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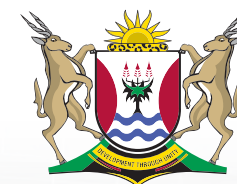
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Province of the  
**EASTERN CAPE**  
COOPERATIVE GOVERNANCE  
& TRADITIONAL AFFAIRS

# ANNUAL REPORT

2024/25 FINANCIAL YEAR

 @ Cogta Eastern Cape



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

# ANNUAL REPORT (2024 / 25) FINANCIAL YEAR

## VOTE NO. 07

**Produced by:**

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# PART A

## GENERAL INFORMATION

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## 1. DEPARTMENT GENERAL INFORMATION

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## 1.1. LIST OF ABBREVIATIONS/ACRONYMS

LIST OF ABBREVIATIONS/ACRONYMS			
<b>AGSA</b>	Auditor-General of South Africa	<b>SMME</b>	Small Medium and Micro Enterprises
<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>HDI</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>SDIP</b>	Service Delivery Improvement Plan
<b>OTP</b>	Office of the Premier	<b>SHE</b>	Safety Health Environment
<b>PAC</b>	Public Accounts Committees	<b>SLA</b>	Service Level Agreement
<b>PAIA</b>	Promotion of Access to Information Act, 2000 (Act 2 of 2000)	<b>SMS</b>	Senior Management Service
<b>PAJA</b>	Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)	<b>UNDP</b>	United Nations Development Programme
<b>PCF</b>	Premier's Coordinating Forum	<b>URDP</b>	Urban Renewal Programme
<b>PDMC</b>	Provincial Disaster Management Centre	<b>WP</b>	Wellness Programme
<b>PGDP</b>	Provincial Growth & Development Plan	<b>WSP</b>	Water Services Provider
<b>PHOTL</b>	Provincial House of Traditional Leaders	<b>PMDS</b>	Performance Management and Development System
<b>PILLIR</b>	Policy on Ill Health and Incapacity Retirements	<b>PMS</b>	Performance Management System
<b>ICU</b>	Internal Control Unit	<b>AFM</b>	Asset and Fleet Management
<b>SCM</b>	Supply Chain Management	<b>BMP</b>	Budget management and Planning
<b>ICP</b>	Internal Control Policy	<b>DMRWP</b>	Debt management, recovery, and write-off policy
<b>RAS</b>	Risk Adjusted Strategy		

## 1.2. FOREWORD BY THE MEC



**MR. ZOLILE WILLIAMS**

It is with great honour and a profound sense of duty that I present the Annual Report for the 2024/25 financial year of the Department of Cooperative Governance and Traditional Affairs (COGTA). As the Member of the Executive Council entrusted with oversight of this vital Department, I am proud to reflect on the progress made in strengthening governance, enhancing service delivery, and nurturing our rich cultural heritage.

During this period, despite ongoing fiscal constraints and complex challenges, COGTA has remained steadfast in supporting municipalities and traditional leadership institutions. Our commitment to cooperative governance has been demonstrated through effective coordination of government interventions, monitoring of municipal performance, and fostering inclusive participation across all spheres of government, civil society, and traditional structures.

A key highlight has been the continued implementation of the Risk Adjusted Strategy (RAS), which has led to improved utilisation of MIG and the INEP infrastructure grants, as a result during Mid-year 2024/25 none of EC municipalities went under the DORA Section 18, with the WYSIG and RBIG which, although are not at the desirable levels, but are slowly improving their expenditure. This reflects a growing culture of accountability and efficiency in local government. The Department also played an instrumental role in supporting preparations for the national and provincial elections held in May 2024, ensuring these processes were conducted smoothly and credibly.

We remain deeply appreciative of the essential role traditional and Khoi-San leadership play in preserving our cultural identity and promoting local governance. Our collaborative efforts have further empowered these institutions through capacity building and legislative reforms, including advancing the reconstitution of traditional councils in line with statutory requirements.

The Department also continued to prioritise disaster management response to emergency areas and convened critical forums like the Provincial Initiation Summit to address health and safety in customary male initiation practices. Partnerships were strengthened to support pro-poor initiatives aimed at uplifting traditional leadership communities.

Looking ahead, we acknowledge the persistent challenges posed by socio-economic inequalities, climate change, and evolving governance demands. Yet, with the dedication of our staff, the support of our partners, and the resilience of our people, I am confident that we will continue to advance towards a more equitable, resilient, and prosperous province.

In closing, I call upon all stakeholders to renew their commitment to the principles of cooperative governance, transparency, and service excellence. Together, let us build an Eastern Cape where every community thrives and no one is left behind.

**MR. Z.A. WILLIAMS**

**MEC OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**29 AUGUST 2025**



### 1.3. REPORT OF THE ACCOUNTING OFFICER



**MR. VUYO MLOKOTHI**

The 2024/25 financial year served as a transitional period between the 6th and 7th Terms of Government (2019–2024 and 2024–2029, respectively). It marked a critical juncture in government planning, laying the groundwork for a new five-year Strategic Plan cycle aligned with the National Development Plan (NDP) 2030 trajectory, the priorities of the Medium-Term Development Plan (MTDP), the updated Provincial Development Plan as well as the Provincial Program of Action (POA).

This Annual Report captures our collective efforts and initial strides towards laying a firm foundation for the new administration. The Department remains resolute in its mandate to promote integrated governance, facilitate effective service delivery, and advance developmental local government and traditional leadership institutions in the Eastern Cape Province.

#### Strategic and Operational Context

In the face of persistent fiscal constraints, the Department has remained committed to its core priorities. During the 2024/25 financial year, COGTA provided hands-on support to municipalities and traditional leadership institutions, enhancing their institutional capacity and governance standards. Despite budgetary limitations, the Department maintained a focus on delivering its Annual Performance Plan (APP) and the operational activities identified in the Annual Operational Plan (AOP). This report reflects the Department's accountability for results, providing an evidence-based narrative of our performance during the reporting year.

