75
Financial and Related Professionals	41	0	0	22	54
Financial Clerks and Credit Controllers	4	0	0	1	25
General Legal Administration & related professionals	2	0	0	2	100
Geologists Geophysicists hydrologists & related prof	3	0	0	1	33
Human Resources & Organisational Development & related professional	1	0	0	0	0
Human Resources Clerks	16	2	13	5	31
Human Resources Related	27	1	4	14	52
Legal related	1	0	0	1	100
Library mail and related clerks	1	0	0	0	0
Light vehicle drivers	8	0	0	3	38
Logistical support personnel	13	0	0	11	85
Messengers porters and deliverers	19	0	0	9	47
Motor vehicle drivers	1	0	0	1	100
other administrat & related clerks and organisers	9	1	11	7	78
Other administrative policy and related officers	6	0	0	2	33
Other occupations	1317	0	0	0	0
Risk Management and Security Services	10	0	0	2	20
Secretaries & other keyboard operating clerks	217	1	1	93	43
Senior Managers	49	0	0	35	71
<b>TOTAL</b>	<b>2 642</b>	<b>15</b>	<b>1</b>	<b>649</b>	<b>25</b>

**Table 11.21 Promotions by salary band for the period 1 April 2023 and 31 March 2024**

Salary Band	Employees 1 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)	11	0	0	7	64
Skilled (Levels 3-5)	137	0	0	71	52
Highly Skilled Production (Levels 6-8)	2 151	5	0	385	18
Highly Skilled Supervision (Levels 9-12)	269	10	4	146	54
Senior Management (Levels >= 13)	56	0	0	40	71
Other Permanent	11	0	0	0	0
Contract (Levels 3-5)	1	0	0	0	0
Contract (Levels 6-8)	1	0	0	0	0
Contract (Levels 9-12)	4	0	0	0	0
Contract (Levels >= 13)	1	0	0	0	0
<b>TOTAL</b>	<b>2 642</b>	<b>15</b>	<b>1</b>	<b>649</b>	<b>25</b>



11.2.6. Employment Equity

**Table 11.22 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2024**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	27	1	0	0	14	0	0	0	42
Professionals	231	4	0	0	367	8	0	0	610
Technicians and associate professionals	116	1	1	1	224	3	0	2	348
Clerks	52	1	0	2	182	2	0	1	240
Service and sales workers	3	0	0	0	4	0	0	0	7
Plant and machine operators and assemblers	22	0	0	0	0	0	0	0	22
Elementary occupations	1 049	2	0	0	300	0	0	0	1 351
<b>Total</b>	<b>1 500</b>	<b>9</b>	<b>1</b>	<b>3</b>	<b>1 091</b>	<b>13</b>	<b>0</b>	<b>3</b>	<b>2 620</b>
Employees with disabilities	15	0	0	0	16	0	0	0	31

**Table 11.23 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	9	0	0	0	0	0	0	0	9
Senior Management	27	1	0	0	16	0	0	0	44
Professionally qualified and experienced specialists and mid-management	116	1	1	1	142	2	0	2	265
Skilled technical and academically qualified workers, junior management, supervisors	1282	6	0	2	824	11	0	1	2126
Semi-skilled and discretionary decision making	51	0	0	0	84	0	0	0	135
Unskilled and defined decision making	4	1	0	0	8	0	0	0	13
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally Qualified)	2	0	0	0	2	0	0	0	4
Contract (Skilled Technical)	6	0	0	0	13	0	0	0	19
Contract (Semi-Skilled)	1	0	0	0	2	0	0	0	3
<b>TOTAL</b>	<b>1 500</b>	<b>9</b>	<b>1</b>	<b>3</b>	<b>1 091</b>	<b>13</b>	<b>0</b>	<b>3</b>	<b>2 620</b>

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**Table 11.24 Recruitment for the period 1 April 2022 and 31 March 2024**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	3	0	0	0	2	0	0	0	5
Professionally qualified and experienced specialists and mid-management	15	0	0	0	17	0	0	0	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen	29	0	0	0	20	0	0	0	49
Semi-skilled and discretionary decision making	3	0	0	0	5	0	0	0	8
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Skilled technical)	6	0	0	0	14	0	0	0	20
Contract (Semi-skilled)	1	0	0	0	1	0	0	0	2
<b>TOTAL</b>	<b>58</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>119</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 11.25 Promotions for the period 1 April 2023 and 31 March 2024**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	24	1	0	0	14	0	0	0	39
Professionally qualified and experienced specialists and mid-management	65	1	0	1	87	1	0	1	156
Skilled technical and academically qualified workers, junior management, supervisors, foremen	127	4	0	0	251	7	0	1	390
Semi-skilled and discretionary decision making	30	0	0	0	41	0	0	0	71
Unskilled and defined decision making	2	1	0	0	4	0	0	0	7
<b>TOTAL</b>	<b>249</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>397</b>	<b>8</b>	<b>0</b>	<b>2</b>	<b>664</b>
Employees with disabilities	4	0	0	0	6	1	0	0	11

**Table 11.26 Terminations for the period 1 April 2023 and 31 March 2024**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	4	0	0	0	2	0	0	0	6
Professionally qualified and experienced specialists and mid-management	8	0	0	0	11	0	0	1	20
Skilled technical and academically qualified workers, junior management, supervisors	61	0	0	1	28	0	0	0	90
Semi-skilled and discretionary decision making	5	0	0	0	1	0	0	0	6
Contract (Skilled technical)	1	0	0	0	1	0	0	0	2
<b>TOTAL</b>	<b>79</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>124</b>
<b>Employees with Disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

Table 11.27 Disciplinary action for the period 1 April 2023 and 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	1				1 = Charges withdrawn.				
One month suspension without pay and final written warning.	1				1 = Two months suspension without pay and final written warning.				
Dismissal	1								
Found not guilty	1								
									2023/24 FY
									Total of cases = 6

Table 11.28 Skills development for the period 1 April 2023 and 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	0	0	0	17	0	0	0	37
Professionals	38	0	0	0	42	0	0	0	80
Technicians and associate professionals	10	0	0	0	13	0	0	0	23
Clerks	08	0	0	0	01	0	0	0	09
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	0	0	0	0	0
<b>Total</b>	<b>66</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

### 11.2.7. Signing of Performance Agreements by SMS Members

Table 11.29 Signing of Performance Agreements by SMS members as on 31 May 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Head of Department Salary Level 16	1	1	0	0
Salary Level 15	2	2	0	0
Salary Level 14	12	6	1	16
Salary Level 13	49	40	2	5
<b>Total</b>	<b>64</b>	<b>49</b>	<b>3</b>	<b>6.1</b>

Table 11.30 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
The due date for the submission of Performance Agreements is the 31 May 2024

Table 11.30 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
None

### 11.2.8. 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 11.31 Performance Rewards by race, gender, and disability for the period 1 April 2023 and 31 March 2024**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	0.00	2 583.00	0.00	0.00	0.00
Male	0.00	1 495.00	0.00	0.00	0.00
Female	0.00	1 088.00	0.00	0.00	0.00
<b>Asian</b>	0.00	1.00	0.00	0.00	0.00
Male	0.00	1.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00	0.00
<b>Coloured</b>	0.00	21.00	0.00	0.00	0.00
Male	0.00	9.00	0.00	0.00	0.00
Female	0.00	12.00	0.00	0.00	0.00
<b>White</b>	0.00	6.00	0.00	0.00	0.00
Male	0.00	3.00	0.00	0.00	0.00
Female	0.00	3.00	0.00	0.00	0.00
Disability	0.00	31.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>2 620.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Table 11.32 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 and 31 March 2024**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled:(Levels 1-2)	0.00	13.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	0.00	135.00	0.00	0.00	0.00	0.00
Highly skilled production (level 6-8)	0.00	2 126.00	0.00	0.00	0.00	0.00
Highly skilled supervision (level 9-12)	0.00	265.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	0.00	3.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	0.00	19.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	0.00	4.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>2 565</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Table 11.33 Performance Rewards by critical occupation for the period 1 April 2023 and 31 March 2024**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks And Credit Controllers	0.00	4.00	0.00	0.00	0.00
Human Resources Clerks	0.00	24.00	0.00	0.00	0.00
Geologists Geophysicists Hydrologists & Related Prof	0.00	2.00	0.00	0.00	0.00
Messengers Porters And Deliverers	0.00	18.00	0.00	0.00	0.00
Human Resources & Organisational Development & Relate Prof	0.00	1.00	0.00	0.00	0.00
Risk Management and Security Services	0.00	7.00	0.00	0.00	0.00
Finance And Economics Related	0.00	5.00	0.00	0.00	0.00
Logistical Support Personnel	0.00	11.00	0.00	0.00	0.00
Other Administrative & Related Clerks and Organisers	0.00	9.00	0.00	0.00	0.00
Other Occupations	0.00	1 302.00	0.00	0.00	0.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Legal Related	0.00	0.00	0.00	0.00	0.00
Financial And Related Professionals	0.00	37.00	0.00	0.00	0.00
Architects Town and Traffic Planners	0.00	7.00	0.00	0.00	0.00
Administrative Related	0.00	322.00	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks	0.00	208.00	0.00	0.00	0.00
Cleaners In Offices Workshops Hospitals Etc.	0.00	32.00	0.00	0.00	0.00
Library Mail and Related Clerks	0.00	0.00	0.00	0.00	0.00
Human Resources Related	0.00	29.00	0.00	0.00	0.00
General Legal Administration & Rel. Professionals	0.00	2.00	0.00	0.00	0.00
Other Administrative Policy and Related Officers	0.00	5.00	0.00	0.00	0.00
Bus And Heavy Vehicle Drivers	0.00	14.00	0.00	0.00	0.00
Senior Managers	0.00	47.00	0.00	0.00	0.00
Engineers And Related Professionals	0.00	4.00	0.00	0.00	0.00
Cartographers And Surveyors	0.00	5.00	0.00	0.00	0.00
Light Vehicle Drivers	0.00	7.00	0.00	0.00	0.00
Engineering Sciences Related	0.00	15.00	0.00	0.00	0.00
Mathematicians And Related Professionals	0.00	0.00	0.00	0.00	0.00
Motor Vehicle Drivers	0.00	1.00	0.00	0.00	0.00
Community Development Workers	0.00	501.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>2 620.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Table 11.34 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 and 31 March 2024

Salary band	Beneficiary Profile			Total Cost (R'000)	Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands		Average cost per employee		
Band A	0.00	39.00	0.00	0.00	0.00	0.00	
Band B	0.00	6.00	0.00	0.00	0.00	0.00	
Band C	0.00	8.00	0.00	0.00	0.00	0.00	
Band D	0.00	2.00	0.00	0.00	0.00	0.00	
<b>Total</b>	<b>0.00</b>	<b>55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

### 11.2.9. Foreign Workers

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

Table 11.35 Foreign workers by salary band for the period 1 April 2023 and 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	1	100	0	0	0	0
Senior Management (Level 13-16)	0	0	1	100	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

**Table 11.36 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024**

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Management	0	0	1	100		
Prof qual & exp mid-management	1	100	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

#### 11.2.10. Leave utilisation

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 11.37 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)
Contract (Levels 3-5)	2	100	1	0,2	2	2
Contract (Levels 6-8)	32	53,1	8	1,7	4	10
Highly skilled production (Levels 6-8)	1 638	85,7	206	42,7	8	2 727
Highly skilled supervision (Levels 9-12)	1 131	82,7	168	34,8	7	3 315
Lower skilled (Levels 1-2)	52	100	5	1	10	34
Senior management (Levels 13-16)	154	92,9	22	4,6	7	764
Skilled (Levels 3-5)	491	91,4	73	15,1	7	477
<b>TOTAL</b>	<b>3 500</b>	<b>85,7</b>	<b>483</b>	<b>100</b>	<b>7</b>	<b>7 329</b>

**Table 11.38 Disability leave (temporary and permanent) for the period 1 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)
Highly skilled production (Levels 6-8)	328	100	6	54,5	55	496
Highly skilled supervision (Levels 9-12)	88	100	5	45,5	18	246
<b>TOTAL</b>	<b>416</b>	<b>100</b>	<b>11</b>	<b>100</b>	<b>38</b>	<b>743</b>

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

**Table 11.39 Annual Leave for the period 1 January 2023 to 31 December 2023**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	25	13	2
Contract (Levels 3-5)	10	3	3
Contract (Levels 6-8)	121	7	18
Contract (Levels 9-12)	36	9	4
Highly skilled production (Levels 6-8)	13 393	16	864
Highly skilled supervision (Levels 9-12)	5 875	21	279
Lower skilled (Levels 1-2)	159	13	12
Senior management (Levels 13-16)	954	19	51
Skilled (Levels 3-5)	2 457	18	140
<b>TOTAL</b>	<b>23 030</b>	<b>17</b>	<b>1 373</b>

Table 11.40 Capped leave for the period 1 January 2023 to 31 December 2023

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave	Total Number of Capped Leave Available at End of Period	Number of Employees as at End of Period
Contract (Levels 13-16)	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	76	0	6 539,79	86
Highly skilled supervision (Levels 9-12)	1	1	79	1	2 927,66	37
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	62	0	748,29	12
Skilled (Levels 3-5)	0	0	58	0	408,41	7
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>75</b>	<b>1</b>	<b>10 624,15</b>	<b>142</b>

Table 11.41 Leave payouts for the period 1 April 2023 and 31 March 2024. The following table summarise payments made to employees as a result of leave that was not taken.

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - discounting with resignation (workdays)	993	20	49 650
Annual - gratuity: death/retirement/medical retirement (workdays)	1 980	35	56 571
Capped - gratuity: death/retirement/medical retirement (workdays)	3 263	19	171 737
<b>TOTAL</b>	<b>6 236</b>	<b>74</b>	

### 11.2.11.HIV/AIDS & Health Promotion Programmes

Table 11.42 Steps taken to reduce the risk of occupational exposure.

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Traditional leaders and Secretaries of Traditional Councils	GEMS Health screenings sessions
Community Development Workers	HIV and AIDS awareness sessions on new developments on the management of HIV and AIDS

Table 11.43 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr Madikane Director: Employee Relations and Wellness
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Yes. It has a dedicated unit but there is no designated person to implement the HIV&AIDS and Health and Productivity pillars. There is a Deputy Director, 2 Assistant Directors for Wellness Management pillar and SHERQ pillar, 1 SAO and 1 AO. The annual budget is combined with Employee Relations. The annual budget was R 847 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Yes. The key elements are: <ul style="list-style-type: none"> <li>To conduct health and wellness sessions for employees,</li> <li>To provide professional counselling and support to employees referred,</li> </ul>

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Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		<ul style="list-style-type: none"> <li>Mr T. Mfunzana-ASD Mun Finance</li> <li>Ms N. Nxitywa-Sityana-SAO-HOTL</li> <li>Mr F. Phaqa-PA-Muni Dev</li> <li>Ms T. Matshisa-PA –Mun Infrast</li> <li>Ms Z. Moss-Ass Dir-HOTL Mr M.Jimana-HOTL</li> </ul>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		<ul style="list-style-type: none"> <li>HIV&amp;AIDS&amp;TB Management</li> <li>Wellness Management</li> <li>Safety Health Environment Risk Quality Assurance policy</li> </ul>
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.	Yes		The departmental policy on HIV explains on how to address discrimination at workplace.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		HIV counselling and testing was done and 24 utilised the service.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		<ul style="list-style-type: none"> <li>The 4 operational plans per pillar.</li> <li>Corporate services operational plan with the 4 indicators</li> <li>Quarterly Reports</li> <li>Submission of POE to M&amp;E Directorate.</li> <li>Internal auditing and risk assessments reports</li> <li>Provincial Dashboard</li> </ul>

### 11.2.12.Labour Relations

**Table 11.44 Collective agreements for the period 1 April 2023 and 31 March 2024**

<b>Total number of Collective agreements</b>	<b>None</b>
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**Table 11.45 Misconduct and disciplinary hearings finalised for the period 1 April 2023 and 31 March 2024. The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling		
Verbal warning		
Written warning		
Final written warning	1	25%
Suspended without pay	1	25%
Fine		
Demotion		
Dismissal		
Not guilty		
Case withdrawn	2	50%
<b>Total</b>	<b>4</b>	<b>100%</b>

<b>Total number of Disciplinary hearings finalised</b>	<b>3</b>
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**Table 11.46 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024**

Type of misconduct	Number	% of total
Sexual harassment	1	25%
Absence from work without duty.	1	25%
Unauthorised use of state vehicle	1	25%
Insubordination.	1	25%
<b>Total</b>	<b>4</b>	<b>100%</b>



**Table 11.47** Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	28	100%
Number of grievances not resolved	0	
<b>Total number of grievances lodged</b>	<b>28</b>	<b>100%</b>

**Table 11.48** Disputes logged with Councils for the period 1 April 2023 and 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	1	14%
Number of disputes dismissed	6	86%
<b>Total number of disputes lodged</b>	<b>7</b>	<b>100%</b>

**Table 11.49** Strike actions for the period 1 April 2023 and 31 March 2024

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

**Table 11.50** Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	1
<b>Number of people who's suspension exceeded 30 days</b>	<b>1</b>
<b>Average number of days suspended</b>	<b>90 days</b>
<b>Cost of suspension(R'000)</b>	<b>R364,323.33</b>

### 11.2.13. Skills development

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

**Table 11.51** Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
Legislators, senior officials and managers	Female	16	N/A		CIP	16	
	Male	20	N/A	KHAEDU Monitoring & Evaluation. Mentoring & Coaching. Advanced Project Management. Planning in the Public Service. EMDP. Change Management. Evidence Based Policy Making.	CIP	20	
Professionals	Female	07	N/A	Organisational Behaviour. AMDP	Border Kei Conference	07	
	Male	06	N/A		Border Kei Conference	06	
Technicians and associate professionals	Female	06	N/A	Evidence Based Policy Making.		06	
	Male	09	0	Monitoring & Evaluation. Service Delivery. Project Management.	Border Kei Conference.	09	
Clerks	Female	06	0	Advanced Project Management. Service Delivery.	0	06	
	Male	05	0	Service Delivery	0	05	
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	

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Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>

**Table 11.52 Training provided for the period 1 April 2023 and 31 March 2024**

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials, and managers	Female	16	N/A		CIP	16
	Male	20	N/A	KHAEDU Monitoring & Evaluation. Mentoring & Coaching. Advanced Project Management. Planning in the Public Service. EMDP. Change Management. Evidence Based Policy Making.	CIP	20
Professionals	Female	07	N/A	Organisational Behaviour. AMDP	Border Kei Conference	07
	Male	06	N/A		Border Kei Conference	06
Technicians and associate professionals	Female	06	N/A	Evidence Based Policy Making.		06
	Male	09	0	Monitoring & Evaluation. Service Delivery. Project Management.	Border Kei Conference.	09
Clerks	Female	06	0	Advanced Project Management. Service Delivery.	0	06
	Male	05	0	Service Delivery	0	05
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 assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>

### 11.2.14. Injury on duty

**Table 11.53** Injury on duty for the period 1 April 2023 and 31 March 2024. The following tables provide basic information on injury on duty.

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary Total Disablement	1	0,1%
Permanent Disablement	0	0%
Fatal	0	0%
<b>Total</b>	<b>1</b>	<b>0,1%</b>

### 11.2.15. Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department.

**Table 11.54: Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Appointment of a service provide for supply, delivery, training, licencing and Maintenance of Two integrated Multi rotor drones for COGTA	2	24 months	R1 899 698.23
Appointment of a service provider to develop Port Alfred and Alexandria Master and Precinct plan	2	8 months	R 819 909.80
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Workdays</b>	<b>Total contract value in Rand</b>
4	4	32 months	R2 719 608,03

**Table 11.54: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a service provide for supply, delivery, training, licencing and Maintenance of Two integrated Multi rotor drones for COGTA	100%	100%	2
Appointment of a service provider to develop Port Alfred and Alexandria Master and Precinct plan	0%	0%	0

Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

**Table 11.55: Consultant appointments using Donor funds**

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
NIL			
<b>Total number of projects</b>	<b>Total individua7 consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand</b>
NIL			

**Table 11.56: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024**

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

11.2.16. Severance Packages

**Table 11.57 Granting of employee-initiated severance packages for the period 1 April 2023 and 31 March 2024**

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



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# PART E

## PFMA COMPLIANCE REPORT



## SECTION E: PFMA COMPLIANCE REPORT

### 12. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

#### 12.1. Irregular Expenditure

##### a) Reconciliation of irregular expenditure

Description	2023/2024 R'0R'00000	2022/2023 R'000
Opening balance	2 196	1 271
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	664	925
Less: Irregular expenditure condoned	(916)	-
Less: Irregular expenditure not condoned and removed	(6)	-
Less: Irregular expenditure recoverable <sup>2</sup>	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	1 938	2 196

Opening balance for 2023-2024 financial year amounts to R2,196 million and the movement is as follows: During 2023-24 financial year-end, the total irregular expenditure amounting to R664 thousand had been identified and is accumulating from the transgression relating to the non-compliance with recruitment and selection policy identified in the previous financial year. An amount of R916 thousand was condoned and R6 thousand was removed. Irregular expenditure amounting to R724 thousand relates to services that were rendered without following proper SCM processes, which include R165 thousand that had been submitted to Provincial Treasury for condonement and response had been received, the response indicates that it was not condoned because the department did not implement consequence management and R139 thousand had been submitted for condonement to Provincial Treasury and no response yet received. The remaining amount of R422 thousand is being investigated giving us a closing balance for 2023 amounts to R 1,938 million.

##### Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	664	925
Total	664	925

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

Description <sup>3</sup>	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	1,801	422
Total	1,801	422

The irregular expenditure that was submitted to Provincial Treasury in 2022/23 was R 422 thousand and is still under investigation and it forms part of the irregular expenditure amounting to R 1, 801 million disclosed under 2023/24 financial year.

##### c) Details of irregular expenditure condoned

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure condoned	916	-
Total	916	-

<sup>2</sup> Transfer to receivables

<sup>3</sup> Group similar items

As at year-end, a request for an irregular expenditure condonation with the total amount of R139 thousand had been submitted to the Provincial Treasury (PT). Awaiting Provincial Treasury response thereto.

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

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure NOT condoned and removed	6	-
Total	6	-

The department removed irregular expenditure not condoned by Provincial Treasury due to report not including the consequence management and the matter not reported to the police. The matter had since been reported to the police and a warning letter was issued to the affected employee. The matter was approved for removal and effected in the register after year. This matter is the event after the reporting date.

e) Details of irregular expenditure recoverable

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

The department did not recover any irregular expenditure in both 2022/23 and 2023/24.

f) Details of irregular expenditure written off (irrecoverable)

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

The department did not write-off any irregular expenditure in both 2022/23 and 2023/24.