Highlights of departmental interventions during the year under review include:

**In respect to internal governance and institutional capacity**, the Department continued to enhance internal governance structures to support sound administration, accountability, and service delivery excellence. Key areas of focus during the 2024/25 financial year included risk management, internal audit, financial management, ICT systems, and human capital development.

Risk management and internal audit remained key governance priorities during the 2024/25 financial year. The independently chaired Risk Management Committee (RMC) met regularly to oversee the identification and mitigation of strategic and operational risks, with particular attention to disaster readiness, financial compliance, and cyber threats. Risk Champions across programmes played a vital role in embedding a risk-aware culture within the Department. The Internal Audit Unit implemented a risk-based audit plan, providing assurance on the effectiveness of internal controls, governance, and compliance. Regular audits were conducted across critical functions, including supply chain, asset management, and performance reporting, with findings addressed through monitored action plans and oversight from the Audit Committee,

In the area of financial management, the Department exercised disciplined budgeting, expenditure monitoring, and strict compliance with the PFMA and Treasury Regulations. Monthly financial and quarterly performance reports were submitted to relevant oversight bodies, with strengthened internal controls to curb irregular, fruitless, and wasteful expenditure. The Department also prioritised the integrity of performance information management to ensure that reported results were credible, verifiable, and aligned to planned targets. These combined efforts have contributed to the Department's continued clean audit outcomes and reflect its commitment to sound financial governance and accountability.

**Municipal Support and Governance:**

- Continued implementation and monitoring of Municipal Support Intervention Plans (MSIPs).
- Training of councillors, MPAC members, and municipal officials on good governance, audit response planning, and the Code of Conduct.
- Improved oversight on municipal Audit Action Plans and financial recovery strategies.
- Deployment of skilled personnel in high-risk municipalities to strengthen governance and financial management.

**Infrastructure and Spatial Planning:**

- Continued to support municipalities in the development of Small Town Master and Precinct Plans
- Monitored compliance with infrastructure delivery programmes in collaboration with sector departments to ensure improved access to basic services.
- Ongoing support to municipalities on SPLUMA implementation, including training and administrative assistance to MPT members and Appeal Authorities.
- Monitored the implementation of the credible Indigent Register by municipalities.

**Disaster Risk Management:**

- Supported the departments to develop level one sector disaster management plans as well as the development of the disaster management coordination plan with implementation protocol.
- Strengthened disaster risk mapping, assessment, and preparedness protocols in vulnerable districts.

**Community Work and Employment Programmes:**

- Through CWP and EPWP, the Department facilitated the creation of 170 job opportunities, contributing meaningfully to community livelihoods and service delivery support.

**Implementation of the Risk Adjusted Strategy (RAS):**

- Municipal Infrastructure Grant (MIG) performance continued to improve, in the utilisation of MIG and the INEP infrastructure grants. As a result, during Mid-year performance, none of EC municipalities went under the DORA (Sec18).

**Intergovernmental Relations (IGR) and Cooperative Governance:**

- Operationalisation of the District Development Model (DDM) was strengthened through the standardisation of the Political Champion Oversight Programme, where all district and metro municipalities were monitored on the implementation of the DDM One Plans as well as the conducting of DDM Workshops to capacitate the role players in the implementation of the DDM One Plans.
- Functional IGR platforms were maintained at all levels to support integrated planning and implementation.
- Supported municipalities with the development of credible IDP

**Traditional and Khoi-San Leadership Support:**

- Capacity-building programmes for Traditional Leaders continued, including leadership development training and the awarding of bursaries.
- Finalised reconstitution of Traditional Councils
- Monitoring of District Initiation Fora and adherence to the Eastern Cape Customary Male Initiation Act remained a priority.
- The Eastern Cape House of Traditional and Khoi-San Leaders continued its oversight role, with active coordination of Local Houses and convening of Chairperson's Forums.

Despite notable achievements during the 2024/2025 financial year, the Department continued to face several persistent challenges. Chief among these were fiscal pressures that constrained the expansion of service delivery programmes, as well as institutional instability in some municipalities, which negatively impacted governance, compliance, and performance. Additionally, the Department grappled with complex issues related to land administration and the management of informal settlements. In response, the Department implemented targeted mitigation strategies, including strengthening intergovernmental



partnerships, enhancing internal control systems, and providing focused support interventions to high-risk municipalities to improve stability and accountability.

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

**Table 1.1: Departmental receipts**

Departmental receipts	Estimate	2024/25 Actual Amount Collected	(Over)/Under Collection	Estimate	2023/24 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	1 460	1 204	256	1 398	1 169	229
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	24	(24)	-	9	(9)
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	542	2 162	(1 620)	519	2 508	(1 989)
<b>Total</b>	<b>2 002</b>	<b>3 390</b>	<b>(1 388)</b>	<b>1 917</b>	<b>3 686</b>	<b>(1 769)</b>

### Contribution to the Provincial Revenue Fund (PRF)

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 R3,390 million as at 31 March 2025, which is more than the budgeted revenue included in the appropriation of R2,002 million. There was an over collection of R1,388 million, and all revenue collected was surrendered to the PRF in terms of Section 22 of PFMA. The over collection is mainly attributable to proceeds from insurance of R634 210.00 (from AIG) and R933 638.50 relating to auction from GFMS. The department will be submitting a request to PT to re-allocate some of these funds in the 2025/26 adjustment budget in order to allow the department to do replacement to the executive fleet.

## 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.

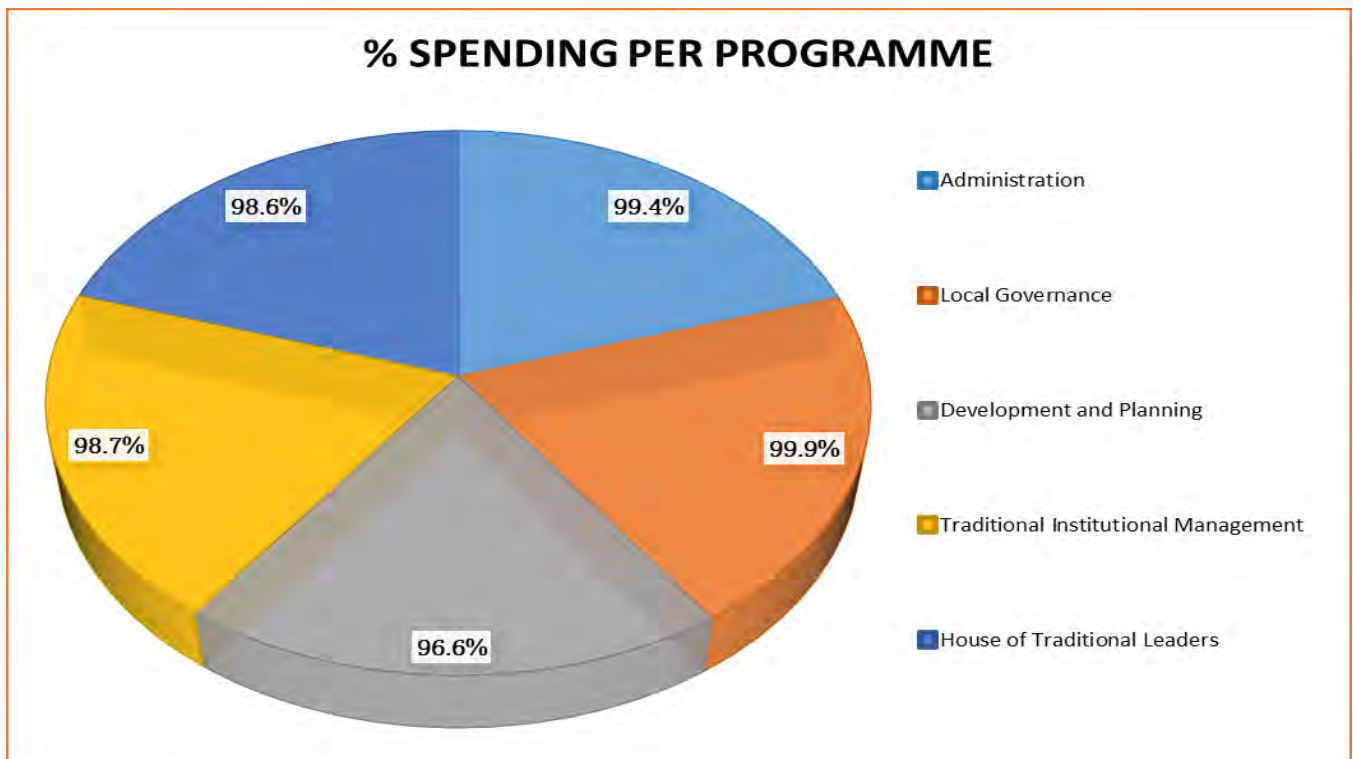
**Table 1.2: Departmental Expenditure by per Programme**

Programme Name	2024/25				2023/24			
	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	
Administration	276 888	275 175	1 713	99.4%	286 166	283 489	2 677	99.1%
Local Governance	292 722	292 575	147	99.9%	267 962	264 603	3 359	98.7%
Development and Planning	116 680	112 744	3 936	96.6%	113 685	110 604	3 081	97.3%
Traditional Institutional Management	377 070	372 181	4 889	98.7%	368 413	363 894	4 519	98.8%
House of Traditional Leaders	35 324	34 822	502	98.6%	34 592	33 877	715	97.9%
<b>Total</b>	<b>1 098 684</b>	<b>1 087 497</b>	<b>11 187</b>	<b>99.0%</b>	<b>1 070 818</b>	<b>1 056 467</b>	<b>14 351</b>	<b>98.7%</b>
Member Remuneration	2 278	2 275	3	99.9%	2 144	2 144	-	100.0%
<b>Total</b>	<b>1 100 962</b>	<b>1 089 772</b>	<b>11 190</b>	<b>99.0%</b>	<b>1 072 962</b>	<b>1 058 611</b>	<b>14 351</b>	<b>98.7%</b>

The department has spent 99% of its allocated Adjusted Budget of R1,100 billion. An application for a roll-over of unspent funds amounting to R749 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 2025 of 0.4% and this deviation is below 2% of Provincial Treasury limit set for the IYM reporting. The unspent funds will be surrendered to the PRF.

#### Goods & Services:

The department recorded underspending by 3.3% for the year mainly from the following:

- Bursaries: This is mainly attributable to closure of an institution of higher learning (Damelin) and this resulted in the department being unable to timeously procure and provide bursaries support to all targeted Traditional Leaders in the current financial year as anticipated.
- Catering: This is mainly due to some Kingships that could not hold their sittings due to non-availability of stakeholders amongst other reasons.
- Agency and support / outsourced services: This is driven by the delivery of disaster relief material that could not be made by the service provider before the last payment run in March 2025. The department has submitted a rollover request amounting to R749 thousand to PT.
- Property payments: This is attributable to quotations for maintenance of traditional councils that came lower than the DPW&I estimates as well as delays experienced with the responsiveness of service providers in submitting quotations.

#### Transfers and Subsidies:

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 16.4% and the underspending is mainly attributable to the following:

- Non-responsive bid for the procurement of Audio-Visual Equipment for the PDMC, implemented through SITA in Programme 3.
- Infrastructure procurement for Mqhekezweni Traditional Council that had to be cancelled on the request of the appointed service provider in Programme 4.
- Savings realised from the procurement of Audio Visual (camera and recorder) used for capturing of the activities of the Provincial House of Traditional Leaders in Programme 5.