### 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
Total

Not applicable, there are no non-compliance cases where the department is involved in an inter-institutional arrangement.

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

Description	2023/2024 R'000	2022/2023 R'000
None		
Total		

Not applicable, there are no irregular expenditure cases where the department is involved in an inter-institutional arrangement.

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

Disciplinary steps taken
None
No disciplinary / criminal steps taken as a result of irregular expenditure.

12.1.1. Fruitless and wasteful expenditure

j) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	4 143	3 879
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	400	297
Less: Fruitless and wasteful expenditure recoverable <sup>4</sup>	(135)	(23)
Less: Fruitless and wasteful expenditure not recoverable and written off	(146)	(10)
Closing balance	4 262	4 143

Opening balance for 2023-2024 financial year amounts to R4,143 million: A big chunk of it relates to an amount of R3 864 514,00 for the procurement of smart pens for CDW's which was investigated by Provincial Treasury. The report coming from that investigation had been issued and forwarded to Office of the Premier for implementation. Fruitless and wasteful expenditure incurred in 2023-24 financial year amounts to R400 thousand and a total of R12 thousand had been written off leaving R388 thousand confirmed additions disclosed in the main note of the Annual Financial Statements (AFS), and it is still at determination test stage. Total amount recovered relating to the previous years is R135 thousand and write offs for previous years is R133 thousand and total write-offs is R146 thousand. The closing balance for 2023/24 financial year amounts to R 4, 262 million.

**Reconciling notes**

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	400	297
Total	400	297

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

Description <sup>5</sup>	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	337	31
Fruitless and wasteful expenditure under investigation	-	103
Total	337	134

The fruitless and wasteful expenditure amounted to R 337 thousand under determination.

l) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure recoverable	135	23
Total	135	23

An amount of R 135 thousand has been transferred to receivables for recovery from affected employees.

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

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure written off	146	10
Total	146	10

The fruitless and wasteful expenditure written off amounts to R 146 thousand.

<sup>4</sup> Transfer to receivables

<sup>5</sup> Group similar items



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

Disciplinary steps taken

An employee responsible for the occurrence of fruitless and wasteful expenditure amount of R126 220,31 had been reported to South African Police Services (SAPS) for the fraudulent activities on state fuel card, while the internal disciplinary processes for the same transgression had taken place and resulted to dismissal of the said employee at year end.

## 12.2. Unauthorised expenditure

o) Reconciliation of unauthorized expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable <sup>6</sup>	-	-
Less: unauthorised not recoverable and written off <sup>7</sup>	-	-
Closing balance	-	-

Not applicable- The department has not incurred any Unauthorized Expenditure for the past 18 years including 2022/2023 and 2023/2024 financial years.

## Reconciling notes

Description	2023/2024 R'000	2022/2023 R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

p) Details of unauthorized expenditure (under assessment, determination, and investigation)

Description <sup>8</sup>	2023/2024 R'000	2022/2023 R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

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

q) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024 R'000	2022/2023 R'000
Theft	126	-
Other material losses	-	-
Less: Recoverable	126	-
Less: Not recoverable and written off	-	-
Total	-	-

R126 220,31 resulted from a fuel card misuse and was identified in 2022-23 and was transferred to receivables in 2023-24.

r) Details of other material losses

<sup>6</sup> Transfer to receivables

<sup>7</sup> This amount may only be written off against available savings

<sup>8</sup> Group similar items

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Nature of other material losses	2023/2024 R'000	2022/2023 R'000
None	-	-
Total	-	-

s) Other material losses recoverable

Nature of losses	2023/2024 R'000	2022/2023 R'000
None	-	-
Total	-	-

t) Other material losses not recoverable and written off

Nature of losses	2023/2024 R'000	2022/2023 R'000
None	-	-
Total	-	-

### 13. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	3 642	R 130 304 801.14
Invoices paid within 30 days or agreed period	3 642	R 130 304 801.14
Invoices paid after 30 days or agreed period	nil	-
Invoices older than 30 days or agreed period ( <i>unpaid and without dispute</i> )	nil	-
Invoices older than 30 days or agreed period ( <i>unpaid and in dispute</i> )	nil	-

*No invoices received and paid after 30 days (unpaid with and without dispute) for 2023/24 financial year.*

### 14. SUPPLY CHAIN MANAGEMENT

#### 14.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Procurement of Umhlobo Wenene FM broadcast services	SABC Umhlobo Wenene	Deviation	OR-049257	R34 569,00
Tent Hire and its accessories for funeral of deputy traditional leader	Mtshawuza Magambu BnB Trading	Deviation	OR-049380	R49 990,50
Payment for 31st International Cartographic Conference Centre in Cape Town	Geoinformatics Development Foundation (NPC) C/O Southern Cross Conferences	Deviation	OR-050176	R18 900,00
Renewal of Professional Membership at Institute of Risk Management South Africa	Institute of Municipal Engineering of South Africa	Deviation	OR-050175	R22 700,00
Payment of annual conference fees	South African Association of Public Administration and Management (SAAPAM)	Deviation	OR-50257	R6 000,00
Payment of professional fees to South African Geomatics Council Practitioners.	South African Geomatics	Deviation	OR-050257	R3 321,00
Payment of SITA GOVTECH 23rd Conference Registration fees	SITA GOVTECH	Deviation	OR-050658	R14 800,00
Payment of membership renewal to the Institute of Internal Auditors	Institute of Internal Auditors	Deviation	OR-051028	R20 951,52
Payment of annual subscription fees to engineering council of South Africa for four officials	Engineering Council of South Africa	Deviation	OR-050884	R25 356,27
Payment of conference fees for the Border Kei Conference	The Institute of Internal Auditors	Deviation	OR-050916	R19 623,60
Payment of annual professional fees to engineering council of South Africa (ECSA) for 06 officials	Engineering Council of South Africa	Deviation	OR-051474	R42 765,75

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Payment of license fees for the Disaster Management Integrated Information System	Zulari	Deviation	OR-051833	R1 578 532,45
Payment of registration fees for Annual Fire Symposium	Kishugu Training (Working on Fire)	Deviation	OR- 051372	R2 850,00
Payment of Argis Licence Renewal	Esri South Africa	Deviation	OR-051972	R652 007,00
Training registration fees for 10 officials attending data processing in Trimble Business Centre software training.	Optron (PTY) LTD	Deviation	OR- 052228	R71 012,50
Payment for training officials on strategic planning for two days	Fort Hare Trading Solution	Deviation	OR- 052080	R41 100,00
Procurement of advance training for Drones pilots.	Ntsu Aviation	Deviation	OR-052617	R113 520,00
Payment of Professional membership fees for departmental officials	Institute of Risk Management South Africa (IRMSA)	Deviation	OR-052796	R10 175,00
TOTAL				R2 728 174,59

#### 14.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Cleaning and hygienic services	Bravo Resources	Variation	SCMU7-19/20-0014	R4 213 404.17	R140 428.98	R622 125.00
Total				R 4 213 404.17	R140 428.98	R622 125.00



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# PART F FINANCIAL INFORMATION



## PART F: FINANCIAL INFORMATION

### 15. AUDITOR GENERAL'S REPORT

#### Report of the auditor-general to Eastern Cape Provincial Legislature on vote no. 7: Eastern Cape Department of Cooperative Governance and Traditional Affairs

##### Report on the audit of the financial statements

##### Opinion

1. I have audited the financial statements of the Eastern Cape Department of Cooperative Governance and Traditional Affairs set out on pages 135 to 242 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 the Eastern Cape Department of Cooperative Governance and Traditional Affairs 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) as prescribed by the National Treasury, and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (Dora).

##### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Responsibilities of the accounting officer for the financial statements

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

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

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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 6, forms part of our auditor's report.

**Report on the audit of the annual performance report**

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
11. I selected the following programmes presented in the annual performance report for the year ended 31 March 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
Local governance	44 - 50	To ensure the transformation of developmental local government by strengthening municipal institutions that will be responsive to the needs of communities
Development and planning	52 - 60	To render support services regarding integrated planning and development in municipalities.

12. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it

provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

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

**Other matter**

16. I draw attention to the matter below.

**Achievement of planned targets**

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

18. The table that follows provides information on the achievement of planned targets and list the key service delivery 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 page 47

**Local governance**

<i>Targets achieved: 94%</i>		
<i>Budget spent: 99%</i>		
<b>Key indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
Number of municipalities supported to promote participation in community based local governance processes (Priority 1: Capable, Ethical and Developmental State) (Priority 6 MTEF indicatory: Social Cohesion and Safer Communities)	8	6

**Report on compliance with legislation**

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
22. I did not identify any material non-compliance with the selected legislative requirements.

**Other information in the annual report**

23. The accounting officer is responsible for the other information included in the annual report. The other information 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.
24. 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.
25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in



the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

#### Internal control deficiencies

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

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

*Auditor General*  
East London

31 July 2024



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

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

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

#### Communication with those charged with governance

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

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

**Compliance with legislation – selected legislative requirements**

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(ii); Section 38(1)(d); 38(1)(h)(iii); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b) Regulation 8.1.1; 8.2.1; 8.2.3; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2 Regulation 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A 6.3(e); 16A6.4; Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3; Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2); Regulation 16A8.3; ; 16A8.4; 16A9.1(b)(ii); Regulation ; 16A 9.1(d); 16A 9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); Section 16(3)(a)(ii)(bb)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4

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Legislation	Sections or regulations
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

## FINANCE AND SCM PERFORMANCE AWARDS 2023/24 FY



(COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS)  
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ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2024



Province of the  
**EASTERN CAPE**  
COOPERATIVE GOVERNANCE  
& TRADITIONAL AFFAIRS

# ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS



For the year ended  
**31 March 2024**

Date authorised for issue: 31 May 2024

Authorised by: Mr V. Mlokothe

**(COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS)  
VOTE 7**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2024**

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**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Appropriation per programme									
Programme	2023/24					2022/23			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	286,143	23	-	286,166	283,489	2,677	99,1%	275,663	263,597
2. Local Governance	267,962	-	-	267,962	264,603	3,359	98,7%	246,902	244,831
3. Development and Planning	113,685	-	-	113,685	110,604	3,081	97,3%	113,551	105,548
4. Traditional Institutional Management	368,413	-	-	368,413	363,894	4,519	98,8%	358,514	343,943
5. House of Traditional Leaders	34,592	-	-	34,592	33,877	715	97,9%	29,443	28,673
<b>Programme Subtotal</b>	<b>1,070,795</b>	<b>23</b>	<b>-</b>	<b>1,070,818</b>	<b>1,056,467</b>	<b>14,351</b>	<b>98,7%</b>	<b>1,024,073</b>	<b>986,592</b>
<b>Statutory Appropriation</b>	<b>2,167</b>	<b>(23)</b>	<b>-</b>	<b>2,144</b>	<b>2,144</b>	<b>-</b>	<b>100%</b>	<b>2,059</b>	<b>2,053</b>
Members' remuneration	2,167	(23)	-	2,144	2,144	-	100%	2,059	2,053
<b>TOTAL</b>	<b>1,072,962</b>	<b>-</b>	<b>-</b>	<b>1,072,962</b>	<b>1,058,611</b>	<b>14,351</b>	<b>98,7%</b>	<b>1,026,132</b>	<b>988,645</b>

Reconciliation with statement of financial performance	
<b>ADD</b>	
Departmental receipts	1,769
<b>Actual amounts per statement of financial performance (Total revenue)</b>	<b>1,074,731</b>
<b>Actual amounts per statement of financial performance (Total expenditure)</b>	<b>1,058,611</b>
	<b>988,645</b>

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Appropriation per economic classification	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>1,026,763</b>	<b>(405)</b>	-	<b>1,026,358</b>	<b>1,012,228</b>	<b>14,130</b>	<b>98,6%</b>	<b>983,546</b>	<b>958,157</b>
<b>Compensation of employees</b>	<b>905,587</b>	<b>(5,584)</b>	-	<b>900,003</b>	<b>887,458</b>	<b>12,545</b>	<b>98,6%</b>	<b>869,273</b>	<b>856,705</b>
Salaries and Wages	799,836	(6,816)	-	793,020	781,749	11,271	98,6%	766,876	757,176
Social Contributions	105,751	1,232	-	106,983	105,709	1,274	98,8%	102,397	99,529
<b>Good and Services</b>	<b>121,176</b>	<b>5,179</b>	-	<b>126,355</b>	<b>124,766</b>	<b>1,589</b>	<b>98,7%</b>	<b>114,273</b>	<b>101,452</b>
Administrative Fees	3	-	-	3	-	3	-	3	2
Advertising	1,274	(112)	-	1,162	1,161	1	99,9%	481	374
Minor Assets	358	240	-	598	574	24	96,0%	144	3
Audit costs: External	5,517	740	-	6,257	6,257	-	100%	7,094	7,001
Bursaries: Employees	690	(80)	-	610	608	2	99,7%	742	608
Catering: Dept act	5,606	(421)	-	5,185	5,024	161	96,9%	2,908	2,095
Communication	9,126	5,963	-	15,089	15,077	12	99,9%	11,249	10,198
Computer Services	3,009	357	-	3,366	3,329	37	98,9%	9,167	9,009
Consultants: Bus& Adv Services	5,814	(831)	-	4,983	4,875	108	97,8%	6,548	4,615
Legal services	7,388	3,147	-	10,535	10,535	-	100%	6,897	6,877
Contractors	2,547	(277)	-	2,270	2,270	-	100%	2,835	2,719
Agency& supp/ outsourced	1,400	(680)	-	720	720	-	100%	748	748
Entertainment	166	23	-	189	182	7	96,3%	291	219
Fleet Services	9,010	(583)	-	8,427	8,427	-	100%	10,133	10,131
Inventory: Other supplies	-	20	-	20	20	-	100%	-	-
Consumable supplies	1,868	(559)	-	1,309	1,266	43	96,7%	1,069	261

AFS CoGTA-EC for the year ended 31 March 2024

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Consumable: stationary	2,041	(172)	-	1,869	1,670	199	89,4%	2,218	1,322
Operating Leases	4,926	(614)	-	4,312	4,311	1	100%	2,082	1,458
Property Payments	1,797	353	-	2,150	2,149	1	100%	2,419	2,023
Travel and subsistence	41,532	790	-	42,322	41,882	440	99,0%	34,966	31,642
Training and development	2,352	(302)	-	2,050	1,915	135	93,4%	453	165
Operating Payments	5,954	(1,173)	-	4,781	4,630	151	96,8%	4,876	3,895
Venues and facilities	7,439	(1,327)	-	6,112	6,082	30	99,5%	5,678	5,093
Rental and hiring	1,359	677	-	2,036	1,802	234	88,5%	1,272	994
<b>Interest and rent on land</b>	-	-	-	-	4	(4)	-	-	-
Interest (Inc interest on Unitary Payments (PPP))	-	-	-	-	4	(4)	-	-	-
<b>Transfers and subsidies</b>	<b>21,021</b>	<b>(466)</b>	-	<b>20,555</b>	<b>20,509</b>	<b>46</b>	<b>99,8%</b>	<b>19,165</b>	<b>17,717</b>
<b>Provinces and municipalities</b>	<b>10</b>	<b>139</b>	-	<b>149</b>	<b>149</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Municipalities Bank Accounts</b>	<b>10</b>	<b>139</b>	-	<b>149</b>	<b>149</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>-</b>
Mun Bank Account Vehicle Licences	10	139	-	149	149	-	100%	-	-
<b>Households</b>	<b>21,011</b>	<b>(605)</b>	-	<b>20,406</b>	<b>20,360</b>	<b>46</b>	<b>99,8%</b>	<b>19,165</b>	<b>17,717</b>
Social benefits	21,011	(605)	-	20,406	20,360	46	99,8%	19,165	17,717
<b>Payments for capital assets</b>	<b>25,178</b>	<b>871</b>	-	<b>26,049</b>	<b>25,716</b>	<b>333</b>	<b>98,7</b>	<b>23,421</b>	<b>12,070</b>
<b>Buildings and other fixed structures</b>	<b>830</b>	<b>52</b>	-	<b>882</b>	<b>641</b>	<b>241</b>	<b>72,7%</b>	<b>2,000</b>	<b>979</b>
Buildings	830	52	-	882	641	241	72,7%	2,000	979
<b>Machinery and equipment</b>	<b>24,294</b>	<b>873</b>	-	<b>25,167</b>	<b>25,075</b>	<b>92</b>	<b>99,6%</b>	<b>21,046</b>	<b>10,716</b>
Transport Equipment	14,527	1466	-	15,993	15,963	30	99,8%	14,391	9,553
Other machinery& equip	9,767	(593)	-	9,174	9,112	62	99,3%	6,655	1,163
Software and other tangible assets	54	(54)	-	-	-	-	-	375	375
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>158</b>	<b>(158)</b>	<b>-</b>	<b>-</b>	<b>701</b>

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

	1,072,962	-	-	1,072,962	1,058,611	14,351	98,7%	1,026,132	988,645
<b>Total</b>									
<b>Statutory appropriation per economic classification</b>									
	<b>2023/24</b>								
	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
<b>Economic classification</b>									
<b>Current payments</b>	2,167	(23)	-	2,144	2,144	-	100%	2,059	2,053
Compensation of employees	2,167	(23)	-	2,144	2,144	-	100%	2,059	2,053
<b>Total</b>	<b>2,167</b>	<b>(23)</b>	<b>-</b>	<b>2,144</b>	<b>2,144</b>	<b>-</b>	<b>100%</b>	<b>2,059</b>	<b>2,053</b>

(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7

APPROPRIATION STATEMENT  
for the year ended 31 March 2024

Programme 1: Administration	2023/24										2022/23	
	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			
<b>Sub Programme</b>												
1. Office of the MEC	10,132	(1,048)	-	9,084	8,813	271	97,0%	9,927	9,530			
2. Corporate Services	276,011	1,071	-	277,082	274,676	2,406	99,1%	265,736	254,067			
<b>Total</b>	<b>286,143</b>	<b>23</b>		<b>286 166</b>	<b>283,489</b>	<b>2,677</b>	<b>99,1%</b>	<b>275,663</b>	<b>263,597</b>			
<b>Economic classification</b>												
<b>Current payments</b>	<b>249,358</b>	<b>553</b>	-	<b>249,911</b>	<b>247,112</b>	<b>2,799</b>	<b>98,9%</b>	<b>246,407</b>	<b>241,483</b>			
<b>Compensation of employees</b>	<b>183,488</b>	<b>(1,774)</b>	-	<b>181,714</b>	<b>179,551</b>	<b>2,163</b>	<b>98,8%</b>	<b>179,085</b>	<b>178,891</b>			
Salaries and Wages	158,446	(1,898)	-	156,548	154,648	1,900	98,8%	154,967	154,855			
Social Contributions	25,042	124	-	25,166	24,903	263	99,0%	24,118	24,036			
<b>Good and Services</b>	<b>65,870</b>	<b>2,327</b>	-	<b>68,197</b>	<b>67,557</b>	<b>640</b>	<b>99,1%</b>	<b>67,322</b>	<b>62,592</b>			
Administrative Fees	3	-	-	3	-	3	-	3	2			
Advertising	1,014	(80)	-	934	934	-	100%	390	284			
Minor Assets	318	(50)	-	268	244	24	91,0%	4	3			
Audit costs: External	5,517	740	-	6,257	6,257	-	100%	7,094	7,001			
Bursaries: Employees	170	(53)	-	117	117	-	100%	616	533			
Catering: Dept act.	1,285	(84)	-	1,201	1,192	9	99,3%	483	381			
Communication	8,796	4,329	-	13,125	13,114	11	99,9%	10,949	9,898			
Computer Services	1,170	341	-	1,511	1,474	37	97,6%	9,131	8,973			

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Consultants: Bus& adv service	1,738	(534)	-	1,204	1,148	56	95,3%	1,247	927
Legal services	7,388	1,053	-	8,441	8,441	-	100%	6,647	6,631
Contractors	428	(263)	-	165	165	-	100%	538	432
Agency& supp/ outsourced	400	(400)	-	-	-	-	-	140	140
Entertainment	100	(1)	-	99	98	1	99,0%	114	75
Fleet services	9,010	(583)	-	8,427	8,427	-	100%	10,133	10,131
Consumable supplies	782	(231)	-	551	522	29	94,7%	474	152
Consumable: stationary	784	(53)	-	731	706	25	96,6%	987	977
Operating leases	4,926	(614)	-	4,312	4,311	1	100%	2,082	1,458
Property payments	1,445	233	-	1,678	1,678	-	100%	1,490	1,483
Travel and subsistence	11,985	(360)	-	11,625	11,423	202	98,3%	8,427	7,710
Training and development	812	43	-	855	729	126	100%	453	165
Operating payments	4,827	(841)	-	3,986	3,881	105	97,4%	4,208	3,612
Venues and facilities	2,972	(265)	-	2,707	2,696	11	99,6%	1,712	1,624
Interest and rent on land	-	-	-	-	4	(4)	-	-	-
Interest paid	-	-	-	-	4	(4)	-	-	-
<b>Transfers and subsidies</b>	<b>13,977</b>	<b>(1,301)</b>	-	<b>12,676</b>	<b>12,676</b>	-	<b>100%</b>	<b>11,119</b>	<b>11,031</b>
<b>Provinces&amp; municipalities</b>	<b>10</b>	<b>139</b>	-	<b>149</b>	<b>149</b>	-	<b>100%</b>	-	-
<b>Municipalities bank accounts</b>	<b>10</b>	<b>139</b>	-	<b>149</b>	<b>149</b>	-	<b>100%</b>	-	-
Municipal Vehicle licences	10	139	-	149	149	-	100%	-	-
<b>Households</b>	<b>13,967</b>	<b>(1,440)</b>	-	<b>12,527</b>	<b>12,527</b>	-	<b>100%</b>	<b>11,119</b>	<b>11,031</b>
Social benefits	13,967	(1,440)	-	12,527	12,527	-	100%	11,119	11,031
<b>Payments for capital assets</b>	<b>22,808</b>	<b>771</b>	-	<b>23,579</b>	<b>23,543</b>	<b>36</b>	<b>100%</b>	<b>18,137</b>	<b>10,382</b>
<b>Machinery and equipment</b>	<b>22,808</b>	<b>771</b>	-	<b>23,579</b>	<b>23,543</b>	<b>36</b>	<b>100%</b>	<b>18,137</b>	<b>10,382</b>
Transport equipment	13,073	1,404	-	14,477	14,477	-	100%	11,618	9,354
Other machinery& equip	9,735	(633)	-	9,102	9,066	36	99,6%	6,519	1,028
<b>Payments for financial assets</b>	-	-	-	-	<b>158</b>	<b>(158)</b>	-	-	<b>701</b>
<b>Total</b>	<b>286,143</b>	<b>23</b>	-	<b>286,166</b>	<b>283,489</b>	<b>2,677</b>	<b>99,1%</b>	<b>275,663</b>	<b>263,597</b>