#### **Roll-Over:**

During the 2024/25 financial year, the Department received a roll-over amounting to R407 thousand. The roll over relates to the following:

- R19 thousand for the PERSAL Transversal Services invoices that were submitted, but due to system challenges, not all transactions could be finalised;
- R13 thousand for the LOGIS Transversal Services resulting from system challenges, not all transactions could be finalised;
- R23 thousand for the ICT Consumables that could not be delivered by financial year end, due to unavailability of items e.g. (USB devices, surge protection plugs, and extension lead cables);
- R7 thousand for the ICT Tools that could not be delivered by financial year end, due to unavailability of items e.g. (screwdrivers, step ladders, network testers, RJ45 Boots);
- R29 thousand for the printing and publication of Service Delivery posters. Payment could not be finalised due to system challenges;
- R75 thousand for the equipment and licensing of the two integrated multi-rotor drones; and
- R241 thousand for the completion of the construction of the traditional council for Amagqunukhwebe.

#### **List related party relationships and nature thereof: -**

- 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.

#### **Deviation from financial reporting requirements: -**

- The department did not deviate from the financial reporting requirements as required by Modified Cash Standard (MCS), Accounting Manual for Department as well as any reporting requirements in terms of Public Finance Management Act and Treasury Regulations.

#### **Gifts and Donations received in kind from non-related parties:**

- None

#### **Exemptions and deviations received from the National Treasury:**

- None

#### **Events after the reporting date: -**

The Department identified events occurring after the reporting date related to the Intelligent Incident Management Portal (IIMP) software, which supported the Eastern Cape Disaster Management Integrated Information System (DMIIS). The software has reached its end of life due to global technological advancements and will no longer be supported by ZUTARI beyond 31 March 2025.



**MR. V. MLOKOTHI**  
**ACCOUNTING OFFICER**  
**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**DATE: 29 AUGUST 2025**



#### 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 2025.

Yours faithfully



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**ACCOUNTING OFFICER**  
**MR. V. MLOKOTHI**  
**DATE: 29 AUGUST 2025**

CLEAN AUDIT CELEBRATIONS





## 1.5. STRATEGIC OVERVIEW

### 1.5.1. Vision

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

### 1.5.2. 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.

### 1.5.3. Values

	DEFINITION
<b>Innovation</b>	We consistently strive to create an innovative culture of excellence within our organisation.
<b>Transformative</b>	Creating a learning organization enabling employees to reach their full potential and who are committed to the public good and capable of delivering consistently high-quality services, while prioritizing the departmental developmental objectives.
<b>Professionalism</b>	We believe that our customers are entitled to be treated courteously and with the highest level of professionalism.
<b>Equality</b>	We shall give equal access to our services to all, with special emphasis on targeted groups.
<b>Highest ethical standards</b>	We shall always maintain zero tolerance towards fraud and corruption
<b>Staff our greatest assets</b>	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
<b>Responsiveness</b>	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 centre 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 'objection and appeal' 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>
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>strengthening of the disaster risk reporting systems in order to improve the country's ability to manage potential disasters.</li> </ul>
Guideline on Integration of Disaster Risk Reduction into Municipal Integrated Development Plans	The Department of Cooperative Governance has, in terms of section 12(1)(a), read with section 22(a), of the Disaster Management Act No. 57 of 2002, published the Guideline on Integration of Disaster Risk Reduction into Municipal Integrated Development Plans ("Guideline"). The purpose of the Guideline is to guide municipalities in the integration of disaster risk reduction (DRR) into municipal Integrated Development Plans (IDPs). The Guideline outlines provisions relating to, among others: the scope of the Guideline; how the Guideline must be used; integration stages; and recommendations. [Kindly note that although the notice is dated 16 February 2024, Government Printing Works only published it on their website on 19 February 2024.]
Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)	The aim of this Act is to establishment 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.
Notice in terms of the Traditional and Khoi-San Leadership Act No. 3 of 2019	In terms of the Traditional and Khoi-San Leadership Act No. 3 of 2019, the Minister for Cooperative Governance and Traditional Affairs has extended the period for Khoi-San communities and leaders to lodge applications for recognition. The applications must be lodged with the Commission on Khoi-San Matters. The date by which to lodge applications for recognition has been extended to 29 May 2025.

Legislation	Description
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 Khoi-San 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 labour 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 labour 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 Labour Organization; and to provide for matters related therewith.



LEGISLATION	DESCRIPTION
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 learnerships 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.
Amendments to Protected Disclosure Practical Guidelines for Employees	The Practical Guidelines for Employees published in GN 702 of 31 August 2011, in terms of the Act, have been amended by the Minister of Justice and Constitutional Development ("Guidelines"). Paragraph 3 of the Guidelines has been amended to denote that employees are allowed to make protected disclosures to an increased number of public bodies, namely the following: Public Protector; South African Human Rights Commission; Commission for Gender Equality; Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities; Public Service Commission; or the Auditor-General. The requirements to make a protected disclosure to one of these public bodies have been amended to state that the disclosure must be made in good faith, the employee must reasonably believe that the disclosure relates to matters usually dealt with by the public body they are making the disclosure to and the information and allegations in the disclosure are substantially true. Part III of the Guidelines has been substituted by that contained in the Schedule of the Notice and it relates to the contact details of the various public bodies. Part IV of the Guidelines has been deleted.
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.
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

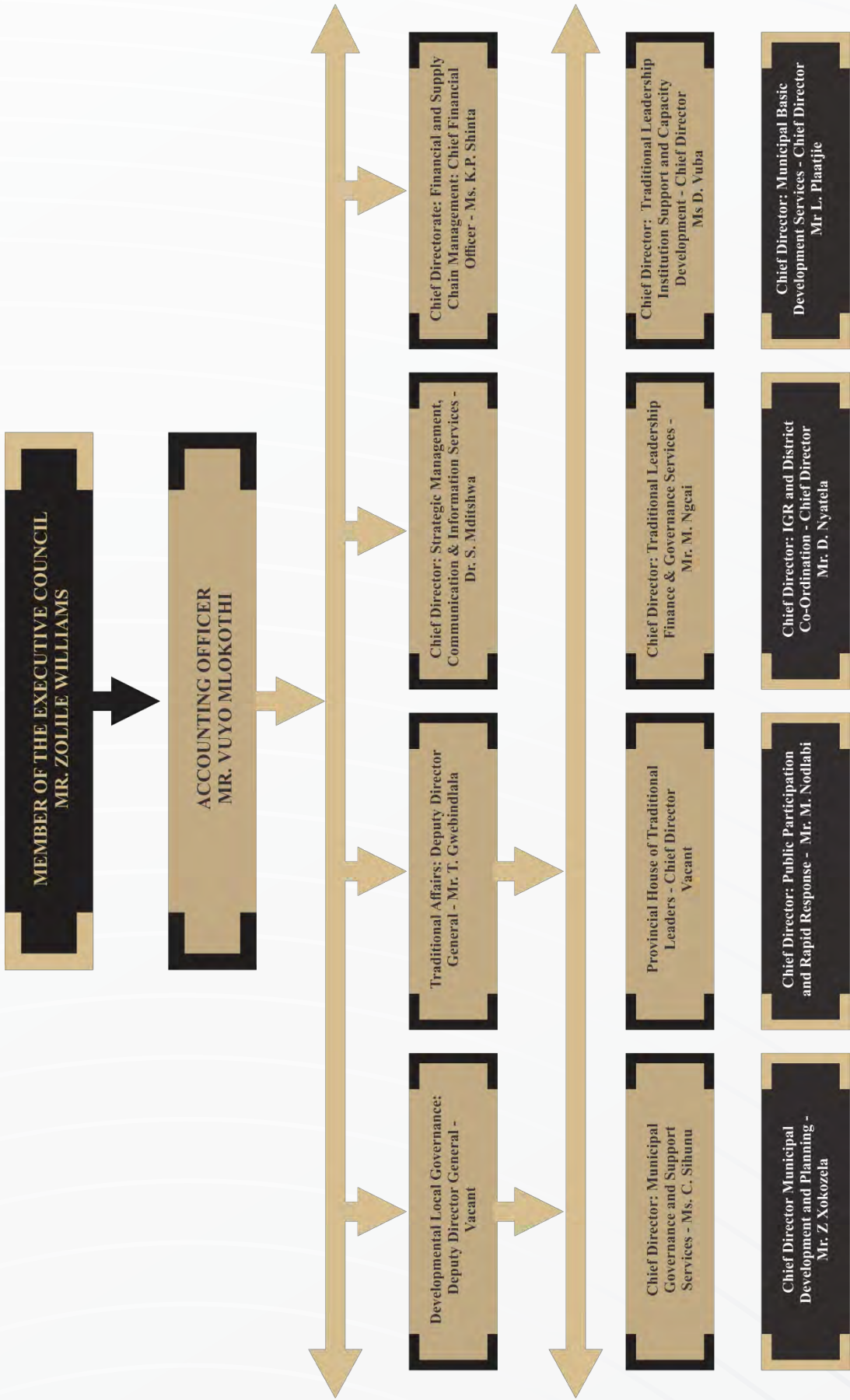
The table below depicts the policy frameworks that govern the operations of the department in the implementation of Strategic documents, towards the realisation of the pre-determined objectives, outputs, and outcomes.

No	Chief Directorate/Directorate	Name of the Policy
1.	Corporate Secretariat	Guidelines for Policy Development
2.	Human Resource Management	Acting Policy
3.	Human Resource Management	Bereavement Policy
4.	Human Resource Management	Leave Management Policy
5.	Human Resource Management	Overtime and Hours of work Policy
6.	Human Resource Management	Recruitment and Selection Policy
7.	Human Resource Management	Resettlement Policy
8.	Human Resource Management	Exit Management Policy
9.	Human Resource Management	Dress Code Policy
10.	Human Resource Management	Persal Management Policy
11.	Human Resource Management	Smoking Policy
12.	Human Resource Management	Transfer Policy
13.	Human Resource Planning and Development	Bursary Policy
14.	Human Resource Planning and Development	Internship Policy
15.	Human Resource Planning and Development	Performance Management and Development Policy
16.	Human Resource Planning and Development	Attraction and Retention Strategy
17.	Human Resource Planning and Development	Training and Development Policy
18.	Labour Relations	Sexual Harassment Policy
19.	Labour Relations	Strike Management Policy
20.	Labour Relations	Suspension Policy
21.	Labour Relations	Labour Relations Policy
22.	Labour Relations	Consequence Management Policy
23.	Labour Relations	Health and Productivity Management Policy
24.	Labour Relations	HIV/AIDS & TB Management Policy
25.	Labour Relations	Sports and Recreation Management Policy
26.	Labour Relations	Abscondment Policy
27.	Labour Relations	Protection of Personal Information Policy
28.	Human Resource Utilisation and Capacity Building	Carrer Path Development and Management
29.	Human Resource Utilisation and Capacity Building	Talent Management
30.	Human Resource Utilisation and Capacity Building	Experiential Learning Policy
31.	Auxiliary Services	Records Management Policy
32.	Employee Relations & Wellness	SHERQ Policy
33.	Employee Wellness Programme	Wellness management Policy
34.	DGITO	Internet and Email Policy
35.	DGITO	ICT Security Policy
36.	DGITO	ICT Acceptable use Policy
37.	DGITO	ICT Change Management Policy
38.	DGITO	ICT Incident Policy
39.	DGITO	Patch Management Policy
40.	DGITO	Information Communication and Technology Data Back up and Recovery Policy and Procedures
41.	Auxiliary Services	Mobile Communications Services Policy
42.	Financial Accounting Services	Subsistence And Travelling Policy
43.	Financial Accounting Services	Debt Management and Write-off Policy
44.	Financial Accounting Services	Payments and Revenue Policy
44.	Financial Accounting Services	Paypoint Management Guide
45.	Internal Control	Policy on Unauthorised, Fruitless and Wasteful and Irregular expenditure
46.	Financial Management	BAS Policy
47.	Financial Management	Budget Policy
48.	Financial Management	Bas Procedure Manual
49.	Supply Chain Management	Supply Management Policy
50.	Asset Management	Asset Management Policy
51.	Fleet Management	Fleet management Policy
52.	Internal Control Unit	Internal Control Unit Policy
53.	Monitoring and Evaluation	Monitoring and Evaluation Policy
54.	Document Joint Quality Assurance	Monitoring and Evaluation Policy