AFS CoGTA-EC for the year ended 31 March 2024

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

1.1 OFFICE OF THE MEC	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>10,132</b>	<b>(1,048)</b>	-	<b>9,084</b>	<b>8,813</b>	<b>271</b>	<b>97,0%</b>	<b>9,927</b>	<b>9,530</b>
<b>Compensation of employees</b>	<b>4,861</b>	<b>(513)</b>	-	<b>4,348</b>	<b>4,281</b>	<b>67</b>	<b>98,5%</b>	<b>6,815</b>	<b>6,698</b>
Salaries and Wages	4,312	(365)	-	3,947	3,889	58	98,5%	6,220	6,126
Social Contributions	549	(148)	-	401	392	9	97,8%	595	572
<b>Good and Services</b>	<b>5,271</b>	<b>(535)</b>	-	<b>4,736</b>	<b>4,532</b>	<b>204</b>	<b>95,7%</b>	<b>3,112</b>	<b>2,832</b>
Catering: departmental activities	525	31	-	556	555	1	99,8%	119	99
Entertainment	72	-	-	72	71	1	98,6%	80	41
Consumables supplies	7	-	-	7	7	-	100%	7	7
Consumable stationary, printing, and office supplies	30	(30)	-	-	-	-	-	-	-
Travel and subsistence	3,817	(350)	-	3,467	3,266	201	94,2%	2,456	2,255
Venues and facilities	820	(186)	-	634	633	1	99,8%	450	430
<b>Total</b>	<b>10,132</b>	<b>(1,048)</b>	<b>-</b>	<b>9,084</b>	<b>8,813</b>	<b>271</b>	<b>97,0%</b>	<b>9,927</b>	<b>9,530</b>

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

1.2 CORPORATE SERVICES	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>239,226</b>	<b>1,601</b>	-	<b>240,827</b>	<b>238,299</b>	<b>2,528</b>	<b>99,0%</b>	<b>236,480</b>	<b>231,953</b>
<b>Compensation of employees</b>	<b>178,627</b>	<b>(1,261)</b>	-	<b>177,366</b>	<b>175,270</b>	<b>2,096</b>	<b>98,8%</b>	<b>172,270</b>	<b>172,193</b>
Salaries and Wages	154,134	(1,533)	-	152,601	150,759	1,842	98,8%	148,747	148,729
Social Contributions	24,493	272	-	24,765	24,511	254	99,0%	23,523	23,464
<b>Good and Services</b>	<b>60,599</b>	<b>2,862</b>	-	<b>63,461</b>	<b>63,025</b>	<b>436</b>	<b>99,3%</b>	<b>64,210</b>	<b>59,760</b>
Administration fees	3	-	-	3	-	3	-	3	2
Advertising	1,014	(80)	-	934	934	-	100%	390	284
Minor assets	318	(50)	-	268	244	24	91,0%	4	3
Audit costs: External	5,517	740	-	6,257	6,257	-	100%	7,094	7,001
Bursaries: Employees	170	(53)	-	117	117	-	100%	616	533
Catering: departmental activities	760	(115)	-	645	637	8	98,8%	364	282
Communication	8,796	4,329	-	13,125	13,114	11	99,9%	10,949	9,898
Computer Services	1,170	341	-	1,511	1,474	37	97,6%	9,131	8,973
Consultants: Bus & adv service	1,738	(534)	-	1,204	1,148	56	95,3%	1,247	927
Legal services	7,388	1053	-	8,441	8,441	-	100%	6,647	6,631
Contractors	428	(263)	-	165	165	-	100%	538	432
Agency & supp/ outsourced	400	(400)	-	-	-	-	-	140	140
Entertainment	28	(1)	-	27	27	-	100%	34	34
Fleet services	9,010	(583)	-	8,427	8,427	-	100%	10,133	10,131
Consumable supplies	775	(231)	-	544	515	29	94,7%	467	145
Consumable stationary, printing, and office supplies	754	(23)	-	731	706	25	96,6%	987	977



**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Operating leases	4,926	(614)	-	4,312	4,311	1	100%	2,082	1,458
Property payments	1,445	233	-	1,678	1,678	-	100%	1,490	1,483
Travel and subsistence	8,168	(10)	-	8,158	8,157	1	100%	5,971	5,455
Training and development	812	43	-	855	729	126	85,3%	453	165
Operating payments	4,827	(841)	-	3,986	3,881	105	97,4%	4,208	3,612
Venues and facilities	2,152	(79)	-	2,073	2,063	10	99,5%	1,262	1,194
Interest and rent on land	-	-	-	-	4	(4)	-	-	-
Interest paid	-	-	-	-	4	(4)	-	-	-
<b>Transfers and subsidies</b>	<b>13,977</b>	<b>(1,301)</b>	-	<b>12,676</b>	<b>12,676</b>	-	<b>100%</b>	<b>11,119</b>	<b>11,031</b>
Provinces and municipalities	10	139	-	149	149	-	100%	-	-
Municipalities	10	139	-	149	149	-	100%	-	-
Municipal bank accounts	10	139	-	149	149	-	100%	-	-
Households	13,967	(1,440)	-	12,527	12,527	-	100%	11,119	11,031
Social benefits	13,967	(1,440)	-	12,527	12,527	-	100%	11,119	11,031
<b>Payments for capital assets</b>	<b>22,808</b>	<b>771</b>	-	<b>23,579</b>	<b>23,543</b>	<b>36</b>	<b>99,8%</b>	<b>18,137</b>	<b>10,382</b>
<b>Machinery and equipment</b>	<b>22,808</b>	<b>771</b>	-	<b>23,579</b>	<b>23,543</b>	<b>36</b>	<b>99,8%</b>	<b>18,137</b>	<b>10,382</b>
Transport equipment	13,073	1,404	-	14,477	14,447	-	100%	11,618	9,354
Other machinery & equip	9,735	(633)	-	9,102	9,066	36	99,6%	6,519	1,028
<b>Payments for financial assets</b>	-	-	-	-	<b>158</b>	<b>(158)</b>	-	-	<b>701</b>
<b>Total</b>	<b>276,011</b>	<b>1,071</b>	-	<b>277,082</b>	<b>274,676</b>	<b>2,406</b>	<b>99,1%</b>	<b>265,736</b>	<b>254,067</b>

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Programme 2: LOCAL GOVERNANCE		2023/24						2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub Programme</b>									
1. Municipal Administration	19,204	(2,211)	-	16,993	16,473	520	96,9%	14,836	14,533
2. Municipal Finance	12,718	(263)	-	12,455	11,664	791	93,6%	10,740	10,628
3. Municipal Public Participation	211,166	3,043	-	214,209	213,686	523	99,8%	200,327	199,924
4. Municipal Capacity Building	12,191	(861)	-	11,330	10,909	421	96,3%	9,882	9,536
5. Municipal Performance, Monitoring and Evaluation	12,683	292	-	12,975	11,871	1,104	91,5%	11,117	10,210
<b>Total for sub programmes</b>	<b>267,962</b>	<b>-</b>	<b>-</b>	<b>267,962</b>	<b>264,603</b>	<b>3,359</b>	<b>98,7%</b>	<b>246,902</b>	<b>244,831</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>267,962</b>	<b>-</b>	<b>-</b>	<b>267,962</b>	<b>264,603</b>	<b>3,359</b>	<b>98,7%</b>	<b>246,902</b>	<b>244,831</b>
<b>Compensation of employees</b>	<b>257,690</b>	<b>(1,703)</b>	<b>-</b>	<b>255,987</b>	<b>252,885</b>	<b>3,102</b>	<b>98,8%</b>	<b>238,857</b>	<b>237,325</b>
Salaries and Wages	214,349	(2,291)	-	212,058	209,450	2,608	98,8%	198,206	197,290
Social Contributions	43,341	588	-	43,929	43,435	494	98,9%	40,651	40,035
<b>Good and Services</b>	<b>10,272</b>	<b>1,703</b>	<b>-</b>	<b>11,975</b>	<b>11,718</b>	<b>257</b>	<b>97,9%</b>	<b>8,045</b>	<b>7,506</b>
Advertising	93	(32)	-	61	61	-	100%	-	-
Catering: departmental activities	1,074	(50)	-	1,024	1,006	18	98,2%	359	321
Communication (G&S)	-	1,669	-	1,669	1,669	-	100%	-	-
Consultants business advisory	82	(82)	-	-	-	-	-	-	-
Entertainment	18	(2)	-	16	16	-	100%	24	-
Consumables supplies	13	(7)	-	6	-	6	-	7	7
Consumable stationary, printing, and office supplies	227	(35)	-	192	67	125	34,9%	131	81
Travel and subsistence	6,557	452	-	7,009	6,942	67	99,0%	6,397	6,196
Training and development	890	-	-	890	881	9	99,0%	-	-

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**APPROPRIATION STATEMENT  
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	2023/24										2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		R'000	
Operating payments	542	(55)	-	487	455	32	93,4%	311	311	91		
Venues and facilities	747	(145)	-	602	602	-	100%	816	816	810		
Rental and hiring	29	(10)	-	19	19	-	100%	-	-	-		
<b>Total</b>	<b>267 962</b>	<b>-</b>	<b>-</b>	<b>267,962</b>	<b>264,603</b>	<b>3 359</b>	<b>98,7%</b>	<b>246,902</b>	<b>246,902</b>	<b>244,831</b>		
<b>2.1 MUNICIPAL ADMINISTRATION</b>												
<b>Economic classification</b>												
<b>Current payments</b>	<b>19,204</b>	<b>(2,211)</b>	<b>-</b>	<b>16,993</b>	<b>16,473</b>	<b>520</b>	<b>96,9%</b>	<b>14,836</b>	<b>14,836</b>	<b>14,533</b>		
<b>Compensation of employees</b>	<b>17,091</b>	<b>(1,871)</b>	<b>-</b>	<b>15,220</b>	<b>14,727</b>	<b>493</b>	<b>96,8%</b>	<b>12,758</b>	<b>12,758</b>	<b>12,599</b>		
Salaries and Wages	15,308	(1,947)	-	13,361	12,926	435	96,7%	11,139	11,139	11,052		
Social Contributions	1,783	76	-	1,859	1,801	58	96,9%	1,619	1,619	1,547		
<b>Good and Services</b>	<b>2,113</b>	<b>(340)</b>	<b>-</b>	<b>1,773</b>	<b>1,746</b>	<b>27</b>	<b>98,5%</b>	<b>2,078</b>	<b>2,078</b>	<b>1,934</b>		
Catering: departmental activities	125	(7)	-	118	110	8	93,2%	83	83	65		
Consultants business advisory	82	(82)	-	-	-	-	-	-	-	-		
Entertainment	10	(2)	-	8	8	-	100%	16	16	-		
Consumables supplies	13	(7)	-	6	-	6	-	7	7	7		
Consumable stationary, printing, and office supplies	10	-	-	10	9	1	90,0%	75	75	37		
Travel and subsistence	1,639	(180)	-	1,459	1,456	3	99,8%	1,506	1,506	1,439		
Operating payments	60	(45)	-	15	6	9	40,0%	4	4	3		
Venues and facilities	174	(17)	-	157	157	-	100%	387	387	383		
<b>Total</b>	<b>19,204</b>	<b>(2,211)</b>	<b>-</b>	<b>16,993</b>	<b>16,473</b>	<b>520</b>	<b>96,9%</b>	<b>14,836</b>	<b>14,836</b>	<b>14,533</b>		

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APPROPRIATION STATEMENT  
for the year ended 31 March 2024

	2023/24							2022/23	
	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
<b>Economic classification</b>									
<b>Current payments</b>	12,718	(263)	-	12,455	11,664	791	93,6%	10,740	10,628
<b>Compensation of employees</b>	11,568	(410)	-	11,158	10,400	758	93,2%	9,536	9,462
Salaries and Wages	10,030	(433)	-	9,597	8,850	747	92,2%	8,074	8,074
Social Contributions	1,538	23	-	1,561	1,550	11	99,3%	1,462	1,388
<b>Good and Services</b>	1,150	147	-	1,297	1,264	33	97,5%	1,204	1,166
Catering: departmental activities	200	24	-	224	223	1	99,6%	130	125
Consumable stationary, printing, and office supplies	21	-	-	21	21	-	100%	15	15
Travel and subsistence	837	123	-	960	928	32	96,7%	993	960
Operating payments	3	-	-	3	3	-	100%	2	2
Venues and facilities	89	-	-	89	89	-	100%	64	64
<b>Total</b>	<b>12,718</b>	<b>(263)</b>	<b>-</b>	<b>12,455</b>	<b>11,664</b>	<b>791</b>	<b>93,6%</b>	<b>10,740</b>	<b>10,628</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

2.3. MUNICIPAL PUBLIC PARTICIPATION	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>211,166</b>	<b>3,043</b>	-	<b>214,209</b>	<b>213,686</b>	<b>523</b>	<b>99,8%</b>	<b>200,327</b>	<b>199,924</b>
<b>Compensation of employees</b>	<b>207,671</b>	<b>1,109</b>	-	<b>208,780</b>	<b>208,385</b>	<b>395</b>	<b>99,8%</b>	<b>197,754</b>	<b>197,374</b>
Salaries and Wages	170,313	717	-	171,030	170,792	238	99,9%	162,837	162,537
Social Contributions	37,358	392	-	37,750	37,593	157	99,6%	34,917	34,837
<b>Good and Services</b>	<b>3,495</b>	<b>1,934</b>	-	<b>5,429</b>	<b>5,301</b>	<b>128</b>	<b>97,6%</b>	<b>2,573</b>	<b>2,550</b>
Advertising	93	(32)	-	61	61	-	100%	-	-
Catering: departmental activities	339	(6)	-	333	324	9	97,3%	88	77
Communication	-	1,669	-	1,669	1,669	-	100%	-	-
Entertainment	6	-	-	6	6	-	100%	6	-
Consumable stationary, printing, and office supplies	174	(25)	-	149	37	112	24,8%	-	-
Travel and subsistence	2,411	476	-	2,887	2,880	7	99,8%	2,303	2,297
Operating payments	25	(10)	-	15	15	-	100%	24	24
Venues and facilities	418	(128)	-	290	290	-	100%	152	152
Rental and Hiring	29	(10)	-	19	19	-	100%	-	-
<b>Total</b>	<b>211,166</b>	<b>3,043</b>	-	<b>214,209</b>	<b>213,686</b>	<b>523</b>	<b>99,8%</b>	<b>200,327</b>	<b>199,924</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

2.4 CAPACITY BUILDING	2023/24							2022/23	
	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
<b>Economic classification</b>									
Current payments	12,191	(861)	-	11,330	10,909	421	96,3%	9,882	9,536
Compensation of employees	9,641	(750)	-	8,891	8,512	379	95,7%	8,609	8,548
Salaries and Wages	8,376	(702)	-	7,674	7,418	256	96,7%	7,515	7,461
Social Contributions	1,265	(48)	-	1,217	1,094	123	89,9%	1,094	1,087
<b>Good and Services</b>	<b>2,550</b>	<b>(111)</b>	-	<b>2,439</b>	<b>2,397</b>	<b>42</b>	<b>98,3%</b>	<b>1,273</b>	<b>988</b>
Catering: departmental activities	380	(50)	-	330	330	-	100%	40	38
Entertainment	2	-	-	2	2	-	100%	2	-
Consumable stationary, printing, and office supplies	-	-	-	-	-	-	-	20	17
Travel and subsistence	854	(61)	-	793	783	10	98,7%	845	789
Training and development	890	-	-	890	881	9	99,0%	-	-
Operating payments	424	-	-	424	401	23	94,6%	220	-
Venues and facilities	-	-	-	-	-	-	-	146	144
<b>Total</b>	<b>12,191</b>	<b>(861)</b>	<b>-</b>	<b>11,330</b>	<b>10,909</b>	<b>421</b>	<b>96,3%</b>	<b>9,882</b>	<b>9,536</b>

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**APPROPRIATION STATEMENT  
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2.5 MUNICIPAL PERFORMANCE, REPORTING & EVALUATION	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>12,683</b>	<b>292</b>	-	<b>12,975</b>	<b>11,871</b>	<b>1,104</b>	<b>91,0%</b>	<b>11,117</b>	<b>10,210</b>
<b>Compensation of employees</b>	<b>11,719</b>	<b>219</b>	-	<b>11,938</b>	<b>10,861</b>	<b>1,077</b>	<b>91,0%</b>	<b>10,200</b>	<b>9,342</b>
Salaries and Wages	10,322	74	-	10,396	9,464	932	91,0%	8,641	8,166
Social Contributions	1,397	145	-	1,542	1,397	145	90,6%	1,559	1,176
<b>Good and Services</b>	<b>964</b>	<b>73</b>	-	<b>1,037</b>	<b>1,010</b>	<b>27</b>	<b>97,4%</b>	<b>917</b>	<b>868</b>
Catering: departmental activities	30	(11)	-	19	19	-	100%	18	16
Consumable stationary, printing, and office supplies	22	(10)	-	12	-	12	-	21	12
Travel and subsistence	816	94	-	910	895	15	98,4%	750	711
Operating payments	30	-	-	30	30	-	100%	61	62
Venues and facilities	66	-	-	66	66	-	100%	67	67
<b>Total</b>	<b>12,683</b>	<b>292</b>	-	<b>12,975</b>	<b>11,871</b>	<b>1,104</b>	<b>91,5%</b>	<b>11,117</b>	<b>10,210</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

	2023/24						2022/23		
	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
<b>Programme 3: DEVELOPMENT AND PLANNING</b>									
<b>Sub Programme</b>									
1. Spatial Planning	15,868	20	-	15,888	15,788	100	99,4%	14,672	14,303
2. Land Use Management	20,699	(21)	-	20,678	19,543	1,135	94,5%	20,278	19,134
3. Local Economic Development (LED)	22,941	259	-	23,200	22,200	1,000	95,7%	26,478	24,844
4. Municipal Infrastructure	28,310	148	-	28,458	28,189	269	99,1%	26,332	25,247
5. Disaster Management	17,686	(433)	-	17,253	16,749	504	97,1%	18,888	15,448
6. IDP Co-ordination	8,181	27	-	8,208	8,135	73	99,1%	6,903	6,572
<b>Total for sub programmes</b>	<b>113,685</b>	<b>-</b>	<b>-</b>	<b>113,685</b>	<b>110,604</b>	<b>3,081</b>	<b>97,3</b>	<b>113,551</b>	<b>105,548</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>112 177</b>	<b>(8)</b>	<b>-</b>	<b>112 169</b>	<b>109 118</b>	<b>3 051</b>	<b>97,3%</b>	<b>110,115</b>	<b>104,839</b>
<b>Compensation of employees</b>	<b>98 217</b>	<b>(304)</b>	<b>-</b>	<b>97 913</b>	<b>94 955</b>	<b>2 958</b>	<b>97,0%</b>	<b>97,526</b>	<b>93,316</b>
Salaries and Wages	86 504	(443)	-	86 061	83 373	2 688	96,9%	85,147	82,172
Social Contributions	11 713	139	-	11 852	11 582	270	97,7%	12,379	11,144
<b>Good and Services</b>	<b>13 960</b>	<b>296</b>	<b>-</b>	<b>14 256</b>	<b>14 163</b>	<b>93</b>	<b>99,3%</b>	<b>12,589</b>	<b>11,523</b>
Advertising	9	-	-	9	9	-	100%	7	7
Minor assets	-	-	-	-	-	-	-	140	-
Catering: departmental activities	302	(27)	-	275	274	1	99,6%	79	74
Communication	15	(15)	-	-	-	-	-	-	-
Computer Services	1 839	16	-	1 855	1 855	-	100%	36	36
Consultants: Bus& adv service	764	204	-	968	922	46	95,2%	2,223	1,556
Legal services	-	-	-	-	-	-	-	250	246
Contractors	2 119	(14)	-	2 105	2 105	-	100%	2,297	2,287

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Agency& supp/ outsourced	1 000	(280)	-	720	720	-	100%	608	608
Entertainment	16	(15)	-	1	-	1	-	17	17
Consumables supplies	135	2	-	137	137	-	100%	47	42
Consumable stationary	99	(25)	-	74	53	21	71,6%	44	33
Travel and subsistence	6 083	1 041	-	7 124	7 100	24	99,7%	5,770	5,582
Training and development	530	(255)	-	275	275	-	100%	-	-
Operating payments	193	(65)	-	128	128	-	100%	133	107
Venues and facilities	856	(271)	-	585	585	-	100%	938	928
<b>Payments for capital assets</b>	<b>1 508</b>	<b>62</b>	-	<b>1 516</b>	<b>1 486</b>	<b>30</b>	<b>98,0%</b>	<b>3,436</b>	<b>709</b>
<b>Machinery and equipment</b>	<b>1 454</b>	<b>62</b>	-	<b>1 516</b>	<b>1 486</b>	<b>30</b>	<b>98,0%</b>	<b>3,061</b>	<b>334</b>
Transport equipment	1 454	62	-	1 516	1 486	30	98,0%	2,773	199
Other machinery& equip	-	-	-	-	-	-	-	288	135
Software and other intangible assets	54	(54)	-	-	-	-	-	375	375
<b>Total</b>	<b>113 685</b>	<b>-</b>	<b>-</b>	<b>113 685</b>	<b>110 604</b>	<b>3 081</b>	<b>97,3%</b>	<b>113,551</b>	<b>105,548</b>

(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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APPROPRIATION STATEMENT  
for the year ended 31 March 2024

3.1 SPATIAL PLANNING	2023/24							2022/23	
	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
<b>Economic classification</b>									
Current payments	15,868	20	-	15,888	15,788	100	99,4%	14,672	14,303
Compensation of employees	14,481	(1)	-	14,480	14,380	100	99,3%	13,463	13,121
Salaries and Wages	12,832	(1)	-	12,831	12,767	64	99,5%	11,844	11,707
Social Contributions	1,649	-	-	1,649	1,613	36	97,8%	1,619	1,414
<b>Good and Services</b>	<b>1,387</b>	<b>21</b>	<b>-</b>	<b>1,408</b>	<b>1,408</b>	<b>-</b>	<b>100%</b>	<b>1,209</b>	<b>1,182</b>
Advertising	4	-	-	4	4	-	100%	7	7
Catering: departmental activities	43	1	-	44	44	-	100%	30	26
Computer services	245	23	-	268	268	-	100%	-	-
Entertainment	-	-	-	-	-	-	-	5	5
Travel and subsistence	891	(3)	-	888	888	-	100%	1,062	1,041
Training and development	40	-	-	40	40	-	100%	-	-
Operating payments	15	-	-	15	15	-	100%	16	14
Venues and facilities	149	-	-	149	149	-	100%	89	89
<b>Total</b>	<b>15,868</b>	<b>20</b>	<b>-</b>	<b>15,888</b>	<b>15,788</b>	<b>100</b>	<b>99,4%</b>	<b>14, 672</b>	<b>14,303</b>