No	Chief Directorate/Directorate	Name of the Policy
55.	Strategic Planning	Strategic Planning Guidelines
56.	Corporate Communications	Corporate Communications Policy
57.	Legal Advisory Services	Governance Protocol for Sourcing Legal Opinions
58.	Legal Advisory Services	Litigation Management Policy
59.	Legal Advisory Services	Legislative Compliance Management Policy
60.	Provincial Disaster Management Centre	Provincial Disaster Management Policy Framework
61.	Urban and Small-Town Development	Small Town Development Framework
62.	Special Programmes	Youth Policy
63.	Special Programmes	Disability Strategy
64.	Special Programmes	Reasonable Accommodation and Assistive Devices Policy
65.	Special Programmes	Gender Policy
66.	Risk Management	Ethics and Integrity Management Policy
67.	Risk Management	Risk Management Policy
68.	Security Management and Anti-Corruption	Security Policy
69.	Security Management and Anti-Corruption	Anti-Corruption Policy
70.	Security Management and Anti-Corruption	Fraud and Prevention Implementation Plan
71.	Security Management and Anti-Corruption	Whistle Blowing Policy
72.	Traditional Governance and Finance	Guidelines on Participation of Traditional Leaders in Municipal Councils
73.	Traditional Governance and Finance	Policy Guide on the Identification, recognition and appointment of a Traditional Leader: ECCOGTA
74.	Traditional Governance and Finance	Handbook on Tools of Trade for Traditional Leaders & Members of Traditional Leadership Institutions
75.	Traditional Governance and Finance	Training and Development Policy for Traditional Leaders and members of Traditional Leadership Institutions
76.	Traditional Governance and Finance	Guidelines on the Involvement of Traditional Leaders in Rural/Community Development Programmes and their participation in governance forum
77.	Traditional Governance and Finance	Policy of Financial Management of Traditional Councils and Transfer of Funds for Traditional Council
78.	Traditional Governance and Finance	Financial Disclosure Manual for Traditional Leaders
79.	Traditional Governance and Finance	Guidelines on Sitting for Traditional Councils and Payment to Non-Traditional Leaders and members of Traditional Councils
80.	Traditional Governance and Finance	Bursary Policy for Traditional Leaders
81.	Traditional Governance and Finance	Guidelines on the Administration of Justice by Traditional Leaders
82.	Organisational Transformation	Job Evaluation 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.







# PART B

## PERFORMANCE INFORMATION.

 @ Cogta Eastern Cape



 Ecogta



 @eccogta



 @EasternCapeCOGTA



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

### 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 2025 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

PROGRAMME	PAGE NUMBERS	PURPOSE
Local governance	42-48	To ensure the transformation of developmental local government by strengthening municipal institutions that will be responsive to the needs of communities.
Development and planning	50-58	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.

### 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, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

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.



### 3. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 3.1. Service Delivery Environment

In terms of the Annual Performance Plan for 2024-2025 Financial Year, the Department dedicated itself by fostering development-oriented municipalities and traditional leadership institutions that deliver sustainable high-quality services to communities in an integrated, responsive, and accountable manner. It sets a renewed vigour to ramp up service delivery to the people of the Eastern Cape. The District Development Model (DDM) has been deepened, with local DDM regulation workshops, the review of One Plans, and catalytic project implementation. To enhance financial stability, the Department is supporting municipalities with revenue enhancement strategies and debt reduction, including through a Municipal Revenue Indaba, that was recently convened, to share best practices.

The launch of the Provincial Local Government Monitoring and Evaluation Forum will ensure the effective management of performance information. In support of Traditional Councils, the Department will assist with the induction of new members, provide infrastructure support, and enhance traditional leadership's role in development decisions. It will also continue to promote anti-GBVF initiatives and facilitate partnerships with relevant entities. The mainstreaming of programmes on empowerment and development of youth, women and persons with disabilities will be continued with in the Department and municipalities as well as to expand government spend on designated groups during the 2025/30 five-year period.

The Department has finally received concurrence from DPSA in 2025 and the Executive Authority (EA) has approved the structure on 28 February 2025, and this has resulted to a transitioning to a new framework that will remodel its institutional make up and decentralise staff to District Support Centres (DSCs) in the 2025/26 financial year.

#### 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.
- Two hundred and thirty nine (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 Consultation Process dates back from 2017 when the department embarked on the reviewal of its Organisational Structure informed by the EMC Pronouncements, TAU Report, a Service Delivery Model (SDM) and the Department's organisational structure was reviewed. Several MEC pronouncements thereafter confirmed the department's need to reconfigure the structure to respond to its service delivery mandate.

The Department finally received concurrence from DPSA in 2025 and the Executive Authority (EA) approved the structure on 28 February 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. Municipality engagement on request.	Several municipalities have established functional Indigent Steering Committees. All District FBS Forums are functional. Provided training workshops for municipalities upon request. Monitoring visits are undertaken in all municipalities to monitor the implementation of Indigent Policies.
Improve infrastructural spending by municipalities	Municipalities	Lack of Technical capacity and poor planning	Strengthened coordination and planning through the effective functioning of forums and committees, to ensure proper registration of projects under the Municipal Infrastructure Grant (MIG) and alignment of sectoral plans. Including: <ul style="list-style-type: none"> <li>• Pre-District Appraisal Committees</li> <li>• PMISD (Provincial Municipal Infrastructure Service Delivery)</li> </ul> DWIF (District-Wide Infrastructure Forums)	Spending performance on MIG has significantly improved across the province. Notably, no municipality was subjected to the stopping of funds during the mid-term budget adjustment period, indicating improved planning and financial management.
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	The Department has developed a Strategy that will see improvement in the turnaround time for construction of Traditional Councils. The strategy will consider the engagement of other implementing agents over and above the Department of Public Works and Infrastructure for new construction work.