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3.2 LAND USE MANAGEMENT	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>20,645</b>	<b>33</b>	-	<b>20,678</b>	<b>19,543</b>	<b>1,135</b>	<b>94,5%</b>	<b>20,143</b>	<b>18,999</b>
<b>Compensation of employees</b>	<b>19,167</b>	-	-	<b>19,167</b>	<b>18,034</b>	<b>1,133</b>	<b>94,1%</b>	<b>18,361</b>	<b>17,437</b>
Salaries and Wages	16,672	(24)	-	16,648	15,603	1,045	93,7%	15,756	15,094
Social Contributions	2,495	24	-	2,519	2,431	88	96,5%	2,605	2,343
<b>Good and Services</b>	<b>1,478</b>	<b>33</b>	-	<b>1,511</b>	<b>1,509</b>	<b>2</b>	<b>99,9%</b>	<b>1,782</b>	<b>1,562</b>
Advertising	5	-	-	5	5	-	100%	-	-
Minor assets	-	-	-	-	-	-	-	140	-
Catering: departmental activities	66	(29)	-	37	37	-	100%	7	6
Computer supplies	-	50	-	50	50	-	100%	-	-
Contractors	6	(6)	-	-	-	-	-	-	-
Entertainment	10	(9)	-	1	-	1	-	11	11
Consumables supplies	-	-	-	-	-	-	-	47	42
Consumable stationary, printing, and office supplies	36	(4)	-	32	31	1	96,9%	19	9
Travel and subsistence	1,292	36	-	1,328	1,328	-	100%	1,473	1,420
Operating payments	43	(5)	-	38	38	-	100%	13	2
Venues and facilities	20	-	-	20	20	-	100%	72	72
<b>Payments for capital assets</b>	<b>54</b>	<b>(54)</b>	-	-	-	-	-	<b>135</b>	<b>135</b>
<b>Machinery and equipment</b>	-	-	-	-	-	-	-	<b>135</b>	<b>135</b>
Other machinery & equip	-	-	-	-	-	-	-	135	135
Software and other intangible assets	54	(54)	-	-	-	-	-	-	-
<b>Total</b>	<b>20,699</b>	<b>(21)</b>	-	<b>20,678</b>	<b>19,543</b>	<b>1,135</b>	<b>94,5%</b>	<b>20,278</b>	<b>19,134</b>

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3.3 LOCAL ECONOMIC DEVELOPMENT (LED)	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>22,941</b>	<b>259</b>	-	<b>23,200</b>	<b>22,200</b>	<b>1,000</b>	<b>95,7%</b>	<b>26,478</b>	<b>24,844</b>
<b>Compensation of employees</b>	<b>19,288</b>	-	-	<b>19,288</b>	<b>18,291</b>	<b>997</b>	<b>94,8%</b>	<b>22,114</b>	<b>21,322</b>
Salaries and Wages	16,949	(42)	-	16,907	15,989	918	94,6%	19,238	18,695
Social Contributions	2,339	42	-	2,381	2,302	79	96,7	2,876	2,627
<b>Good and Services</b>	<b>3, 653</b>	<b>259</b>	-	<b>3,912</b>	<b>3,909</b>	<b>3</b>	<b>99,9%</b>	<b>4,364</b>	<b>3,532</b>
Catering: departmental activities	30	(8)	-	22	22	-	100%	13	13
Contractors	2,106	(1)	-	2,105	2,105	-	100%	2,297	2,297
Consultants business advisory	560	260	-	820	820	-	100%	1,079	259
Entertainment	2	(2)	-	-	-	-	-	-	-
Consumable supplies	135	-	-	135	135	-	100%	-	-
Consumable stationary, printing, and office supplies	12	-	-	12	9	3	75,0%	17	17
Travel and subsistence	708	110	-	818	818	-	100%	843	835
Operating payments								15	14
Venues and facilities	100	(100)	-	-	-	-	-	100	97
<b>Total</b>	<b>22,941</b>	<b>259</b>	-	<b>23,200</b>	<b>22,200</b>	<b>1,000</b>	<b>95,7%</b>	<b>26,478</b>	<b>24,844</b>

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**APPROPRIATION STATEMENT  
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3.4 MUNICIPAL INFRASTRUCTURE	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>28,310</b>	<b>148</b>	-	<b>28,458</b>	<b>28,189</b>	<b>269</b>	<b>99,1%</b>	<b>26,332</b>	<b>25,247</b>
<b>Compensation of employees</b>	<b>26,051</b>	-	-	<b>26,051</b>	<b>25,791</b>	<b>260</b>	<b>99,0%</b>	<b>24,918</b>	<b>23,837</b>
Salaries and Wages	23,140	(60)	-	23,080	22,850	230	99,0%	22,030	21,139
Social Contributions	2,911	60	-	2,971	2,941	30	99,0%	2,888	2,698
<b>Good and Services</b>	<b>2,259</b>	<b>148</b>	-	<b>2,407</b>	<b>2,398</b>	<b>9</b>	<b>99,6%</b>	<b>1,414</b>	<b>1,410</b>
Catering: departmental activities	64	(24)	-	40	39	1	97,5%	15	15
Entertainment	3	(3)	-	-	-	-	-	1	1
Consumable stationary, printing, and office supplies	20	(6)	-	14	13	1	92,9%	4	4
Travel and subsistence	1,600	618	-	2,218	2,211	7	99,7%	1,344	1,340
Training and development	255	(255)	-	-	-	-	-	-	-
Operating payments	80	(12)	-	68	68	-	100%	-	-
Venues and facilities	237	(170)	-	67	67	-	100%	50	50
<b>Total</b>	<b>28,310</b>	<b>148</b>	-	<b>28,458</b>	<b>28,189</b>	<b>269</b>	<b>99,1%</b>	<b>26,332</b>	<b>25,247</b>

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	2023/24						2022/23		
	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
<b>3.5 DISASTER MANAGEMENT</b>									
<b>Economic classification</b>									
<b>Current payments</b>	<b>16,232</b>	<b>(495)</b>	-	<b>15,737</b>	<b>15,263</b>	<b>474</b>	<b>97,0%</b>	<b>15,587</b>	<b>14,874</b>
<b>Compensation of employees</b>	<b>12,048</b>	<b>(300)</b>	-	<b>11,748</b>	<b>11,335</b>	<b>413</b>	<b>96,5%</b>	<b>12,532</b>	<b>11,726</b>
Salaries and Wages	10,663	(300)	-	10,363	9,986	377	96,4%	10,905	10,368
Social Contributions	1,385	-	-	1,385	1,349	36	97,4%	1,627	1,358
<b>Good and Services</b>	<b>4,184</b>	<b>(195)</b>	-	<b>3,989</b>	<b>3,928</b>	<b>61</b>	<b>98,5%</b>	<b>3,055</b>	<b>3,148</b>
Catering: departmental activities	99	33	-	132	132	-	100%	14	14
Communications	15	(15)	-	-	-	-	-	-	-
Consultants business advisory	204	(56)	-	148	102	46	68,9%	1,144	1,297
Computer services	1,594	(57)	-	1,537	1,537	-	100%	36	36
Contractors	7	(7)	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	250	246
Agency & support/ outsourced	1,000	(280)	-	720	720	-	100%	608	608
Entertainment	1	(1)	-	-	-	-	-	-	-
Consumable supplies	-	2	-	2	2	-	100%	-	-
Consumable stationary, printing, and office supplies	15	(15)	-	-	-	-	-	4	3
Travel and subsistence	959	249	-	1,208	1,193	15	98,8%	530	493
Training and development	235	-	-	235	235	-	100%	-	-
Operating payments	55	(48)	-	7	7	-	100%	89	77
Venues and facilities	-	-	-	-	-	-	-	380	374
<b>Payments for capital assets</b>	<b>1,454</b>	<b>62</b>	-	<b>1,516</b>	<b>1,486</b>	<b>30</b>	<b>98,0%</b>	<b>3,301</b>	<b>574</b>
<b>Machinery and equipment</b>	<b>1,454</b>	<b>62</b>	-	<b>1,516</b>	<b>1,486</b>	<b>30</b>	<b>98,0%</b>	<b>2,926</b>	<b>199</b>
Transport equipment	1,454	62	-	1,516	1,486	30	98,0%	2,773	199

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Other machinery & equip	-	-	-	-	-	-	-	153	-
Software and other intangible assets	-	-	-	-	-	-	-	375	375
<b>Total</b>	<b>17,686</b>	<b>(433)</b>	<b>-</b>	<b>17,253</b>	<b>16,749</b>	<b>504</b>	<b>97,1%</b>	<b>18,888</b>	<b>15,448</b>

	2023/24						2022/23		
	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
<b>3.6 IDP CO-ORDINATION</b>									
<b>Economic classification</b>									
<b>Current payments</b>	<b>8,181</b>	<b>27</b>	<b>-</b>	<b>8,208</b>	<b>8,135</b>	<b>73</b>	<b>99,1%</b>	<b>6,903</b>	<b>6,572</b>
<b>Compensation of employees</b>	<b>7,182</b>	<b>(3)</b>	<b>-</b>	<b>7,179</b>	<b>7,124</b>	<b>55</b>	<b>99,2%</b>	<b>6,138</b>	<b>5,873</b>
Salaries and Wages	6,248	(16)	-	6,232	6,178	54	99,1%	5,374	5,169
Social Contributions	934	13	-	947	946	1	99,9%	764	704
<b>Good and Services</b>	<b>999</b>	<b>30</b>	<b>-</b>	<b>1,029</b>	<b>1,011</b>	<b>18</b>	<b>98,3%</b>	<b>765</b>	<b>699</b>
Consumable: stationery, printing and office supplies	16	-	-	16	-	16	-	-	-
Travel and subsistence	633	31	-	664	662	2	99,7%	518	453
Venues and facilities	350	(1)	-	349	349	-	100%	247	246
<b>Total</b>	<b>8,181</b>	<b>27</b>	<b>-</b>	<b>8,208</b>	<b>8,135</b>	<b>73</b>	<b>99,1%</b>	<b>6,903</b>	<b>6,572</b>

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<b>Programme 4: TRADITIONAL INSTITUTIONAL MANAGEMENT</b>										
	<b>2023/24</b>					<b>2022/23</b>				
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Sub Programme</b>										
1. Traditional Institutional Admin	17,040	(751)	-	16,289	15,256	1,033	93,7%	16,204	15,218	
2. Traditional Resource Admin	340,933	751	-	341,684	339,178	2,506	99,3%	331,488	318,145	
3. Rural Development Facilitation	10,440	-	-	10,440	9,460	980	90,6%	10,822	10,580	
<b>Total for sub programmes</b>	<b>368,413</b>	<b>-</b>	<b>-</b>	<b>368,413</b>	<b>363,894</b>	<b>4,519</b>	<b>98,8%</b>	<b>358,514</b>	<b>343,943</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>360,717</b>	<b>(847)</b>	<b>-</b>	<b>359,870</b>	<b>355,635</b>	<b>4 235</b>	<b>98,8%</b>	<b>350,292</b>	<b>337,681</b>	
<b>Compensation of employees</b>	<b>340,178</b>	<b>(1,780)</b>	<b>-</b>	<b>338,398</b>	<b>334,509</b>	<b>3 889</b>	<b>98,9%</b>	<b>330,529</b>	<b>324,213</b>	
Salaries and Wages	317,801	(2,057)	-	315,744	312,098	3 646	98,8%	308,513	302,970	
Social Contributions	22,377	277	-	22,654	22 411	243	98,9%	22,016	21,243	
<b>Good and Services</b>	<b>20,539</b>	<b>933</b>	<b>-</b>	<b>21,472</b>	<b>21,126</b>	<b>346</b>	<b>98,4%</b>	<b>19,763</b>	<b>13,468</b>	
Advertising	-	-	-	-	-	-	-	24	24	
Minor assets	-	330	-	330	330	-	100%	-	-	
Bursaries: Employees	520	(27)	-	493	491	2	99,6%	126	75	
Catering: departmental activities	1,720	(181)	-	1,539	1,483	56	96,4%	1,400	755	
Consultants: Bus& adv service	1,299	(170)	-	1,129	1,128	1	99,9%	1,649	856	
Legal services	-	2,094	-	2,094	2,094	-	100%	-	-	
Entertainment	14	41	-	55	51	4	92,7%	118	109	
Inventory: Other supplies	-	20	-	20	20	-	100%	-	-	
Consumable supplies	676	(289)	-	387	385	2	99,5%	513	34	
Consumable stationary	787	(59)	-	728	727	1	99,9%	1,036	211	
Property payments	352	120	-	472	471	1	99,8%	929	540	
Travel and subsistence	11,644	(725)	-	10,919	10,839	80	99,3%	10,769	8,554	



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Training and development	120	(90)	-	30	30	-	100%	-	-
Operating payments	242	(212)	-	30	30	-	100%	176	37
Venues and facilities	2,065	(597)	-	1,468	1,449	19	98,7%	1,932	1,461
Rental and hiring	1,100	678	-	1,778	1,598	180	89,9%	1,091	812
<b>Transfers and subsidies</b>	<b>6,866</b>	<b>795</b>	-	<b>7,661</b>	<b>7,618</b>	<b>43</b>	<b>99,4%</b>	<b>6,222</b>	<b>5,284</b>
<b>Households</b>	<b>6,866</b>	<b>795</b>	-	<b>7,661</b>	<b>7,618</b>	<b>43</b>	<b>99,4%</b>	<b>6,222</b>	<b>5,284</b>
Social benefits	6,866	795	-	7,661	7,618	43	99,4%	6,222	5,284
<b>Payments for capital assets</b>	<b>830</b>	<b>52</b>	-	<b>882</b>	<b>641</b>	<b>241</b>	<b>72,7%</b>	<b>2,000</b>	<b>979</b>
Buildings and other fixed structures	830	52	-	882	641	241	72,7%	2,000	979
Buildings	830	52	-	882	641	241	72,7%	2,000	979
<b>Total</b>	<b>368,413</b>	<b>-</b>	<b>-</b>	<b>368,413</b>	<b>363,894</b>	<b>4,519</b>	<b>98,8%</b>	<b>358,514</b>	<b>343,943</b>

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4.1 TRADITIONAL INSTITUTIONAL ADMINISTRATION	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>17,040</b>	<b>(751)</b>	-	<b>16,289</b>	<b>15,256</b>	<b>1,033</b>	<b>93,7%</b>	<b>16,204</b>	<b>15,218</b>
<b>Compensation of employees</b>	<b>14,957</b>	<b>(726)</b>	-	<b>14,231</b>	<b>13,245</b>	<b>986</b>	<b>93,1%</b>	<b>14,123</b>	<b>13,173</b>
Salaries and Wages	13,420	(769)	-	12,651	11,685	966	92,4%	12,451	11,683
Social Contributions	1,537	43	-	1,580	1,560	20	98,7%	1,672	1,490
<b>Good and Services</b>	<b>2,083</b>	<b>(25)</b>	-	<b>2,058</b>	<b>2,011</b>	<b>47</b>	<b>97,7%</b>	<b>2,081</b>	<b>2,045</b>
Advertising	-	-	-	-	-	-	-	24	24
Catering: departmental activities	205	(12)	-	193	189	4	97,9%	243	235
Entertainment	9	1	-	10	6	4	60,0%	6	6
Consumable stationary, printing, and office supplies	1	(1)	-	-	-	-	-	2	-
Travel and subsistence	1,703	(13)	-	1,690	1,670	20	98,8%	1,768	1,743
Operating payments								19	19
Venues and facilities	165	-	-	165	146	19	88,5%	19	18
<b>Total</b>	<b>17,040</b>	<b>(751)</b>	<b>-</b>	<b>16,289</b>	<b>15,256</b>	<b>1,033</b>	<b>93,7%</b>	<b>16,204</b>	<b>15,218</b>

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4.2 TRADITIONAL RESOURCE ADMINISTRATION	2023/24					2022/23			
	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
<b>Economic classification</b>									
Current payments	333,237	(96)	-	333,141	330,919	2,222	99,3%	323,266	311,883
Compensation of employees	316,229	(1,054)	-	315,175	313,251	1,924	99,4%	306,700	301,574
Salaries and Wages	296,374	(1,256)	-	295,118	293,407	1,711	99,4%	287,607	283,063
Social Contributions	19,855	202	-	20,057	19,844	213	98,9%	19,093	18,511
<b>Good and Services</b>	<b>17,008</b>	<b>958</b>	-	<b>17,966</b>	<b>17,668</b>	<b>298</b>	<b>98,3%</b>	<b>16,566</b>	<b>10,308</b>
Minor assets	-	330	-	330	330	-	100%	-	-
Bursaries: Employees	520	(27)	-	493	491	2	99,6%	126	75
Catering: departmental activities	1,321	(167)	-	1,154	1,102	52	95,5%	1,110	473
Consultants: Bus& adv service	1,299	(170)	-	1,129	1,128	1	99,9%	1,649	856
Legal services	-	2,094	-	2,094	2,094	-	100%	-	-
Entertainment	3	40	-	43	43	-	100%	112	103
Inventory: other supplies	-	20	-	20	20	-	100%	-	-
Consumables supplies	676	(289)	-	387	385	2	99,5%	513	34
Consumable stationary, printing, and office supplies	759	(58)	-	701	700	1	99,9%	1,024	201
Operating payments	352	120	-	472	471	1	99,8%	929	540
Travel and subsistence	8,807	(762)	-	8,045	7,986	59	99,3%	7,942	5,754
Training and development	120	(90)	-	30	30	-	100%	-	-
Operating payments	242	(212)	-	30	30	-	100%	157	18
Venues and facilities	1,809	(549)	-	1,260	1,260	-	100%	1,913	1,443
Rental and hiring	1,100	678	-	1,778	1,598	180	89,9%	1,091	812
<b>Transfers and subsidies</b>	<b>6,866</b>	<b>795</b>	-	<b>7,661</b>	<b>7,618</b>	<b>43</b>	<b>99,4%</b>	<b>6,222</b>	<b>5,284</b>

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Households	6,866	795	-	7,661	7,618	43	99,4%	6,222	5,284
Social benefits	6,866	795	-	7,661	7,618	43	99,4%	6,222	5,284
<b>Payments for capital assets</b>	<b>830</b>	<b>52</b>	<b>-</b>	<b>882</b>	<b>641</b>	<b>241</b>	<b>72,7%</b>	<b>2,000</b>	<b>979</b>
Buildings and other fixed structures	830	52	-	882	641	241	72,7%	2,000	979
Buildings	830	52	-	882	641	241	72,7%	2,000	979
<b>Total</b>	<b>340,933</b>	<b>751</b>	<b>-</b>	<b>341,684</b>	<b>339,178</b>	<b>2,506</b>	<b>99,3%</b>	<b>331,488</b>	<b>318,145</b>

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4.3 RURAL DEVELOPMENT FACILITATION	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	10,440	-	-	10,440	9,460	980	90,6%	10,822	10,580
<b>Compensation of employees</b>	8,992	-	-	8,992	8,013	979	89,1%	9,706	9,466
Salaries and Wages	8,007	(32)	-	7,975	7,006	969	87,8%	8,455	8,224
Social Contributions	985	32	-	1,017	1,007	10	99,0%	1,251	1,242
<b>Good and Services</b>	1,448	-	-	1,448	1,447	1	99,9%	1,116	1,114
Catering: departmental activities	194	(2)	-	192	192	-	100%	47	47
Entertainment	2	-	-	2	2	-	100%	-	-
Consumable stationary, printing, and office supplies	27	-	-	27	27	-	100%	10	10
Travel and subsistence	1,134	50	-	1,184	1,183	1	99,9%	1,059	1,057
Venues and facilities	91	(48)	-	43	43	-	100%	-	-
<b>Total</b>	<b>10,440</b>	<b>-</b>	<b>-</b>	<b>10,440</b>	<b>9,460</b>	<b>980</b>	<b>90,6%</b>	<b>10,822</b>	<b>10,580</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Programme 5: HOUSE OF TRADITIONAL LEADERS	2023/24							2022/23	
	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
<b>Sub Programme</b>									
1. Administration of House of Traditional Leaders	13,893	(298)	-	13,595	13,288	307	97,7%	13,284	12,674
2. Committees and Local Houses of Traditional Leaders	20,699	298	-	20,997	20,589	408	98,1%	16,159	15,999
<b>Total for sub programmes</b>	<b>34,592</b>	<b>-</b>	<b>-</b>	<b>34,592</b>	<b>33,877</b>	<b>715</b>	<b>97,9%</b>	<b>29,443</b>	<b>28,673</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>34,592</b>	<b>(80)</b>	<b>-</b>	<b>34,302</b>	<b>33,616</b>	<b>686</b>	<b>98,0%</b>	<b>27,619</b>	<b>27,271</b>
<b>Compensation of employees</b>	<b>23,847</b>	<b>-</b>	<b>-</b>	<b>23,847</b>	<b>23,414</b>	<b>433</b>	<b>98,2%</b>	<b>21,217</b>	<b>20,907</b>
Salaries and Wages	20,818	(65)	-	20,753	20,324	429	97,9%	18,302	18,149
Social Contributions	3,029	65	-	3,094	3,090	4	99,9%	2,915	2,758
<b>Good and Services</b>	<b>10,535</b>	<b>(80)</b>	<b>-</b>	<b>10,455</b>	<b>10,202</b>	<b>253</b>	<b>97,6%</b>	<b>6,402</b>	<b>6,364</b>
Advertising	158	-	-	158	157	1	99,4%	60	59
Minor Assets	40	(40)	-	-	-	-	-	-	-
Catering: departmental activities	1,225	(79)	-	1,146	1,069	77	93,3%	587	564
Communication (G&S)	315	(20)	-	295	294	1	99,7%	300	300
Consultants: Bus& adv service	1,931	(249)	-	1,682	1,677	5	99,7%	1,277	1,276
Entertainment	18	-	-	18	17	1	94,4%	18	18
Consumables supplies	262	(34)	-	228	222	6	97,4%	28	26
Consumable Stationery, printing and office supplies	144	-	-	144	117	27	81,3%	20	20
Travel and subsistence	5,263	382	-	5,645	5,578	67	98,8%	3,603	3,602
Operating payments	150	-	-	150	136	14	90,7%	48	48

AFS CoGTA-EC for the year ended 31 March 2024

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Venues and facilities	799	(49)	-	750	750	-	100%	280	270
Rental and hiring	230	9	-	239	185	54	77,4%	181	181
<b>Transfers and subsidies</b>	<b>178</b>	<b>40</b>	-	<b>218</b>	<b>215</b>	<b>3</b>	<b>98,6%</b>	<b>1,824</b>	<b>1,402</b>
<b>Households</b>	<b>178</b>	<b>40</b>	-	<b>218</b>	<b>215</b>	<b>3</b>	<b>98,6%</b>	<b>1,824</b>	<b>1,402</b>
Social benefits	178	40	-	218	215	3	98,6%	1,824	1,402
<b>Payments for capital assets</b>	<b>32</b>	<b>40</b>	-	<b>72</b>	<b>46</b>	<b>26</b>	<b>63,9%</b>	-	-
<b>Machinery &amp; Equipment</b>	<b>32</b>	<b>40</b>	-	<b>72</b>	<b>46</b>	<b>26</b>	<b>63,9%</b>	-	-
Other machinery & Equipment	32	40	-	72	46	26	63,9%	-	-
<b>Total</b>	<b>34,592</b>	<b>-</b>	<b>-</b>	<b>34,592</b>	<b>33,877</b>	<b>715</b>	<b>97,9%</b>	<b>29,443</b>	<b>28,673</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

5.1 ADMINISTRATION OF HOUSE OF TRADITIONAL LEADERS	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	13,715	(378)	-	13,337	13,049	288	97,8%	11,460	11,272
<b>Compensation of employees</b>	11,926	(303)	-	11,623	11,444	179	98,5%	11,127	10,942
Salaries and Wages	10,187	(348)	-	9,839	9,664	175	98,2%	9,435	9,288
Social Contributions	1,739	45	-	1,784	1,780	4	99,8%	1,692	1,654
<b>Good and Services</b>	1,789	(75)	-	1,714	1,605	109	93,6%	333	330
Minor assets	40	(40)	-	-	-	-	-	-	-
Catering: departmental activities	180	(47)	-	133	105	28	78,9%	28	28
Entertainment	18	-	-	18	17	1	94,4%	18	18
Consumables supplies	137	(14)	-	123	118	5	95,9%	28	26
Consumable stationary, printing, and office supplies	122	-	-	122	98	24	80,3%	20	20
Travel and subsistence	1,132	57	-	1,189	1,144	45	96,2%	171	170
Operating payments	40	-	-	40	34	6	85,0%	48	48
Venues and facilities	120	(31)	-	89	89	-	100%	20	20
<b>Transfers and subsidies</b>	178	40	-	218	215	3	98,6%	1,824	1,402
Households	178	40	-	218	215	3	98,6%	1,824	1,402
Social benefits	178	40	-	218	215	3	98,6%	1,824	1,402
<b>Payment of capital assets</b>	-	40	-	40	24	16	60,0%	-	-
<b>Machinery and equipment</b>	-	40	-	40	24	16	60,0%	-	-
Other machinery and equip	-	40	-	40	24	16	60,0%	-	-
<b>Total</b>	<b>13,893</b>	<b>(296)</b>	<b>-</b>	<b>13,595</b>	<b>13,288</b>	<b>307</b>	<b>97,7%</b>	<b>13,284</b>	<b>12,674</b>



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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>20,667</b>	<b>298</b>	-	<b>20,965</b>	<b>20,567</b>	<b>398</b>	<b>98,1%</b>	<b>16,159</b>	<b>15,999</b>
<b>Compensation of employees</b>	<b>11,921</b>	<b>303</b>	-	<b>12,224</b>	<b>11,970</b>	<b>254</b>	<b>97,9%</b>	<b>10,090</b>	<b>9,965</b>
Salaries and Wages	10,631	283	-	10,914	10,660	254	97,7%	8,867	8,861
Social Contributions	1,290	20	-	1,310	1,310	-	100%	1,223	1,104
<b>Good and Services</b>	<b>8,746</b>	<b>(5)</b>	-	<b>8,741</b>	<b>8,597</b>	<b>144</b>	<b>98,4%</b>	<b>6,069</b>	<b>6,034</b>
Advertising	158	-	-	158	157	1	99,4%	60	59
Catering: departmental activities	1,045	(32)	-	1,013	964	49	95,2%	559	536
Communications (G&S)	315	(20)	-	295	294	1	99,7%	300	300
Consultants: Bus& adv service	1,931	(249)	-	1,682	1,677	5	99,7%	1,277	1,276
Consumable supplies	125	(20)	-	105	104	1	99,0%	260	250
Venues and facilities	679	(18)	-	661	661	-	100%	-	-
Consumable stationary, printing, and office supplies	22	-	-	22	19	3	86,4%	-	-
Travel and subsistence	4,131	325	-	4,456	4,434	22	99,5%	3,432	3,432
Operating payments	110	-	-	110	102	8	92,7%	-	-
Rental and hiring	230	9	-	239	185	54	77,4%	181	181
<b>Payment of capita assets</b>	<b>32</b>	<b>-</b>	-	<b>32</b>	<b>22</b>	<b>10</b>	<b>68,8%</b>	<b>-</b>	<b>-</b>
<b>Machinery and equip</b>	<b>32</b>	<b>-</b>	-	<b>32</b>	<b>22</b>	<b>10</b>	<b>68,8%</b>	<b>-</b>	<b>-</b>
Other machinery and equip	32	-	-	32	22	10	68,8%	-	-
<b>Total</b>	<b>20,699</b>	<b>298</b>	-	<b>20,997</b>	<b>20,589</b>	<b>408</b>	<b>98,1%</b>	<b>16,159</b>	<b>15,999</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

DIRECT CHARGES	2023/24							2022/23	
	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
<b>Sub Programme</b>									
1. Members remuneration	2 167	(23)	-	2,144	2,144	-	100%	2,059	2,053
<b>Total for sub programmes</b>	<b>2 167</b>	<b>(23)</b>	<b>-</b>	<b>2,144</b>	<b>2,144</b>	<b>-</b>	<b>100%</b>	<b>2,059</b>	<b>2,053</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>2 167</b>	<b>(23)</b>	<b>-</b>	<b>2,144</b>	<b>2,144</b>	<b>-</b>	<b>100%</b>	<b>2,059</b>	<b>2,053</b>
<b>Compensation of employees</b>	<b>2 167</b>	<b>(23)</b>	<b>-</b>	<b>2,144</b>	<b>2 144</b>	<b>-</b>	<b>100%</b>	<b>2,059</b>	<b>2,053</b>
Salaries and Wages	1 918	(62)	-	1,856	1,856	-	100%	1,741	1,740
Social Contributions	249	39	-	288	288	-	100%	318	313
<b>Total</b>	<b>2 167</b>	<b>(23)</b>	<b>-</b>	<b>2,144</b>	<b>2,144</b>	<b>-</b>	<b>100%</b>	<b>2,059</b>	<b>2,053</b>

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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

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

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

**II. 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.

**III. 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.

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

**4.1 Per programme**

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Programme 1- Administration	288, 310	285, 633	2, 677	0,9%
Programme 2-Local Governance	267, 962	264, 603	3, 359	1,3%
Programme 3- Development & Planning	113, 685	110, 604	3, 081	2,7%
Programme 4- Trad. Institutional Admin.	368, 413	363, 894	4, 519	1,2%
Programme 5- House of Traditional Lead.	34, 592	33, 877	715	2,1%
<b>Total</b>	<b>1,072, 962</b>	<b>1,058, 611</b>	<b>14,351</b>	<b>1,3%</b>

**PROGRAMME 1 – Administration**

- The Programme spent 99,1% of the allocated budget of R288,310 million recording an underspending of R2,677 million. The unexpended funds will be surrendered to the Provincial Revenue Fund.

**COMPENSATION OF EMPLOYEES**

- Underspent by R2,163 million which equates to 1,2% and the under spending is immaterial as it is below 2%.
- The reason for this under expenditure is due to non-granting of approval by PCMT to fill in vacant funded posts. The ARP implementation is continuing into the 2024/25 financial year.

**GOODS & SERVICES**

- An under expenditure of R640 thousand which equates to 0,9% was recorded and is immaterial as it is below 2%.
- The year-end under spending is mainly from the following factors:

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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

**Travel and Subsistence:**

- This is mainly attributable to savings realised from the implementation of Cost Containment measures. There were few batches that could not be processed by financial year end as they were awaiting invoices.

**Operating payments:**

- This is due to savings realised on budget that was set aside for resettlement; in respect of employees who would have ordinarily been employed as per the planned 2023/24 Annual Recruitment Plan (ARP) that has experienced delay to implement.

**PROGRAMME 2 – Local Governance**

- The Programme spent 98,7% of the final appropriation of R267,962 million recording an underspending of R3,359 million or 1,3% which is below 2% deviation threshold. The unexpended funds will be surrendered to the Provincial Revenue Fund.

**1.COMPENSATION OF EMPLOYEES**

- Underspent by R3,102 million equates to 1,2% and is immaterial as it is below the 2% deviation threshold.

**2.GOODS & SERVICES**

- The under expenditure of R257 thousand which equates to 2,1% was recorded and is mainly evident on the following:
- This is mainly due to delays in the delivery of stationery ordered under Municipal Public Participation. This was only delivered and paid in April 2024.
- Furthermore, there were claims that could not be processed as they were submitted after the last run of March 2024.

**PROGRAMME 3 – Development and Planning**

- The Programme spent 97,3% of the final appropriation of R113,685 million recording an underspending of R3,081 million or 2.7%. The unexpended funds will be surrendered to the Provincial Revenue Fund.

**1. COMPENSATION OF EMPLOYEES**

- Underspent by R2,958 million which equates to 3% and this is attributable to the fact that the department experienced some delays in implementing the 2023/24 financial year ARP.
- These delays were amongst other factors due to non-granting of approval by PCMT to fill in vacant funded posts.
- Furthermore, the DPSA directive had an impact on delays which the department is obliged to comply with when effecting the appointments.
- The Department remains committed to ensuring that vacant and critical posts are filled once OTP has given the approval, through PCMT, to proceed with the recruitment.

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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

**2. GOODS & SERVICES**

- The year end under- spending amounts to R93 thousand which equates to 0.7% and is immaterial as it is below the 2% deviation threshold.

**3. PAYMENT OF CAPITAL ASSETS**

- The under-expenditure amounts to R30 thousand which equates to 2% and is mainly due to:
- The department experienced delays in the installation of the GPS tracking device needed to locate the drones and it had to be imported due to non-availability in the country. The delivery has only been made in April 2024.

**PROGRAMME 4 – Traditional Institution Management**

- The Programme spent 98,8% of the final appropriation of R368,413 million recording an underspending of R4,519 million or 1.2%. The unexpended funds will be surrendered to the Provincial Revenue Fund.

**1. COMPENSATION OF EMPLOYEES**

- Underspent by R3,889 million which equates to 1,1% and this is attributable to the fact that the department experienced some delays in implementing the 2023/24 financial year ARP.
- These delays were amongst other factors due to non-granting of approval by PCMT to fill in vacant funded posts.
- Furthermore, the DPSA directive had an impact on delays which the department is obliged to comply with when effecting the appointments.
- The Department remains committed to ensuring that vacant and critical posts are filled once OTP has given the approval, through PCMT, to proceed with the recruitment.

**2. GOODS & SERVICES**

- The under-expenditure amounts to R346 thousand which equates to 1,6% and is mainly due to:
- The commitments amounting to R321 thousand relating to tent hire, catering and accommodation as at 31 March 2024.

**3. TRANSFERS AND SUBSIDIES**

- The year end under- spending amounts to R43 thousand which equates to 0.6% and is immaterial as it is below 2% deviation threshold.

**4. PAYMENT OF CAPITAL ASSETS**

- The under- expenditure amounting to R241 thousand which equates to 27.3% is caused by the remaining balance that could not be processed or spent to finalise AmaGqunukhwebe Traditional Council.
- The remaining amount is for the procurement of furniture.

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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

**PROGRAMME 5 – House of Traditional Leaders**

The Programme spent 97,9% of the final appropriation of R34,592 million recording an underspending of R715 thousand or 2.1%. The unexpended funds will be surrendered to the Provincial Revenue Fund.

**1. COMPENSATION OF EMPLOYEES**

- Underspent by R433 thousand which equates to 1,8% and is immaterial as it is below the 2% deviation threshold.

**2. GOODS & SERVICES**

- The under-expenditure amounts to R253 thousand which equates to 2,4% and is mainly due to:
- The savings realised on the travelling as well as rental & hiring during the year under review.
- There was a commitment on catering for chairperson's forum of the Provincial House of Traditional Leaders.

**3. TRANSFERS AND SUBSIDIES**

- The year end under- spending amounts to R3 thousand which equates to 1% and is immaterial as it is below 2% deviation threshold.

**4. PAYMENT OF CAPITAL ASSETS**

The under expenditure amounting to R26 thousand which equates to 36,1% relates to savings realised on procurement of camera and domestic equipment for the Provincial House of Traditional Leaders.

**4.2 Per economic classification**

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
<b>Current payments</b>	<b>1,026,358</b>	<b>1,012,228</b>	<b>14,130</b>	<b>1,4%</b>
Compensation of employees	900,003	887,458	12,545	1,4%
Goods and services	126,355	124,766	1,589	1,3%
Interest and rent on land	-	4	(4)	-
<b>Transfers and subsidies</b>	<b>20,555</b>	<b>20,509</b>	<b>46</b>	<b>0,2%</b>
Provinces and municipalities	149	149	-	-
Households	20,406	20,360	46	0,2%
<b>Payments for capital assets</b>	<b>26,049</b>	<b>25,716</b>	<b>333</b>	<b>1,3%</b>
Buildings and other fixed structures	882	641	241	27,3%
Machinery and equipment	25,167	25,075	92	0,4%
Intangible assets				
<b>Payments for financial assets</b>	<b>-</b>	<b>158</b>	<b>(158)</b>	<b>-</b>
<b>Total</b>	<b>1,072,962</b>	<b>1,058,611</b>	<b>14,351</b>	<b>1,3%</b>

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**NOTES TO THE APPROPRIATION STATEMENT  
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The department spent has 98,7% of the final appropriation of R1,073 billion, recording an under-expenditure of R14,351 million which equates to 1.3% and commitments amounting to R1,343 million.

**1. COMPENSATION OF EMPLOYEES**

- The department recorded an under-expenditure amounting to R12,545 million by 1.4% due some delays in implementing the 2023/24 financial year ARP.
- These delays were among other factors due to, non-granting of approval by PCMT to fill in vacant funded posts.
- Furthermore, the DPSA directive had an impact on delays which the department is obliged to comply with when effecting the appointments.
- The Department remains committed to ensuring that vacant and critical posts are filled once OTP has given the approval, through PCMT, to proceed with the recruitment.

**2. GOODS & SERVICES**

- The department recorded under-expenditure amounting to R1,589 million with commitments totalling to R1,343 million where some were waiting for outstanding invoices and services to be rendered as at 31 March 2024.

**3. TRANSFERS AND SUBSIDIES**

- An under-expenditure of R46 thousand which equates to 1,2% was recorded and is immaterial as it is below 2%.

**4. PAYMENTS FOR CAPITAL ASSETS**

- The under- expenditure amounting to R333 thousand which equates to 1.2% is caused by the remaining balance that could not be processed or spent to finalise AmaGqunukhwebe Traditional Council and it relates to the procurement of office furniture.
- Furthermore, savings were realised on procurement of camera and domestic equipment for the Provincial House of Traditional Leaders.
- Due to delays in the installation of the GPS tracking device needed to locate the drones as it had to be imported due to non-availability in the country.

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NOTES TO THE APPROPRIATION STATEMENT  
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4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Expanded Public Works Programme (EPWP)	2,040	2,040	-	-
<b>Total</b>	<b>2,040</b>	<b>2,040</b>	-	-

The conditional grant relating to Expanded Public Works Programme (EPWP) had been fully spent for the 2023/24 financial year.



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**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2024**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	1,070,818	1,024,073
Statutory appropriation	2	2,144	2,059
Departmental revenue	3	1,769	1,130
<b>TOTAL REVENUE</b>		<b>1,074,731</b>	<b>1,027,262</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>		<b>1,012,228</b>	<b>958,157</b>
Compensation of employees	4	887,458	856,705
Goods and services	5	124,766	101,452
Interest and rent on land	6	4	-
<b>Transfers and subsidies</b>		<b>20,509</b>	<b>17,717</b>
Transfers and subsidies	8	20,509	17,717
<b>Expenditure for capital assets</b>		<b>25,716</b>	<b>12,070</b>
Tangible assets	9	25,716	11,695
Intangible assets	9	-	375
<b>Payments for financial assets</b>	7	<b>158</b>	<b>701</b>
<b>TOTAL EXPENDITURE</b>		<b>1,058,611</b>	<b>988,645</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>16,120</b>	<b>38,617</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>14,351</b>	<b>37,487</b>
Annual appropriation		14,351	37,478
Statutory appropriation		-	6
Conditional grants		-	3
Departmental revenue and NRF receipts	15	1,769	1,130
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>16,120</b>	<b>38,617</b>

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**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2024**

	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>16,050</b>	<b>38,361</b>
Cash and cash equivalents	10	15,881	38,143
Prepayments and advances	11	63	182
Receivables	12	106	36
<b>Non-current assets</b>		<b>430</b>	<b>361</b>
Receivables	12	430	361
<b>TOTAL ASSETS</b>		<b>16,480</b>	<b>38,722</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>16,351</b>	<b>38,700</b>
Voted funds to be surrendered to the Revenue Fund	13	14,351	37,481
Statutory Appropriation to be surrendered to the Revenue Fund	14	-	6
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	1,505	777
Payables	16	495	436
<b>TOTAL LIABILITIES</b>		<b>16,351</b>	<b>38,700</b>
<b>NET ASSETS</b>		<b>129</b>	<b>22</b>
	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>Represented by:</b>			
Recoverable revenue		129	22
<b>TOTAL</b>		<b>129</b>	<b>22</b>

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**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2024**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>Recoverable revenue</b>			
Opening balance		22	98
<b>Transfers:</b>		<b>107</b>	<b>(76)</b>
Debts recovered (included in departmental revenue)		-	(76)
Debts raised		107	-
Closing balance		129	22
<b>TOTAL</b>		<b>129</b>	<b>22</b>

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**CASH FLOW STATEMENT  
for the year ended 31 March 2024**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>1,076,648</b>	<b>1,029,096</b>
Annual appropriation funds received	1.1	1,070,818	1,024,073
Statutory appropriation funds received	2	2,144	2,059
Departmental revenue received	3	3,677	2,927
Interest received	3.2	9	37
Net (increase)/decrease in net working capital		108	288
Surrendered to Revenue Fund		(40,445)	(9,386)
Current payments		(1,012,224)	(958,157)
Interest paid	6	(4)	-
Payments for financial assets		(158)	(701)
Transfers and subsidies paid		(20,509)	(17,717)
<b>Net cash flow available from operating activities</b>	17	<b>3,416</b>	<b>43,423</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(25,716)	(12,070)
(Increase)/decrease in non-current receivables	12	(69)	588
<b>Net cash flow available from investing activities</b>		<b>(25,785)</b>	<b>(11,482)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		107	(76)
<b>Net cash flows from financing activities</b>		<b>107</b>	<b>(76)</b>
Net increase/(decrease) in cash and cash equivalents		(22,262)	31,865
Cash and cash equivalents at beginning of period		38,143	6,278
<b>Cash and cash equivalents at end of period</b>	18	<b>15,881</b>	<b>38,143</b>

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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 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

<b>1.</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2.</b>	<b>Going concern</b> The financial statements have been on a going concern basis.
<b>3.</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
<b>4.</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5.</b>	<b>Comparative information</b>
<b>5.1</b>	<b>Prior period comparative information</b> 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.
<b>5.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>6.</b>	<b>Revenue</b>
<b>6.1</b>	<b>Appropriated funds</b> 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

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	<p>are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>Appropriated funds are measured at the amount's receivable.</p> <p>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.</p>
<b>6.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>6.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
<b>7.</b>	<p><b>Expenditure</b></p>
<b>7.1</b>	<p><b>Compensation of employees</b></p>
<b>7.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>7.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
<b>7.2</b>	<p><b>Other expenditure</b></p> <p>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.</p> <p>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.</p>

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<b>7.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.</p>
<b>7.4</b>	<p><b>Leases</b></p>
<b>7.4.1</b>	<p><b>Operating leases</b></p> <p>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.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>7.4.2</b>	<p><b>Finance leases</b></p> <p>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.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <p>cost, being the fair value of the asset; or</p> <p>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p>
<b>8.</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
<b>9.</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>The department recognises the prepayment and advances in the statement of financial position (capitalises) and only expenses it when the goods and services have been rendered/received or delivered.</p>
<b>10.</b>	<p><b>Loans and receivables</b></p> <p>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.</p>
<b>11.</b>	<p><b>Financial assets</b></p>
<b>11.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p>

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	<p>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.</p> <p>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.</p>
<b>11.2</b>	<p><b>Impairment of financial assets</b></p> <p>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.</p>
<b>12.</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
<b>13.</b>	<p><b>Capital assets</b></p>
<b>13.1</b>	<p><b>Immovable capital assets</b></p> <p>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.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>13.2</b>	<p><b>Movable capital assets</b></p> <p>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.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>13.3</b>	<p><b>Intangible capital assets</b></p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p>



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	<p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>13.4</b>	<p><b>Project costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>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.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
<b>14.</b>	<p><b>Provisions and contingents</b></p>
<b>14.1</b>	<p><b>Provisions</b></p> <p>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.</p>
<b>14.2</b>	<p><b>Contingent liabilities</b></p> <p>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.</p>
<b>14.3</b>	<p><b>Contingent assets</b></p> <p>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.</p>
<b>14.4</b>	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>15.</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p>

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	<ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> <li>• unauthorised expenditure that was under assessment in the previous financial year;</li> <li>• unauthorised expenditure relating to previous financial year and identified in the current year; and</li> <li>• Unauthorised incurred in the current year.</li> </ul>
<p><b>16.</b></p>	<p><b>Fruitless and wasteful expenditure</b></p> <p>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.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p> <ul style="list-style-type: none"> <li>• fruitless and wasteful expenditure that was under assessment in the previous financial year.</li> <li>• fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and</li> <li>• fruitless and wasteful expenditure incurred in the current year.</li> </ul>
<p><b>17.</b></p>	<p><b>Irregular expenditure</b></p> <p>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.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> <li>• irregular expenditure that was under assessment in the previous financial year.</li> <li>• irregular expenditure relating to previous financial year and identified in the current year; and</li> <li>• irregular expenditure incurred in the current year.</li> </ul>
<p><b>18.</b></p>	<p><b>Changes in accounting policies, estimates and errors</b></p> <p>Changes in accounting policies are applied in accordance with MCS requirements.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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19.	<b>Events after the reporting date</b> Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
20.	<b>Departures from the MCS requirements</b> The management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard and not has departed from MCS requirement to achieve fair presentation
21.	<b>Recoverable revenue</b> Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
22.	<b>Related party transactions</b> Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
23.	<b>Inventories</b> 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 were intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
24.	<b>Employee benefits</b> 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.
25.	<b>Transfer of functions</b> 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.
26.	<b>Foreign currency translation</b> 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.