### 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.	Several municipalities have established functional Indigent Steering Committees. All District FBS Forums are functional Provided training workshops for municipalities upon request. Monitoring visits are undertaken in all municipalities to monitor the implementation of Indigent Policies.
Improve infrastructural spending by municipalities	Pre district appraisal committee, PMISD: Provincial Municipal Infrastructure Service Delivery	Pre district appraisal committee (DACs), PMISD: Provincial Municipal Infrastructure Service Delivery	Offering assistance to municipalities to avoid stopping and re-allocation of MIG funding. Municipalities use advocacy and marketing in schools, churches, social gatherings, etc. Municipalities use customer services to inform about infrastructure services.
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.	Site meetings and inspections with traditional leaders at regular intervals. Constructions sign, signage at regular intervals. Use of indigenous language.

### 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

There were no key policy developments and legislative changes during the year under review.

## 4. ACHIEVEMENTS 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 2025
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	4 Clean Audit Outcomes achieved (2020/2021, 2021/2022, 2022/2023 & 2023/2024)

### 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 2025
Responsive, capable and stable local state that deliver seamless services to the communities	Number of municipalities with good public participation practices	33 municipalities have functional ward committees. 33 municipalities responding to community concerns.	» 33 municipalities with good public participation practices	» All 33 municipalities have functional ward committees. » Efforts are now to institutionalised ward public participatory systems through strengthening their relations with civil society formations.
	Municipalities complying with applicable legislations, institutional capacity and governance matters to	14 Dysfunctional Municipalities. 39 councils convene the legislated quarterly meetings. 35 municipalities complied with MSA Regulations on the	» 39 Functional and effective Municipalities	39 Municipalities are fully functional and effective. The Municipal Councils of all the 39 municipalities exercise their oversight role over administrations.



<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 2025
	improve service delivery.	appointment of senior managers. 39 municipalities Institutionalised the performance management system		
	Number of municipalities that obtained clean audit opinion	23 municipalities with improved financial performance and governance. » 39 Municipal Public Account Committee's. » 39 municipalities implemented Audit Response Plans.	39 municipalities with clean audit outcomes	Six (6) Municipalities with clean audit outcomes for 2023/24 Financial year, namely Mnquma LM, Umzimvubu LM, Joe Gqabi DM, Alfred Nzo DM, Kouga LM and Senqu LM. This represents an improvement from four (4) municipalities in the previous audit cycle (2022/23).

### PROGRAMME 3: DEVELOPMENT AND PLANNING

<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 2025
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	» 6 District municipalities and 2 metro municipalities Disaster	» 8 Responsive Disaster Management Centres and Fire	» 8 Responsive Disaster Management Centres and Fire Brigade Services in the Province

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 2025																								
	Brigade Services in the province	Management Centres.	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><tr><th colspan="5">Actual Performance</th></tr><tr><th>2020 /21</th><th>2021 /22</th><th>2022 /23</th><th>2023 /24</th><th>2024/ 25</th></tr><tr><td>187</td><td>201</td><td>194</td><td>182</td><td>170</td></tr></table> <b>Demographics</b> <table><tr><th>Women</th><th>Male</th><th>Youth</th><th>PwD</th></tr><tr><td>614 (64%)</td><td>337 (36%)</td><td>203 (21%)</td><td>30 (3%)</td></tr></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					2020 /21	2021 /22	2022 /23	2023 /24	2024/ 25	187	201	194	182	170	Women	Male	Youth	PwD	614 (64%)	337 (36%)	203 (21%)	30 (3%)
Actual Performance																												
2020 /21	2021 /22	2022 /23	2023 /24	2024/ 25																								
187	201	194	182	170																								
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, OR Tambo, Sarah Baartman and Joe Gqabi District municipalities have established DMPTs to assist their local municipalities in the assessment and processing of land development applications. Alfred Nzo and Amathole district municipalities do not have DMPTs and some of their local municipalities are in the process of establishing single municipal planning tribunals. ADM= 4 LMs have functional MPTs while 2 LMs are in the process of establishment. ANDM= 1 LM has a functional MPT while 4 LMs are in the process of establishment.																								

**PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT**

<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 2025
Functional and effective traditional leadership institutions for socio-economic 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: 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 2025
Functional and effective traditional leadership institutions for socio-economic 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





## INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

# PROGRAMME 1 ADMINISTRATION

## 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

During the 2024/2025 financial year, programme One branch of the Department continued to provide critical support functions essential to the Department’s operational efficiency and strategic delivery. This included the management of human resources, information, and communication technology (ICT), legal services, facilities, and overall administrative support. The branch played a pivotal role in ensuring a conducive working environment, enhancing institutional capacity, and promoting compliance with governance and performance standards, thereby enabling COGTA to effectively fulfil its mandate across all spheres of government.

In response to GBVF scourge in local government, the Department monitored twelve municipalities on the implementation of the GBV responsive programmes, and the National Youth Policy (NYP). which are Dr Beyers Naude, Blue Crane Route, Sunday’s River Valley, Kouga, Makana, Raymond Mhlaba, Mbhashe, Great Kei, Ngqushwa, Amathole, Sarah Baartman and Koukamma. This seeks to ensure the institutionalisation and localisation of the government policy imperatives for women, youth and persons with disabilities as expressed in the National Strategic Plan on Gender-Based Violence and Femicide (GBVF), the Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEAF), the National Youth Policy as well as the White Paper on the Rights of Persons with Disabilities.