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**PART B: EXPLANATORY NOTES**

**1. Annual Appropriation**

**1.1. Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

Programmes	2023/24			2022/23		
	Final Budget R'000	Actual Funds Received R'000	Funds not requested / not received R'000	Final Budget R'000	Appropriation Received R'000	Funds not requested / not received R'000
Administration	286,166	286,166	-	275,663	275,663	-
Local Governance	267,962	267,962	-	246,902	246,902	-
Development and Planning	113,685	113,685	-	113,551	113,551	-
Traditional Institutional Management	368,413	368,413	-	358,514	358,514	-
House of Traditional Leaders	34,592	34,592	-	29,443	29,443	-
<b>Total</b>	<b>1,070,818</b>	<b>1,070,818</b>	<b>-</b>	<b>1,024,073</b>	<b>1,024,073</b>	<b>-</b>

- The department requested and received all its appropriated funds from Provincial Treasury amounting to R 1,071 billion which includes conditional grants of R 2,040 million for the year ended 31 March 2024.
- The amount reflected in note 1.1 above exclude the MEC's budget (statutory appropriation) as a direct charge to the vote amounting to R 2,144 million as it is reflected separately in the note 2 below.

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**1.2. Conditional grants**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Total grants received	31	<b>2,040</b>	<b>2,284</b>
Provincial grants included in total grants received		2,040	2,284

- The conditional grants budget and amount requested and received relating to Expanded Public Works Programme (EPWP) are included in the amount in note 1.1 above.
- The department spent the whole allocated conditional grant amount as at 31 March 2024.

**2. Statutory Appropriation**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Members' remuneration		2,144	2,059
<b>Total</b>		<b>2,144</b>	<b>2,059</b>
Actual Statutory Appropriation received		2,144	2,059
Statutory Appropriation not requested / not received		-	-

- Member's remuneration relates to the Honourable Member of the Executive Council (MEC) budget and are excluded in note 1.1 above.

**3. Departmental revenue**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Sales of goods and services other than capital assets	3.1	1,169	1,142
Interest, dividends and rent on land	3.2	9	37
Transaction in financial assets and liabilities	3.3	2,508	1,785
<b>Total revenue collected</b>		<b>3,686</b>	<b>2,964</b>
Less: Own revenue included in appropriation	19	(1,917)	(1,834)
<b>Total</b>		<b>1,769</b>	<b>1,130</b>

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- The department collected revenue amounting to R 3,686 million as at 31 March 2024.
- The revenue collected is more than own revenue included in appropriation (budgeted for) of R 1,917 million (compared to R2,964 million which was collected in 2022/23 financial year which was also more than own revenue included in appropriation of R 1,834 million).
- There is an over-collection of revenue amounting to R 1,769 million as at 31 March 2024 (compared to R1,130 million over-collected in 2022/23 financial year).
- The departmental revenue source emanates from insurance commission (from third parties).
- The significant collection that resulted in over collection relates to the claims paid by insurance companies on executive cars that were involved in an accident as well as proceeds from auctions of executive vehicles.
- These funds were received and paid over to Provincial Treasury in terms of Division of Revenue Act (Dora) as the expenditure relates to previous financial years.

**3.1. Sales of goods and services other than capital assets**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Sales of goods and services produced by the department		<b>1,169</b>	<b>1,142</b>
Other sales		1,169	1,142
<b>Total</b>	<b>3</b>	<b>1,169</b>	<b>1,142</b>

- The revenue collection emanates from sources such as commission insurance from third parties and commission from insurance (third parties).

**3.2. Interest, dividends and rent on land**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Interest		9	37
<b>Total</b>	<b>3</b>	<b>9</b>	<b>37</b>

- The department generated a revenue in 2023/24 financial year relating to interest, dividend and rent on land amounting to R 9 thousand (compared to R 37 thousand generated in 2022/23 financial year for interest received from staff debtors).

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**3.3. Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Other receipts including recoverable revenue		2,508	1,785
<b>Total</b>	<b>3</b>	<b>2,508</b>	<b>1,785</b>

- The transactions in financial assets and liabilities relates to revenue collected from previous year's revenue for debts, auction and other receipts including recoverable revenue.
- This includes proceeds received from insurance company for executive motor vehicles that were involved in an accident as well as auction proceeds of executive vehicles.
- These amounts have since been paid over to provincial revenue fund (PRF) in terms of division of revenue act (DoRA).
- The department will request back the proceeds from Provincial Treasury to purchase the vehicle for the King/s and other provincial house executive members (as and when a car is needed).

**4. Compensation of employees**

**4.1. Analysis of balance**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Basic salary		693,974	650,350
Performance award		-	208
Service based		429	443
Compensative/circumstantial		24,396	23,678
Other non-pensionable allowances		62,950	82,497
<b>Total</b>		<b>781,749</b>	<b>757,176</b>

- There is an increase in salaries and wages by R 24,573 million in 2023/24 financial year compared to 2022/23. (R 781,749 million paid in 2023/24 compared to R 757,176 million in 2022/23 financial year)
- The increase relates to basic salary due to appointment of new employees during the year and the salary adjustment on the cost-of-living (salary increase for employees)
- There were, however, employees and traditional leaders that were terminated during the year under review due to death, early retirement, and ill-health.

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**4.2. Social contributions**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>Employer contributions</b>			
Pension		62,526	58,577
Medical		43,026	40,800
Bargaining council		157	152
<b>Total</b>		<b>105,709</b>	<b>99,529</b>
<b>Total compensation of employees</b>		<b>887,458</b>	<b>856,705</b>
<b>Average number of employees</b>		<b>2 615</b>	<b>2 633</b>

**Social contributions:-**

- There is an increase in social contributions by R 6,180 million in 2023/24 financial year compared to 2022/23 financial year.
- The increase in social contributions is due to the appointed employees as well as increase in rates for social contribution for medical aid and pension.

**Average number of employees:-**

- The average number of employees relates to employees and public office bearers.
- There is a net decrease of eighteen employees (18) during the year under reporting (2023/24 financial year).
- The net decrease is due to termination of employees/traditional leaders to resignations, ill-health, early retirement, and death.
- There were also appointments of employees that were made during 2023/24 financial year.

**5. Goods and services**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Administrative fees		-	2
Advertising		1,161	374
Minor assets	5.1	575	4
Bursaries (employees)		608	608
Catering		5,024	2,095
Communication		15,077	10,197
Computer services	5.2	3,330	9,008



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Consultants: Business and advisory services		4,875	4,615
Legal services		10,535	6,877
Contractors		2,270	2,720
Agency and support / outsourced services		720	748
Entertainment		182	219
Audit cost - external	5.3	6,257	7,001
Fleet services		8,426	10,131
Inventories	5.4	20	-
Consumables	5.5	2,934	1,583
Operating leases		4,311	1,458
Property payments	5.6	2,149	2,023
Rental and hiring		1,802	994
Travel and subsistence	5.7	41,882	31,642
Venues and facilities		6,082	5,093
Training and development		1,915	165
Other operating expenditure	5.8	4,631	3,895
<b>Total</b>		<b>124,766</b>	<b>101,452</b>

- The goods and services as at 31 March 2024 amounted to R 124,766 million in 2023/24 financial year (compared to R101,452 million in 2022/23 financial year). There was an increase of R 23,314 million for overall goods and services.

**2.The significant movements on goods and services are mainly attributable to the following:-**

**(a) Legal services:-**

- The increase amounting to R 3,658 million in legal services is due to legal fees billing from the Department of Justice and Constitutional Development for legal matters that are handled on behalf of the department.
- In 2023/24, the department experienced a high volume of invoices relating to previous years, due to delays in submission of invoices by the Department of Justice and Constitutional Development.
- The department held a meeting with Department of Justice and Constitutional Development to deal with invoice matters and collected the invoices for processing.
- The amount spent by the department in 2023/24 financial year amounted to R 10,535 million (compared to 2022/23 financial year: - R 6,877 million).

**(b) Fleet services:-**

- The expenditure on Fleet Services relates to Government Fleet Management Services (GFMS) rental, maintenance, and fuel usage for white fleet from GFMS. The expenditure relates to the increase in the rate card by GFMS in the 2023/24 financial year, additional new vehicles as well as increase in global oil prices because of the geopolitical tensions.

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- There is, however, a decrease in expenditure in 2023/24 compared to 2022/23 financial year on fleet services. It is due to nine (9) vehicles that have expired lease and are paid at a reduced rental amount until the motor vehicle is replaced by GFMS as per signed service level agreement.
- The amount spent by the department in 2023/24 financial year amounted to R8,426 million (compared to 2022/23 financial year: R 10,131 million).

**(c) Operating leases:-**

- The increase is due to the awarding of a contract for printing services. The department participated in the National Treasury TR 3-2022 transversal contract for the appointment of a service provider to supply, install, deliver and commission of office automation for fixed rental usage.
- The department appointed Conica Minolta (for large machines) for rendering of printing services and signed a participation agreement for lease on the 28 March 2023.
- The contract started on the 1 April 2023 up to 31 March 2026 for a period of 36 months.
- The department also appointed Metro Computer Services (for small machines) for rendering of printing services and signed a participation agreement for lease on the 6th of June 2023.
- The contract started on the 1 June 2023 up to 31 May 2026 for a period of 36 months.
- The amount spent by the department in 2023/24 financial year amounted to R 4,311 million (compared to 2022/23: R 1,458 million)

**(d) Travel and subsistence:-**

- The increase in travel and subsistence is due to travel PERSAL claims by employees in the department performing operational activities to achieve departmental APP and operational plans.
- The amount spent by the department in 2023/24 financial year amounted to R 41,882 million (compared to 2022/23: R 31,642 million).

**(e) Training and development:-**

- The increase is attributed to the training activities undertaken for employees and traditional leaders.
- The expenditure made in 2023/24 financial year for training and development amounted to R 1,915 million (compare to R 165 thousand incurred in 2022/23 financial year).

**(f) Computer services:-**

- The decline in computer services is due to payment of Microsoft Licence which is centralised to the Office of the Premier (OTP). The department has spent R 3,330 as compared to 2022/23 financial year: R 9,008 million.

**(g) Catering:-**

- The increase is due to the department incurring expenditure related to catering because of meetings and other departmental activities held to achieve implementation of departmental operational plan.

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- The expenditure made in 2023/24 financial year for catering amounted to R 5,024 million (compared to R 2,095 million incurred in 2022/23 financial year)

**(h) Communication:-**

- The increase is due to the department incurring expenditure related to communication activities such as payment – Vodacom for cell phones and 3G's for airtime and data, telephone etc.
- The expenditure made in 2023/24 financial year for communication amounted to R 15,077 million (compared to R 10,197 million incurred in 2022/23 financial year).

**5.1. Minor assets**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>Tangible capital assets</b>			
Machinery and equipment		575	4
<b>Total</b>	<b>5</b>	<b>575</b>	<b>4</b>

- The department bought minor assets relating to chairs for traditional councils and traditional kingdoms as well as office furniture for full members of Local Houses.
- The total paid was R 575 thousand in 2023/24 financial year compared to R 4 thousand paid in 2022/23 financial year.

**5.2. Computer services**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
SITA computer services		879	1,189
External computer service providers		2,451	7,819
<b>Total</b>	<b>5</b>	<b>3,330</b>	<b>9,008</b>

- The decrease in computer services is due to payment of Microsoft Licence which was centralised to the office of the Premier in 2023/24 financial year and other computer accessories that were purchased.
- The computer services paid in 2023/24 financial year amounted to R 3,330 million compared to R 9,008 million paid in 2022/23 financial year.

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**5.3. Audit cost - external**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Regularity audits		6,257	7,001
<b>Total</b>	<b>5</b>	<b>6,257</b>	<b>7,001</b>

- The audit fees relate to regularity audit planning and execution conducted by the Auditor General in 2022/23 financial year.
- The decrease in audit fees was also due to reliance placed by Auditor General on the work of internal audit on asset verification for 2023/24 financial year.

**5.4. Inventory**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Other supplies	5.4.1	20	-
<b>Total</b>	<b>5</b>	<b>20</b>	<b>-</b>

- The inventory for distribution relates to the water tanks procured for the Mngqesha Great Place as part of support to Traditional Leadership Institution in line with the departmental mandate.
- The water tanks were distributed to the Mngqesha Great Place.

**5.4.1. Other supplies**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Assets for distribution			
Other assets for distribution		20	-
<b>Total</b>	<b>6.4</b>	<b>20</b>	<b>-</b>

- The other supplies as disclosed in sub-note 5.4.1 above relates to water tanks distributed to Mngqesha Great Place as part of support to Traditional Leadership Institutions.

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**5.5. Consumables**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Consumable supplies		<b>1,434</b>	<b>410</b>
Uniform and clothing		247	60
Household supplies		625	131
Communication accessories		134	149
IT consumables		268	40
Other consumables		160	30
Stationery, printing, and office supplies		1,500	1,173
<b>Total</b>	<b>5</b>	<b>2,934</b>	<b>1,583</b>

**The Other" consumables items disclosed in sub-note 5.5 above: -**

It relates to the following items purchased in 2023/24:-

- Gifts and awards R 85 thousand
- Bags and accessories R 4 thousand
- Audio visual cons R 36 thousand
- Electric spares R11 thousand
- Build & Const. supp R 24 thousand

The other consumables purchased in 2023/24 financial year was R 160 thousand compared to R 30 thousand paid in 2022/23 financial year.

The significant increase in consumables in 2023/24 financial year was due to purchase of household's supplies, stationery, printing and office supplies.

**5.6. Property payments**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Property maintenance and repairs		2,149	2,023
<b>Total</b>	<b>5</b>	<b>2,149</b>	<b>2,023</b>

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**5.7. Travel and subsistence**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Local		41,882	31,634
Foreign		-	8
<b>Total</b>	<b>5</b>	<b>41,882</b>	<b>31,642</b>

- The increase in travel and subsistence by R10,240 million is due to travelling PERSAL claims by staff members and traditional leaders (for sitting allowance) in executing departmental activities in line with the approved annual operational plan and operational plan for 2023/24 financial year.

**5.8. Other operating expenditure**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Professional bodies, membership, and subscription fees		149	44
Resettlement costs		1,203	1,406
Other		3,279	2,445
<b>Total</b>	<b>5</b>	<b>4,631</b>	<b>3,895</b>

**The Other operating expenditure (other line item) disclosed in sub-note 5.8 above relates to the following: -**

- Non-life insurance premium (for executive vehicles) R 1,825 million.
- Subscriptions, printing, and publication services R 911 thousand and,
- Warranties and guarantees R 543 thousand.

The amount paid for other operating expenditure (other line item) in 2022/23 amounted to R 2,445 million.

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**6. Interest and rent on land**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Interest paid		4	-
<b>Total</b>		<b>4</b>	<b>-</b>

- The department incurred interest which was paid for an over-due performance bonus to one employee. The department had to honour the bargaining council settlement agreement relating to an outstanding performance bonus which was not paid by the department for qualifying employee with interest at legal rate.
- The interest is included in the fruitless and wasteful expenditure register of the department and necessary processes are being followed to deal with the matter in line with the framework for fruitless and wasteful expenditure as well as policy on fruitless and wasteful expenditure.
- The matter is being handled by the Expenditure Review Committee (ERC) of the department.

**7. Payments for financial assets**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Debts written off	7.1	158	701
<b>Total</b>		<b>158</b>	<b>701</b>

- The department wrote off debts relating to staff debts for traditional leaders and few employees amounting to R 158 thousand in line with the departmental debt management, recovery and write off policy.
- All reasonable steps have been taken to recover the debt and the debt is irrecoverable is, or he/she is convinced that:
  - ✓ Recovery of the debt would be uneconomical,
  - ✓ Recovery would cause undue hardship to the debtor or his/her dependants; and or
  - ✓ It would be to the advantage of the state to affect a settlement of the claim or to waive the claim.
- These debts could not be recovered after all the recovery processes were followed in line with the policy.
- An amount of R 701 thousand was written off in 2022/23 financial year and related to staff debts.

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**7.1. Debts written off**

<b>Nature of debts written off</b>	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Staff debts written off		158	701
<b>Total</b>		<b>158</b>	<b>701</b>
<b>Total debt written off</b>	7	<b>158</b>	<b>701</b>

**Description of the nature of losses:-**

- The nature of losses relates to debts written off by the department in 2023/24 financial year for staff debts of traditional leaders and employees.
- These debts were written off against departmental savings in line with the approved debt management, recovery and write off policy.
- These debts could not be recovered after all the recovery processes were followed in line with the debt management, recovery and write off policy.

**8. Transfers and subsidies**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Provinces and municipalities	48	149	-
Households	<i>Annex 1G</i>	20,360	17,717
<b>Total</b>		<b>20,509</b>	<b>17,717</b>

**Provinces and municipalities:-**

- The department paid licencing fees to the Government Fleet Management Services (GFMS) for the licencing of motor vehicles of executive fleet to the Buffalo City Metro Municipality (BCMM).

**Households:-**

**Transfers to households:**

- The department paid an amount R 20,360 million in 2023/24 financial year (compared to R 17,717 million paid in 2022/23 financial year) for households as follows (see annexure 1 G):-
  - ✓ Post retirement benefit R 440 thousand.
  - ✓ Leave gratuity for employees and gratuity for traditional leaders respectively combined amounts R 13,687 million.
  - ✓ Injury on duty R 3 thousand
  - ✓ Pension Liability R 6,230 million



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**9. Expenditure for capital assets**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>Tangible capital assets</b>		<b>25,716</b>	<b>11,695</b>
Buildings and other fixed structures		641	979
Machinery and equipment		25,075	10,716
<b>Intangible capital assets</b>		<b>-</b>	<b>375</b>
Software		-	375
<b>Total</b>		<b>25,716</b>	<b>12,070</b>

- The machinery and equipment include the finance leases relating to the rental of white fleet that have been capitalised amounting to R8,004 million as at 31 March 2024 (compared to R 7,524 million in 2022/23 financial year).

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

Name of entity	<b>2023/24</b>		
	<b>Voted funds</b>	<b>Aid assistance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible capital assets</b>	<b>25,716</b>	<b>-</b>	<b>25,716</b>
Buildings and other fixed structures	641	-	641
Machinery and equipment	25,075	-	25,075
<b>Total</b>	<b>25,716</b>	<b>-</b>	<b>25,716</b>

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

Name of entity	<b>2022/23</b>		
	<b>Voted funds</b>	<b>Aid assistance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible capital assets</b>	<b>11,695</b>	<b>-</b>	<b>11,695</b>
Buildings and other fixed structures	979	-	979
Machinery and equipment	10,716	-	10,716
<b>Intangible capital assets</b>	<b>375</b>	<b>-</b>	<b>375</b>
Software	375	-	375
<b>Total</b>	<b>12,070</b>	<b>-</b>	<b>12,070</b>

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**9.3. Finance lease expenditure included in expenditure for capital assets.**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>Tangible capital assets</b>			
Machinery and equipment		8,004	7,524
<b>Total</b>		<b>8,004</b>	<b>7,524</b>

**Finance Lease Expenditure: -**

- The capital assets expenditure includes the finance lease for motor vehicles (white fleet) leased from Government Fleet Management Services (GFMS). The lease is classified as finance lease and a register is maintained for monitoring purposes.
- The total amount paid is R 8,004 million for the period ended 31 March 2024. (Compared to R 7,524 million in 2022/23 financial year)

**10. Cash and cash equivalents**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Consolidated Paymaster General Account		15,881	38,143
<b>Total</b>		<b>15,881</b>	<b>38,143</b>

The PMG account had a balance amounting to R 15,881 million as at 31 March 2024 compared to R 38,143 million for 2022/23 financial year.

**11. Prepayments and advances**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Advances paid (Not expensed)	11.1	63	182
<b>Total</b>		<b>63</b>	<b>182</b>

**Analysis of Total Prepayments and advances**

Current Prepayments and advances		63	182
<b>Total</b>		<b>63</b>	<b>182</b>

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**Advances paid (not expensed-capitalised)**

- The department made advance payments to National School of Governance (NSG) for training and developments of employees and traditional leaders.
- NSG is the only public entity that provides training and capacitation to government institutions, and payments for trainings and developments are made in advance.
- These advances have not been expensed as services have not been delivered at year end (training and development).

**11.1. Advances paid (Not expensed)**

		<b>2023/24</b>				
		<b>Amount as at 1 April 2023</b>	<b>Less: Amounts expensed in current year</b>	<b>Add / Less: Other</b>	<b>Add Current year advances</b>	<b>Amount as at 31 March 2024</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
	<i>Note</i>					
Public entities (National School of Government- NSG)		182	(182)	-	63	63
<b>Total</b>	<b>11</b>	<b>182</b>	<b>(182)</b>	<b>-</b>	<b>63</b>	<b>63</b>

- Advance paid (not expensed) relates to advance payment made to a public entity (National School of Government) for training and development of employees and traditional leaders as per note 11 above.
- An amount of R 182 thousand was expensed in the current year (2023/24) and related to an advance payment made in previous financial year (2022/23 financial year) for NSG.

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		<b>2022/23</b>				
	<i>Note</i>	<b>Amount as at 1 April 2022</b>	<b>Less: Amounts expensed in current year</b>	<b>Add / Less: Other</b>	<b>Add Current year advances</b>	<b>Amount as at 31 March 2023</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Public entities- (National School of Government- NSG)		-	-	-	182	182
<b>Total</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182</b>	<b>182</b>

- The advances not expensed (capitalised) as at 31 March 2023 related to National School of Government (NSG) and amounted to R 182 thousand.

**12. Receivables**

		<b>2023/24</b>			<b>2022/23</b>		
	<i>Note</i>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Staff debt	12.1	1	428	429	36	356	392
Other receivables	12.2	105	2	107	-	5	5
<b>Total</b>		<b>106</b>	<b>430</b>	<b>536</b>	<b>36</b>	<b>361</b>	<b>397</b>

**Staff debt:-**

- The increase in debt account was due to debts take on of staff debts.
- The department also recovered debts during the year under review (2023/24 financial year) as well as debts written off as per note 7 above in line with the departmental debt management, recovery and write off policy.

**Other receivables:-**

- The other receivables disclosed in note 12.2 below relates to fruitless and wasteful expenditure because of no show up at the hotels and the fuel card misuse. These amounts are being recovered from the affected current employees.
- This amount is included in the debt account of the department and is being recovered monthly from the current employees affected.

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**12.1. Staff debt**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Current and ex-employees (staff debts)		429	392
<b>Total</b>	12	<b>429</b>	<b>392</b>

- There is a net increase of R 37 thousand in 2023/24 financial year relating to staff debt.
- This is due to debts taken on in 2023/24 financial year.

**12.2. Other receivables**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Fruitless and wasteful expenditure		107	5
<b>Total</b>	12	<b>107</b>	<b>5</b>

- There is a net increase of R 102 thousand in 2023/24 financial year.

**12.3. Impairment of receivables**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Estimate of impairment of receivables		158	701
<b>Total</b>		<b>158</b>	<b>701</b>

**Estimate of impairment (staff receivable): -**

- The amount disclosed as impairment of receivables (as estimates) is in terms of the departmental methodology contained in the debt management, recovery and write off policy.
- The department had identified potential debts that are likely not to be recovered relating to staff debts that are more than three (3) years of age in 2023/24 financial year.
- The estimate of impairment list includes debts that are even less than 3 years old where recovery is not possible in line with the debt management, recovery and write off.
- These debts are considered as impaired as no future benefit will be derived from them in terms of repayments and they have been identified in line with the debt management and write off policy of the department.

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- The estimate of impairment of receivable amounts to R 158 thousand in 2023/24 financial year (compared to R 701 thousand in 2022/23 financial year.

13. Voted funds to be surrendered to the Revenue Fund

	Note	2023/24 R'000	2022/23 R'000
Opening balance		37,481	6,830
Transferred from statement of financial performance (as restated)		14,351	37,481
Paid during the year		(37,481)	(6,830)
<b>Closing balance</b>		<b>14,351</b>	<b>37,481</b>

**Restatement of voted funds to be surrendered to revenue fund-prior year:-**

- The department restated the voted funds to be surrendered to the revenue fund for 2022/23 financial year due to changes in financial statements template, Accounting Manual for Departments (AMD) where the voted funds to be surrendered to revenue fund is separated from the statutory appropriation to be surrendered to the revenue fund.
- The restatement is done retrospectively (affecting the comparative figures-2022/23).
- Reconciliation on unspent conditional grants: -
  - ✓ The reconciliation on unspent conditional grants due by the provincial revenue fund is included in voted funds to be surrendered to revenue fund as per note 13 above, and the detailed reconciliation is on note 13,3 below.

**Surrender of unused (un-expended) voted funds:-**

- The department will surrender R 14,351 million as voted funds not utilised by the department for 2023/24 financial year. The amount is reflected in the exchequer grant account (equitable share) as under expenditure for 2023/24 financial year.
- In 2023/24 financial year the department surrendered R 37,481 million to the Provincial Treasury revenue fund relating to 2022/23 financial year as voted funds not utilised.

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**13.1. Reconciliation on unspent conditional grants**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Total conditional grants received	1.2	2,040	2,284
Total conditional grants spent		(2,040)	(2,281)
Unspent conditional grants to be surrendered		-	3
<b>Due by the Provincial Revenue Fund</b>		<b>-</b>	<b>3</b>

**Reconciliation on unspent conditional grants: -**

- The conditional grant relates to Expanded public works Programme (EPWP) and the reconciliation on unspent conditional grants due by the Provincial Treasury revenue fund in terms of DoRA is included in voted funds to be surrendered to revenue fund as per note 13 above.
- The unspent conditional grant due by the Provincial Treasury revenue fund for 2022/23 financial year amounted to R 3 thousand, which was surrendered in 2023/24 financial year to the Provincial Revenue Fund (PRF).
- No unspent conditional grant due by the provincial revenue fund as the department utilised all its grants for EPWP as at 31 March 2024.

**14. Statutory Appropriation to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Opening balance		6	-
<b>As restated</b>		<b>6</b>	-
Transferred from statement of financial performance (as restated)		-	6
Paid during the year		(6)	-
<b>Closing balance</b>		<b>-</b>	<b>6</b>

**Statutory appropriation to be surrendered to the provincial revenue fund (PRF): -**

- The new note on statutory appropriation to be surrendered to revenue fund was effective 1 April 2023 due to changes in the financial statements template and Accounting Manual for Departments.
- An amount of R 6 thousand related to statutory appropriation surplus not spent as at 31 March 2023, and was surrendered to the Provincial Treasury revenue fund in 2023/24 financial year.

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

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Opening balance		777	369
Transferred from statement of financial performance (as restated)		1,769	1,130
Own revenue included in appropriation		1,917	1,834
Paid during the year		(2,958)	(2,556)
<b>Closing balance</b>		<b>1,505</b>	<b>777</b>

**Departmental revenue to be surrendered to Provincial Revenue Fund (PRF)**

- The departmental revenue funds collected to be surrendered to provincial revenue funds amounted to R 1,505 million as at 31 March 2024. The total amount included in appropriation (budgeted for) for revenue amounted to R 1,917 million (as per budget book) and the department collected a revenue amounting R 3,686 million as at 31 March 2024.
- There is an over collection of revenue for R 1,769 million in 2023/24 financial year (compared to over-collection of R 1,130 million in 2022/23 financial year)
- An amount of R 2,958 million relating to revenue collected from April 2023 up to 29 February 2024 was paid over to provincial revenue fund in 2023/24 financial year and this amount includes the R 777 thousand (opening balance) which was a revenue accrual as at 31 March 2023.

**16. Payables - current**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Other payables	16.1	495	436
<b>Total</b>		<b>495</b>	<b>436</b>

**16.1. Other payables**

<b>Description</b>	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Sal: Income Tax: CL		199	272
Sal: GEHS		14	92
Sal: Pension Fund		26	72
Sal: ACB Control		256	-
<b>Total</b>	16	<b>495</b>	<b>436</b>



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**Other payables:-**

- The other payables relate to income tax, GEHS, Sal ACB and pension fund :-
  - ✓ **Salary ACB:-** It relates to an amount rejected by the bank due to item limit.  
(R 256 thousand)
  - ✓ **Salary income tax:-** It relates to taxation not interfaced and paid over to SARS as at 31 March 2024 (R 199 thousand)
  - ✓ **GEHS:-** It relates to Government Employee Fund amount not claimed by employee at year end (R 14 thousand)
  - ✓ **Pension fund:-** It relates to pension fund not interfaced at year end (R 26 thousand).
- The other payable for 2023/24 financial year amounted to R 495 thousand, compared to R 436 thousand for R 2022/23 financial year.

**17. Net cash flow available from operating activities**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		16,120	38,617
Add back non-cash/cash movements not deemed operating activities		(12,704)	4,806
(Increase)/decrease in receivables		(70)	76
(Increase)/decrease in prepayments and advances		119	(182)
Increase/(decrease) in payables - current		59	394
Expenditure on capital assets		25,716	12,070
Surrenders to Revenue Fund		(40,445)	(9,386)
Statutory Appropriation not requested/not received		-	-
Own revenue included in appropriation		1,917	1,834
<b>Net cash flow generated by operating activities</b>		<b>3,416</b>	<b>43,423</b>

**18. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Consolidated Paymaster General account		15,881	38,143
<b>Total</b>		<b>15,881</b>	<b>38,143</b>

- The PMG account at year end had an amount of R 15,881 million as at 31 March 2024 compared to R 38,143 million for 2022/23 financial year.

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**19. Contingent liabilities and contingent assets**

**19.1. Contingent liabilities**

<b>Liable to</b>	<b>Nature</b>	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Claims against the department		<i>Annex 3B</i>	2,426	7,185
Intergovernmental payables(unconfirmed)		<i>Annex 5</i>	5,702	2
<b>Total</b>			<b>8,128</b>	<b>7,187</b>

**Contingent liabilities**

**1. Claims against the department: -**

**1.1 Description, nature and uncertainties relating to litigations and claims against the department:**

**(a) Description of matters: -**

- i. The department received claims that are handled by state attorneys. The opening balance as at 1 April 2023 amounted to R 7,185 million and the department did not receive or incur a contingent liability as at 31 March 2024.
- ii. There is a reduction of R 4,759 million in contingent liability relating to breach of agreement and contractual obligation matter for one ex-employee. The matter was set aside by the court in 2023/24 financial year.
- iii. The outstanding contingent liabilities are estimated amounts, and the department is uncertain of the outcome as it will be decided by the court whether the department will be liable or not.
- iv. The closing balance for claims against the department as at 31 March 2024 amounted to R 2,426 million.

**(b) Nature and uncertainty**

- v. The nature and uncertainty of claims and litigation against the department relates to different categories and are still pending listed as follows: -
- vi. **Opening balance-1 April 2023 (claims against the department): -**
  - ✓ **Breach of contract of agreement and contractual agreement:** - relates to breaches of contracts and contractual agreements. The total amount claimed against the department relating to these breaches amounts to R 5,899 million. The department is uncertain of the outcome of these matters as it will be decided by the court whether the department will be liable or not. These matters relate to previous financial years.

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- ✓ **Motor vehicle accident claim for damages:** - relates to Motor Vehicle Accident (MVA) claim made, and the total amount claimed against the department relating to MVA is R21 (R'000). The department is uncertain of the outcome of this matter as it will be decided by the court whether the department will be liable or not.
- ✓ **Money due to deceased estate:** - The claim relates to claim for the estate wherein the department is alleged to have paid less than what was expected by the claimant (for deceased person). The amount involved is R43 (R'000). The department is uncertain of the outcome of this matter as it will be decided by the court whether the department will be liable or not.
- ✓ **Traditional leader recognition and payment claim:** - It relates to a headman that is alleged to have been appointed by the department but not paid a salary as headman. The department is uncertain of the outcome of this matter as it will be decided by the court whether the department will be liable or not. The amount involved is R 235 thousand.
- ✓ **Misappropriation of funds claim:** - The claim relates to misappropriation of funds claim by employee employed by EC-CoGTA. The department is cited as 3<sup>rd</sup> respondent and is uncertain of the outcome of this matter as it will be decided by the court whether the department will be liable or not. The amount involved is R 87 thousand.
- ✓ **Unlawful abduction claims of initiate:** - The claim relates to the abduction of initiate by departmental employee and the department is cited as 3<sup>rd</sup> respondent together with department of police as well as social development department. The department is uncertain of the outcome of these matters as it will be decided by the court whether the department will be liable or not. The amount involved is R 900 thousand.

**1.2. The movement in contingent liabilities is due to the following: -**

**(a) Addition in claims against the department: -**

- ✓ No contingent liabilities incurred during the year of 2023/24 financial year.

**(b) Reduction in claims against the department: -**

- There is a reduction of R 4,759 million in contingent liability relating to: -
  - ✓ Breach of contract of agreement and contractual obligation for the ex- employee. The matter was decided by the court and set aside.

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**2. Intergovernmental payables (unconfirmed): -**

- The intergovernmental payables relate to unconfirmed balance for Government Fleet Management Services (GFMS) to a car alleged to have been involved in an accident amounting to R 40 thousand,
- The other inter-departmental balance relates to unconfirmed balance for Department of Justice and Constitutional Development for invoices amounting to R 5,662 million. The reasons for disputing the amounts are as follows:-
  - ✓ The invoices that do not belong to EC-CoGTA on claims amounts to R 1,041 million
  - ✓ The invoices that were not received but included in the Department of Justice and Constitutional Development (DoJ & CD) statement as at 31 March 2024 amounts to R 4,484 million.
  - ✓ The invoices received but were returned to DoJ & CD for correction/rectification as the supporting documents were not agreeing to the invoices and a schedule on the claim amounts to R 409 thousand.
  - ✓ The invoices paid by CoGTA but not reflecting on DoJ & CD statement as at 31 March 2024 amounts to R 98 thousand.
  - ✓ From the above breakdown, there is an amount of R 370 thousand that relates to a credit note that Department of Justice and Constitutional Development owes to CoGTA in 2024/25 financial year. This amount has been excluded from the DoJ & CD statement submitted to CoGTA at 31 March 2024. The amount is disclosed as inter-departmental unconfirmed receivables.

**Reconciliation/analysis summary for DoJ & CD:-**

Amount per creditors reconciliation (including credit note amount):- R 6,032 million

**Less:-** Credit note:- (R 370 thousand)

**Amount per DoJ & CD statement: - R 5,662 million**

The total contingent liabilities increased by R 941 thousand (2023/24: R 8,128 million compared to 2022/23: R 7,187 million)

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**20. Capital commitments.**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Buildings and other fixed structures		203	830
Machinery and equipment		75	7,079
<b>Total</b>		<b>278</b>	<b>7,909</b>

**Capital commitments per class: -**

- The capital commitments consist of LOGIS orders, and contracts awarded amounted to R 278 thousand as at 31 March 2024 (compared to R 7,909 million for 2022/23 financial year).
- The breakdown per class is made up of namely: -
  - (a) Buildings and other fixed structures:-**
    - ✓ Relates to buildings and other fixed structures relating to construction of AmaGqunukhwebe Traditional Council by Amajama Construction company amounting to R 203 thousand (Logis commitment 152 thousand, and contracts commitments R 51 thousand).
  - (b) Machinery and equipment:-**
    - ✓ Relates to licencing, maintenance, delivery of two integrated router drones, the capital commitment amount is R 75 thousand.

**21. Accruals and payables not recognised.**

**21.1. Accruals**

	<i>Note</i>	<b>2023/24</b>			<b>2022/23</b>
		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Listed by economic classification</b>					
Goods and services		3,211	162	3,373	5,093
Transfers and subsidies		408	-	408	2,117
Capital assets		37	-	37	-
Other		18	-	18	1,683
<b>Total</b>		<b>3,674</b>	<b>162</b>	<b>3,836</b>	<b>8,893</b>

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<b>Listed by programme level</b>	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Administration		3,511	5,665
Local Government		94	1,114
Development and Planning		89	106
Traditional Institution Management		117	1,998
House of Traditional Leaders		25	10
<b>Total</b>		<b>3,836</b>	<b>8,893</b>

**21.2. Payables not recognised.**

<b>Listed by economic classification</b>	<i>Note</i>	<b>2023/24</b>			<b>2022/23</b>
		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services		189	1	190	3,698
Interest and rent on land		-	-	-	-
Transfers and subsidies		256	-	256	-
Capital assets		-	-	-	-
Other		85	-	85	115
<b>Total</b>		<b>530</b>	<b>1</b>	<b>531</b>	<b>3,813</b>

<b>Listed by programme level</b>	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Administration		97	3,135
Local Government		273	117
Development and Planning		51	154
Traditional Institution Management		110	406
House of Traditional Leaders		-	1
<b>Total</b>		<b>531</b>	<b>3,813</b>

<b>Included in the above totals are the following:</b>	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Confirmed balances with other departments	<i>Annex 5</i>	-	2,457
Confirmed balances with other government entities	<i>Annex 5</i>	316	1,021
<b>Total</b>		<b>316</b>	<b>3,478</b>

**Accruals not recognised "Other".**

- The other accruals disclosed in note 21.1 amounting to R 34 thousand relates to compensation of employees' categories as follows:-

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<ul style="list-style-type: none"> <li>➤ Pro-rata service bonus of R16 thousand for payment made to retired employees.</li> <li>➤ Performance bonus of R15 thousand for exited employees.</li> <li>➤ Acting allowance R 3 thousand</li> </ul> <ul style="list-style-type: none"> <li>• The item “other” disclosed in note 21.1 amounted to R1,683 million in 2022/23 financial year.</li> </ul> <p><b>Payables not recognised “Other”.</b></p> <ul style="list-style-type: none"> <li>• The other payables disclosed in note 21.2 amounting to R 85 thousand relates to compensation of employees’ categories as follows: - <ul style="list-style-type: none"> <li>➤ Acting allowance R 85 thousand</li> </ul> </li> </ul> <p>The item “other” disclosed in note 21.2 amounted to R 115 thousand in 2022/23 financial year.</p>
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**22. Employee benefits**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Leave entitlement		50,228	46,493
Service bonus		20,701	19,341
Performance awards		20	20
Capped leave		12,901	15,054
Other (Long service awards)		661	505
<b>Total</b>		<b>84,511</b>	<b>81,413</b>

The employee benefits increased from R 81,413 million in 2022/23 financial year to R 84,511 million in 2023/24 financial year. An increase of R 3,098 million due to the following: -

**1.Capped Leave Commitments: -**

- Capped leave disclosed above relates to the cash value payable in respect of personnel with capped and audited leave credits is determined using the formula included in the DPSA guide Determination on Leave of Absence in the Public Service, 2008. No negative leave amount relating to capped leave as at March 2024.
- The decrease in capped leave by R 2,153 million in 2023/24 (compared to 2022/23 financial year) was due to employees that left the department during the year. An amount of R 12,901 million relates to 2023/24 financial year compared to 2022/23 financial year amounting R 15,054 million.

**2. Performance Bonus: -**

- The performance bonus is granted to an employee in recognition of sustained performance that is significantly above expectations and is rated as such in terms of the rating scale established by the DPSA.

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- There were four (4) employees entitled for performance bonuses payable during the implementation of performance bonus for employees in 2020/21 financial year. They relate to former employees that were terminated and no longer in the department due to their resignations and transfers. The processes are in progress to pay the employees and the amount to be paid is R 20 thousand after year end.

**3. Leave entitlement**

**3.1 Nature and amount of negative leave entitlement balance: -**

- The negative leave entitlement relates to leave for current employees as at 31 March 2024. The negative leave balances amount has been excluded from the amount disclosed of leave entitlement for current year as it has an effect of reducing the leave entitlement total.
- The negative leave amounted to R 92 thousand as at 31 March 2024 as per PERSAL report.

**3.2 Movement in leave entitlement: -**

- The leave entitlement as at 31 March 2024 amounted to R 50,228 million compared to R 46,493 million as at 31 March 2023. An increase of R 3,735 million in 2023/24 financial year.

**4. Service bonus liability**

- Relates to service bonus payable to employees and that has accrued up to 31 March 2024.
- The service bonus liability as at 31 March 2024 amounted to R 20,701 million compared to R 19,341 million as at 31 March 2023. An increase of R 1,360 million.

**5. Other-Long service awards**

**5.1 Long term portion of long service awards**

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



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**23. Lease commitments**

**23.1 Operating leases**

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3,935	3,935
Later than 1 year and not later than 5 years	-	-	-	3,991	3,991
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,926</b>	<b>7,926</b>

**Operating lease commitments:-**

- The operating department participated in the National Treasury TR 3-2022 transversal contract for the appointment of a service provider to supply, instal, deliver and commission of office automation for fixed rental usage.
- The department appointed Konica Minolta (for large machines) for rendering of printing services and signed a participation agreement for lease on the 28 March 2023. The contract started on the 1 April 2023 up to 31 March 2026 for a period of 36 months. The SBD 7.2 contract form was signed on 12 December 2022 for seventy-seven (77) machines. The rates utilised are as per the RT 3-2022 contract.
- The department appointed Metro Computer Services (for small machines) for rendering of printing services and signed a participation agreement for lease on 6 June 2023. The contract started on 1 of June 2023 up to 31 May 2026 for a period of 36 months. The SBD 7.2 contract form was signed on 15 December 2022 for fifty-five (55) machines. The rates utilised are as per the RT 3-2022 contract.

**2.Expired vehicles**

- The department had nine (9) vehicles with expired lease. These vehicles are still in the department and are being utilised. They have not been replaced yet by Government Fleet Management Services (GFMS).
- These vehicles are regarded as operating leases as the lease period has expired and there is no specified period extension of the lease terms in the Service Level Agreement (SLA). The rental paid in terms of SLA is at a reduced rate.
- The department utilises these vehicles on a month-to-month basis as there is no fixed rental period and this is in line with the Accounting Manual for Department as issued by National Treasury, Chapter 13. Annexure A1.1. Due to shortage of white fleet vehicles in the department to carry out official duties and

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delays by Government Fleet Management Services (GFMS) to replace the vehicles that reached 180 000 km or 60 months in the department.

- These vehicles will be returned by the department to GFMS when replaced with the new vehicles.
- No values on these vehicles in terms of the operating leases as they are on a month-to-month basis.

**Comparative figures:-**

The department did not disclose the operating leases in 2022/23 financial year as the contract expired for big and small machines. The department entered on month-to-month contract until the new RT3-2022 was in place.

**23.2 Finance leases**

	<b>2023/24</b>				
	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	-	-	-	11,767	11,767
Later than 1 year and not later than 5 years	-	-	-	9,829	9,829
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,596</b>	<b>21,596</b>

	<b>2022/23</b>				
	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	-	-	-	25,949	25,949
Later than 1 year and not later than 5 years	-	-	-	26,214	26,214
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,163</b>	<b>52,163</b>

**Finance Leases:-**

**Government Fleet Management Services (white fleet): -**

- The Department entered into a lease agreement with an entity of Department of Transport (Government Fleet Management Services Trading Entity) on 06 June 2023 effective 1 April 2023 for the provision of white fleet vehicles for use by the departmental employees for official purposes.

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- There is a change in rate card as at 31 March 2024 which affect the future lease commitments.
- The total of the finance leases relating to GFMS (Vehicles) is R 15,288 million in 2023/24 financial year (compared to R 17,688 million in 2022/23 financial year).

**Accident motor vehicles (white fleet):-**

There were seven (7) motor vehicles involved in accidents.

- One (1) accident occurred in previous financial years.
- Six (6) accidents occurred during the year under review (2023/24 financial year).

From the seven (7) motor vehicles involved in accidents listed above:-

- Four (4) vehicles are at the merchant for repairs.
- Two (2) are awaiting allocation for a merchant as they will be inspected in April 2024.
- One (1) has been towed to Government Fleet Management Services (GFMS) as it was not driveable, GFMS is still processing the paperwork for this vehicle.

**Hijacked and stolen motor vehicles (white fleet):-**

Three (3) motor vehicles were hijacked and one (1) was stolen at a bed and breakfast (BnB) in Mthatha.

- Two (2) of these vehicles have been recovered during this year under review (2023/24 financial year)
- One (1) has been declared as a write off in February 2024
- One (1) has not been recovered yet.

**2.Vodacom- 3G's, and Cell phones**

The department entered a contract with Vodacom for provision of cell phones, tablets and 3G's to the department. The department's renewed contract is for a period of 24 months effective on the 1 June 2023 to 31 May 2025.

The department participated in RT15-2021 for mobile communication services initiated by National Treasury which expires in March 2026.

- The total of the finance leases relating to 3G cards and cell phones is R 6,308 million in 2023/24 financial year (compared to R 34,475 million in 2022/23 financial year).
- The rates/subscription of Vodacom effective 1<sup>st</sup> June 2023 to 31 May 2025 changed on the cell phones, 3G s and tablets.

The finance leases for 2023/24 financial year amounted to R 21,596 million compared to R 52,163 million in 2022/23 financial year.

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**24 Unauthorised, Irregular and Fruitless and wasteful expenditure**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
Irregular expenditure - current year		664	925
Fruitless and wasteful expenditure - current year		388	542
<b>Total</b>		<b>1,052</b>	<b>1,467</b>

**Irregular expenditure: -**

- The total confirmed balance for irregular expenditure amounts to R 664 thousand and related to the following: -
  - ✓ It relates to non-compliance with recruitment policy of R 664 thousand, the amount was cumulative in nature as the person was employed by the department and paid a salary every month. The employee had since been dismissed due to the other matter not relating to the recruitment matter.

**Fruitless and wasteful expenditure:-**

- The total confirmed balance for fruitless and wasteful expenditure amounts to R 388 thousand and related to the following:-
  - ✓ No show up at the hotels/ B & B's/Guest Houses, R 9 thousand
  - ✓ Fruitless and wasteful expenditure relating to terminated employees/traditional leaders, R 307 thousand
  - ✓ Hired car, car accident and repairs, R 3 thousand
  - ✓ Non-cancellation of air tickets, R 14 thousand
  - ✓ Interest charged on late payment of performance bonus, R 4 thousand
  - ✓ Subsistence and travelling (S&T) overpayment to the traditional leader relating to sitting allowance, R 51 thousand.

**25 Related party transactions**

- The Department occupies buildings that are owned by / under the custodianship of / leased by the Department Public Works and Infrastructure.
- These buildings are occupied for no considerations and no amounts are paid to the Department of Public Works and Infrastructure for the occupation of these premises. The related party has been disclosed in the accounting officers report in the annual report of the department.

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**26 Key management personnel**

	<b>2023/24</b>	<b>2022/23</b>
	<b>R'000</b>	<b>R'000</b>
<b>Political office bearers:-</b>		
Hon Member of the Executive Council	2,120	2,053
<b>Officials:</b>		
Level 15 to 16	12,807	13,799
Level 14	14,930	13,597
<b>Total</b>	<b>29,857</b>	<b>29,449</b>

**Key management personnel:-**

- The key management personnel of the department are from level 14 to the Hon. Member of the Executive Council (MEC) level.
- The amount paid by the department for key management personnel excludes employee's subsistence and allowance PERSAL claims.
- The level 14 items consist of the acting personnels during the year.
- The seconded employees to Office of the Premier (OTP) have been excluded as key management personnel as they render services at OTP as from 1 October 2023.
- There are two employees on level 14 and 16 respectively who are acting on positions of seconded employees. The posts are not vacant as the seconded employees are paid by COGTA EC, there is no acting allowance paid to these two employees acting for seconded employees during the year.
- There are employees acting on level 15, this employee is not receiving an acting allowance as the post is not vacant.

**27 Movable Tangible Capital Assets**

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

	<b>2023/24</b>				
	<b>Opening balance</b>	<b>Value adjustments</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>95,824</b>	<b>-</b>	<b>17,070</b>	<b>(4,292)</b>	<b>108,602</b>
Transport assets	23,975		6,472	(4,206)	26,241
Computer equipment	37,904		7,684	(69)	45,519
Furniture and office equipment	25,360		659	-	26,019
Other machinery and equipment	8,585		2,255	(17)	10,823
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>95,824</b>	<b>-</b>	<b>17,070</b>	<b>(4,292)</b>	<b>108,602</b>

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**Disposal column disclosure:-**

**Motor vehicles sold in auction:**

- The department removed from its asset register in 2023/24 financial year executive motor vehicles costing R 4,206 million sold in an auction by Government Fleet Management Services (GFMS) The auction took place in East London government garage on the 20<sup>th</sup> of September 2023.
- The auction proceeds have been surrendered to Provincial Treasury in March 2024 as required by Division of Revenue Act (DoRA) as a revenue generated relating to previous financial year.
- The proceeds amounted to R 1,284 million, and these funds will be requested back from Provincial Treasury in 2024/25 financial year to assist to purchase other motor vehicles for the executives (Kings/local house chair/deputy and/ or Hon MEC).

**Computer equipment:-**

- The employees lost three (3) laptops, and the investigation is in progress and the details are as follows:-
  - ✓ The two (2) laptops were purchased in previous financial years (2020/21 and 2022/23 financial years respectively). The value of laptops was R18 thousand and R23 thousand respectively.
  - ✓ The one (1) laptop was purchased in 2023/24 financial year and was lost in the November 2023. The value of the laptop is R 28 thousand rand.
  - ✓ These three (3) laptops were removed from asset register to loss control register until the investigation is completed. The investigation outcome will determine the next process to be followed.

**Other machinery and equipment:**

- ✓ The employee lost a departmental camera in October 2023 and the investigation is still pending. The value of the camera is R 17 thousand.
- ✓ The camera was removed from asset register to loss control register until the investigation is completed, which will determine the next process to be followed.

<b>Reconciliation of Disclosure column: -</b>	<b>R'000</b>
Motor vehicle sold in auction: -	R 4,206
<b>Computer equipment: -</b>	<b>R 69</b>
Two laptops lost (R18+R23) R'000	R 41
One lost laptop	R 28
Other machinery and equipment	R 17
<b>Total</b>	<b>R 4,292</b>

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**Movable Tangible Capital Assets under investigation**

	<i>Note</i>	<b>Number</b>	<b>Value R'000</b>
<b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b>			
Machinery and equipment		4	86
<b>Total</b>		<b>4</b>	<b>86</b>

**Major assets under investigation and action taken to resolve the matters:-**

- The departmental employees lost three (3) laptops during the year under review to the value of R 69 thousand. The two laptops bought in previous financial years (2020/21, 2021/22 and 2023/24 financial year) while one laptop bought in the current year under review (2023/24 financial year).
- The employee also lost the departmental camera during the year to the value of R 17 thousand. This camera was bought in previous financial years (December 2019).
- These assets were reported to the police station and case number issued, these matters are under investigation by security and anti-corruption directorate within the department and their status is still pending.
- They are included in the loss control register of the department for monitoring purposes.
- Once investigation is completed, the outcome of the investigation will determine the approach to be followed by the department in respect of these matters whether to recover, write off.

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

	<b>2022/23</b>				<b>Closing balance R'000</b>
	<b>Opening balance R'000</b>	<b>Prior period error R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	
<b>HERITAGE ASSETS</b>					
<b>MACHINERY AND EQUIPMENT</b>	<b>94,912</b>	-	<b>3,192</b>	<b>(2,280)</b>	<b>95,824</b>
Transport assets	24,157	-	2,028	(2,210)	23,975
Computer equipment	37,281	-	671	(48)	37,904
Furniture and office equipment	25,113	-	269	(22)	25,360
Other machinery and equipment	8,361	-	224	-	8,585
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>94,912</b>	-	<b>3,192</b>	<b>(2,280)</b>	<b>95,824</b>

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**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	-	5	-	20,137	-	20,142
Additions	-	-	-	831	-	831
Disposals	-	-	-	(5)	-	(5)
<b>Total Minor assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>20,963</b>	<b>-</b>	<b>20,968</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	862	-	862
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>862</b>	<b>-</b>	<b>862</b>

**Disposal column disclosure:-**

**Water dispenser stolen:**

- The departmental asset management unit could not be able to physically verify the water dispenser to the value of R 5 thousand in 2022/23 financial year.
- This water dispense was stolen due to burglary that took place in Bonkolo Traditional Council in Idutywa in 2022/23 financial year, the asset was removed from asset register to loss control register.
- The matter was submitted to departmental security Management and anti-corruption for investigation and the matter is still outstanding.

**Additions disclosure column: -**

**Purchases and Smart Pens recovered: -**

- The additions column includes smart pens for CDW's that were recovered during the year amounting (R 257 thousand) and asset additions purchased during the year (R 574 thousand).
- The total for additional minor asset column above amounted to R 831 thousand as at 31 March 2024.
- Out of the 147 unaccounted-for smart pens to the value of R 728 thousand disclosed in 2022/23 financial year, fifty-two (52) smart pens to the value of R 257 thousand were recovered and



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physically verified by asset management unit in 2023/24 financial year. These assets are included in the departmental asset register.

**Reconciliation of additions column: -**

Minor assets purchased (in 2023/24):-	R 574
Recovered smart pens:-	R 257
<b>Total</b>	<b>R 831</b>

**Minor capital assets under investigation**

	<i>Note</i>	Number	Value R'000
<b>Included in the above total of the minor capital assets per the asset register that are under investigation:</b>			
Machinery and equipment		1	5

**Minor assets under investigation and action taken to resolve the matters:-**

- The departmental asset management unit could not be able to physically verify the water dispenser to the value of R 5 thousand.
- This water dispense was stolen due to burglary that took place in Bonkolo Traditional Council in Idutywa.
- The asset was reported to the police station and case number issued, the matter is under investigation by security and anti-corruption directorate within the department and their status is still pending.
- They are included in the loss control register of the department for monitoring purposes.
- Once investigation is completed, the outcome of the investigation will determine the approach to be followed by the department in respect of these matters (whether to recover, write off or disciplinary process or further investigation)

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

	2022/23					
	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	-	5	-	20,862	-	20,867
Additions	-	-	-	3	-	3
Disposals	-	-	-	(728)	-	(728)
<b>Total Minor assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>20,137</b>	<b>-</b>	<b>20,142</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	3	-	3
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>

**28 Intangible Capital Assets**

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

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	7,368	-	-	7,368
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>7,368</b>	<b>-</b>	<b>-</b>	<b>7,368</b>

- No movement in intangible assets as the software for disaster management centre is completed and ready for use.
- The department in 2023/24 was interacting with the service provider on issues of licencing of the software.
- The total value of software in the asset register amounts to R 7,368 million.

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**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
<b>SOFTWARE</b>	160	-	7,208	-	7,368
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>160</b>		<b>7,208</b>	<b>-</b>	<b>7,368</b>

**28.2 Intangible capital assets: Capital Work-in-progress**

**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023**

	Opening balance 1 April 2022	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Intangible assets	6,833	-	375	(7,208)	-
<b>Total</b>	<b>6,833</b>	<b>-</b>	<b>375</b>	<b>(7,208)</b>	<b>-</b>

*Note*

- The department had completed the software for disaster management centre. The capital work in progress is removed to be disclosed to asset register as an asset ready for use.
- An amount of R 7,208 million is transferred to asset register of the department as software ready for use.

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**29 Immovable Tangible Capital Assets**

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

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Dwellings	9,578	-	(1,659)	7,919
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>9,578</b>	<b>-</b>	<b>(1,659)</b>	<b>7,919</b>

**Disposal column:-**

**Transfer of traditional council in terms of S42 of PFMA:**

- The department transferred Teko Traditional Council building to the Department of Public Works and Infrastructure in terms of Section 42 of PFMA and Provincial Treasury Circular 18 of 2022/23.
- The transfer to the Department of Public Works and Infrastructure was accepted on the 19 March 2024.

**29.1 MOVEMENT IN IMMOVABLE 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
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>9,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,578</b>
Dwellings	9,578	-	-	-	9,578
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>9,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,578</b>

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**29.2 Immovable tangible capital assets: Capital Work-in-progress**

**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024**

		2023/24			
		Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
		R'000	R'000	R'000	R'000
<i>Note Annex 7</i>	Buildings and other fixed structures	979	641	-	1,620
	<b>Total</b>	<b>979</b>	<b>641</b>	<b>-</b>	<b>1,620</b>

- The Capital Work in Progress (CWIP) relates to the construction of AmaGqunukhwebe Traditional Council which is still in progress.

**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023**

		2022/23				
		Opening balance 1 April 2022	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
		R'000	R'000	R'000	R'000	R'000
<i>Note</i>	Buildings and other fixed structures	-	-	979	-	979
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>979</b>	<b>-</b>	<b>979</b>

### 30. Transfer of functions and mergers

#### 30.1 Transfer of functions

##### Brief description of the function to be transferred:-

The transfer of function relating to the recognition and de-recognition of traditional leaders to the Office of the Premier. The estimated impact of the transfer over the MTEF will be on compensation of employees when the transfer is finalised.

##### Status on transfer of function and its impact thereof:-

- The department has not finalised the transfer of function, reason for transfer not occurring was due to clarity of roles and responsibilities between CoGTA and Office of the Premier that were not finalised and therefore the memorandum of understanding could not be signed on time for the smooth transfer of the function.
- The departmental COE will be reduced by the value of budget for COE for employees to be transferred once the transfer process is finalised.
- Once the process is finalised, the implications of the transfer on budget will be: -
  - ✓ The implication on budget is that the departmental budget will be reduced by the amount of the transferred employees once the transfer has been finalised.
  - ✓ There will be reduction in terms of the cost of employee's budget by R 3,818 million in 2024/25, and over the MTEF will be R4,029 million in 2025/26 and R 4,256 million in 2026/27 financial over the MTEF.
  - ✓ No implications in terms of the assets as employees will not be taking the assets to OPT such as furniture's, laptop etc.

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**31 Statement of conditional grants received.**

Name of grant	2023/24						2022/23			
	GRANT ALLOCATION			SPENT			Division of Revenue Act / Provincial grants	Amount spent by department	Division of Revenue Act / Provincial grants	Amount spent by department
	Roll overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department				
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Expanded Public Works Programme (EPWP)	-	(220)	-	2,040	2,040	2,040	2,284	2,284	2,281	
<b>TOTAL</b>	<b>2,260</b>	<b>(220)</b>	<b>-</b>	<b>2,040</b>	<b>2,040</b>	<b>2,040</b>	<b>2,284</b>	<b>2,284</b>	<b>2,281</b>	

- The departmental conditional grant relates to Expanded Public Works (EPWP) and the budget was reduced by National Treasury by R 220 thousand in 2023/24 budget adjustment.
- The department spent all its conditional grant allocated of R 2,040 million as at 31 March 2024, compared to R 2,281 million spent in 2022/23 financial year.

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**32 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.

**33 Natural disaster or relief expenditure**

	Note	2023/24 R'000	2022/23 R'000
Goods and services (social care services item)		720	-
<b>Total</b>	<i>Annex 11</i>	<b>720</b>	-

- The Provincial Disaster Management Centre Directorate (PDMC) of the Department coordinates and manages disasters that occur in the province by working hand in glove with sectors, municipalities, businesses, and civil society.
- The anticipated support for the PDMC is the provision of material and non-material support to augment the capacity of municipal centres in this regard. The material support expected to be provided includes disaster relief in the form of hygiene, food, and non-food item.
- The department bought 1500 blankets to provide warmth and durability for disaster victims as part of support to disaster victims when the disaster occurs. Funds set aside for this purpose for relief expenditure to assist during disasters/s in the province.



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**34 Statement of conditional grants and other transfers paid to municipalities.**

Name of municipality	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buffalo City Metropolitan Municipality (BCMM)	149	-	-	149	149	-	-	-	-
<b>TOTAL</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- The amount paid by the department relates to the licencing of executive motor vehicles in 2023/24 financial year.

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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1G  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

Household	2023/24					2022/23		
	TRANSFER ALLOCATION			EXPENDITURE		Final Budget R'000	Actual transfer R'000	Actual transfer R'000
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000			
Leave gratuity	4,461	-	9,214	13,675	13,687	10,035	9,096	9,096
Pension liability	-	-	6,230	6,230	6,230	7,014	6,949	6,949
Post retirement benefit	2,512	198	(2,212)	498	440	2,096	1,652	1,652
Injury on duty	20	-	(17)	3	3	20	20	20
<b>TOTAL</b>	<b>6,993</b>	<b>198</b>	<b>13,215</b>	<b>20,406</b>	<b>20,360</b>	<b>19,165</b>	<b>17,717</b>	<b>17,717</b>

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024**

Nature of liability	Opening balance 1 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
<b>Claims against the department</b>					
Breach of contract agreement ( Four (4) different claims)	5,899	-	(4,759)	-	1,140
Claim for motor vehicle accident (MVA)	21	-	-	-	21
Money due to deceased estate for gratuity	43	-	-	-	43
Traditional Leadership recognition claim	235	-	-	-	235
Claim for misappropriation of funds	87	-	-	-	87
Claim for unlawful abduction of an initiate	900	-	-	-	900
<b>TOTAL</b>	<b>7,185</b>	<b>-</b>	<b>(4,759)</b>	<b>-</b>	<b>2,426</b>

- There is a reduction in claims against the department relating to a breach of contract matter that was resolved by the court and set aside amounting to R 4,759 as disclosed in annexure 3B above.
- The closing balance as at 31 March 2024 amounts to R 2,426 million (compared to R 7,185 million as at 31 March 2023).

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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4  
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	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
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Department of Justice and Constitutional Development(DoJ & CD)	-	-	370	-	370	-	-	-
Office of the Premier (OTP)	-	-	47	-	47	-	-	-
<b>Subtotal</b>	-	-	<b>417</b>	-	<b>417</b>	-	-	-
<b>TOTAL</b>	-	-	<b>417</b>	-	<b>417</b>	-	-	-

**Department of Justice and Constitutional Development (DoJ & CD):-**

- The inter-departmental receivable- claim recoverable relates to the amount owed by the Department of Justice and Constitutional Development as at 31 March 2024 for legal costs. The amounts are credit notes due to CoGTA EC relating to legal costs.

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**Office of the Premier- claims receivable:-**

- The other interdepartmental unconfirmed balance relates to R 47 thousand for seconded employees paid for fuel claims and accommodation whilst rendering services at Office of the Premier (OTP). The public service regulation requires that seconded employees claim, and accommodation be paid by the receiving department. An inter-departmental claim raised with the OTP.
- The OTP is owing COGTA EC the amount relating to the claims and accommodation.

**ANNEXURE 5  
INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	Cash-in-transit at year end 2023/24		
	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	Payment date up to six (6) working days after year end	Amount
<b>DEPARTMENTS</b>								
<b>Current</b>								
Department of Justice and Constitutional Development	-	2,171	5 662	2	5,662	2,173	-	-
Office of the Premier-Eastern Cape	-	195	-	-	-	195	-	-
<b>Subtotal</b>	-	<b>2,366</b>	<b>5,662</b>	<b>2</b>	<b>5,662</b>	<b>2,368</b>	-	-
<b>Non-current</b>								
Office of the Premier-Eastern Cape	-	91	-	-	-	91	-	-
<b>Subtotal</b>	-	<b>91</b>	-	-	-	<b>91</b>	-	-
<b>Total Departments</b>	-	<b>2,457</b>	<b>5,662</b>	<b>2</b>	<b>5,662</b>	<b>2,459</b>	-	-

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<b>OTHER GOVERNMENT ENTITIES</b>									
<b>Current</b>									
SITA	98	159	-	-	98	159	-	-	-
AGSA	218	367	-	-	218	367	-	-	-
GFMS	-	495	40	-	40	495	-	-	-
<b>Subtotal</b>	<b>316</b>	<b>1,021</b>	<b>40</b>	<b>-</b>	<b>356</b>	<b>1,021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Other Government Entities</b>									
	<b>316</b>	<b>1,021</b>	<b>40</b>	<b>-</b>	<b>356</b>	<b>1,021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INTERGOVERNMENT PAYABLES</b>									
	<b>316</b>	<b>3,478</b>	<b>5,702</b>	<b>2</b>	<b>6,018</b>	<b>3,480</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**ANNEXURE 6  
INVENTORIES**

	Water tanks for distribution	Total
<b>Inventories for the year ended 31 March 2024</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	-	-
Add: Additions/Purchases - Cash	20	20
(Less): Disposal	(20)	(20)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

- The department bought two water tanks for distribution to Mngqesha Great Place as part of support to Traditional Leadership Institutions.
- The department is not an inventory keeping department in terms of its mandate, it only keeps consumable items for consumption.
- The water tanks were issued to Mngqesha Great Place during the year.

**ANNEXURE 7  
MOVEMENT IN CAPITAL WORK IN PROGRESS**

**Movement in capital work in progress for the year ended 31 March 2024**

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>979</b>	<b>641</b>	<b>-</b>	<b>1,620</b>
Dwellings	979	641	-	1,620
		-		
<b>TOTAL</b>	<b>979</b>	<b>641</b>	<b>-</b>	<b>1,620</b>

- The Capital Work in Progress relates to the construction of AmaGqunukhwebe Traditional Council which is in progress and near completion.

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**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**Movement in capital work in progress for the year ended 31 March 2023**

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	979	-	979
Dwellings	-	-	979	-	979
<b>SOFTWARE</b>	6,833	-	375	(7,208)	-
Software	6,833	-	375	(7,208)	-
<b>TOTAL</b>	<b>6,833</b>	<b>-</b>	<b>1,354</b>	<b>(7,208)</b>	<b>979</b>



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**ANNEXURE 11  
NATURAL DISASTER OR RELIEF EXPENDITURE**  
Per quarter and in total

Expenditure per economic classification	2023/24				2022/23	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
A & S/O/S: Social Care Services	-	-	-	720	720	-
<b>TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE</b>	-	-	-	<b>720</b>	<b>720</b>	-

- The Provincial Disaster Management Centre Directorate (PDMC) of the Department coordinates and manages disasters that occur in the province by working hand in glove with sectors, municipalities, businesses, and civil society.
- The anticipated support for the PDMC is the provision of material and non-material support to augment the capacity of municipal centres in this regard. The material support expected to be provided includes disaster relief in the form of hygiene, food, and non-food item.
- The department bought 1500 blankets to provide warmth and durability for disaster victims as part of support to disaster victims when the disaster occurs. Funds set aside for this purpose under social .

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 12  
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 11.1 AND 11)**

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 31 March 2024 R'000
<b>Advances</b>									
National School of Governance	Government Entity	Learning material	Goods and Services	-	182	63	(182)		63
<b>Total advances</b>				-	182	63	(182)	-	63

- The department made an advance payment to National School of Governance (NSG) in 2022/23 financial year amounting to R 182 thousand. The amount was expensed in the current financial year (2023/24 financial year).
- The amount of R 63 thousand was paid 2023/24 financial year and was capitalised. It will be expensed when services rendered/ and or goods delivered.

## WORKING HARD PREPARING AFS