In support of the fight against corruption and harnessing ethical conduct, 15 municipalities were supported, including Port St Johns, Sarah Baartman, Dr AB Xuma LM and Dr Beyers Naude, Joe Gqabi DM, Kumkani Umhlontlo, O. R. Tambo, KSD, Alfred Nzo DM, Inxuba Yethemba LM, BCM, Elundini LM, Emalahleni LM, Ngqushwa and Amathole were supported. The Department ensured that anti-corruption measures are implemented, and that quarterly Risk and Ethics Management Meetings are convened within the Department.

The IGR Directorate continued to foster connections between District and Metro Municipalities and facilitated the establishment of the District and Metropolitan Municipal IGR Forums. All six districts and the two metros were monitored for their implementation of IGR functions to ensure compliance with the Intergovernmental Relations Framework Act of 2005 (IGR).

Additionally, the Department supported the DDM, provided tools of trade to the Traditional and service delivery administrative areas, and to the Traditional and Khoi-San Leaders. The Department monitored and supported the functionality of Khoi-San Leaders, Government aligned with the District Development Model, One Plan. The District Development Model (DDM) is an operational model to strengthen a capable, ethical, and developing state. It is a fact that DDM output is the integration and alignment of joint initiatives through One Plans that are embedded in a strong IGR system. The Department through the Chief Directorate: Intergovernmental Relations (IGR) and District Coordination, will continue to communicate the District Development Model as a government-wide delivery vehicle by all strategic partners through a communication strategy focused on educating, raising awareness, and mobilising communities.

To ensure all vacant posts are filled with the most suitable candidates for efficient and effective performance of the department the Human Resource Management, over the medium term, will undertake targeted training interventions to reskill and upskill staff in line with the updated Workplace Skills Plan and emerging technologies.

To improve the quality of decision making and manage the risk of non-compliance with applicable legislation, the Department, through legal services, generated legal opinions, written legal comments, vetted contracts, and vetted policies. To ensure that the department contributes to the provincial and national development of legislation, facilitated engagement with State Law Advisors on the publication of the gazette on regulations for the reconstitution of traditional councils. Furthermore, the Department conducted compliance risk assessments on relevant provisions of legislation applicable to the Strategic Management, Communication, and Information Services Chief Directorate.

The Department ensured that the departmental ICT advances through digitalisation and enhanced IT security management as per the ICT strategic plan. To streamline workflows to bring efficiency, transparency and improved access to services, the Department leverages ICT, and data for improved decision-making. Digitalisation has assisted with the streamlining of processes, making information more accessible and operations more efficient. Cloud computing implementation enabled faster and more flexible responses to changing needs. Additionally, the rise of hybrid work environments has driven improvements in cybersecurity, ensuring that data and systems remain secure regardless of where users connect from. These advancements have collectively improved our ICT services, making them more resilient and capable of supporting the department's goals.



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

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
High performing Department enhancing service Delivery through Integrated support services	GBVF responsive Programmes implemented 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)	17	12	12	12	0	None
	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)	14	14	4	15	11	The Department received additional requests from 11 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	None
	Functional DIMAFO and Metro IGR Structures monitored	Number of District and Metro Municipalities monitored on implementation of IGR function	8	8	8	8	0	None
	Digitalised business processes	Number of reports on paperless business solutions compiled in line with the ICT Strategic Plan	2	2	4	4	0	None
	Increased Institutional Capacity	Number of reports on vacant funded posts filled	97	86	4	4	0	None

5.1.4. Linking Performance with Budgets

Table 5.2: Sub-Programme Expenditure

Sub-Programme Name	PROGRAMME 1: ADMINISTRATION 2024/2025					2023/2024		
	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	
Office of the MEC	8 999	8 810	189	97.9%	9 084	8 813	271	97.6%
Corporate Services	267 889	266 365	1 524	99.4%	277 082	274 676	2 406	99.1%
Total	276 888	275 175	1 713	99.4%	286 166	283 489	2 677	99.1%

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

- All customised sector indicators for 2024/2025 have been included in the Annual Performance Plan 2024/2025 and been reported on.







## PROGRAMME 2

### LOCAL GOVERNANCE



f @Cogta Eastern Cape



X Ecogta



♪ @eccogta



📺 @EasternCapeCOGTA



## 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 <b>Municipal Administration</b>	To provide support services and monitor the effective municipal administration matters within the regulatory framework.
2.2 <b>Municipal Finance</b>	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 <b>Public Participation</b>	To deepen democracy for better service delivery.
2.4 <b>Capacity Development</b>	To provide support and management services to municipalities in respect of capacity building.
2.5 <b>Municipal Performance Monitoring, Reporting and Evaluation</b>	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

During the 2024/2025 financial year, the Department continued to provide targeted and hands-on support to strengthen municipal governance and promote accountability across the province's municipalities. A key focus area was the conduct of compliance assessments to evaluate the functionality of governance structures, such as municipal councils, Section 79 committees, and ward committees. These assessments enabled the Department to identify governance gaps and guide municipalities in addressing non-compliance with the legislative framework governing local government.

To assist municipalities in improving their financial sustainability, the Department intensified its arrear debt intervention efforts aimed at recovering monies owed by sector departments, businesses, and communities. Working through structured engagements such as quarterly area debt meetings, the Department facilitated coordinated action between municipalities and debtor stakeholders, resulting in the development and implementation of debt repayment plans and improved intergovernmental cooperation.

In support of transparency and oversight, the Department strengthened its support to Municipal Public Accounts Committees (MPACs) through targeted training on their oversight role, interpretation of audit reports, and the legislative provisions underpinning municipal financial accountability. This capacity building ensured that MPACs were better equipped to scrutinise financial statements and enforce consequence management where necessary.

The Department also placed emphasis on the monitoring of municipal audit action plans, to ensure that municipalities implemented corrective actions in response to findings by the Auditor-General. Through continuous engagement, municipalities were supported to address root causes of audit findings, improve financial management practices, and strengthen internal control environments. These interventions contributed to gradual improvements in audit outcomes and the overall stability of municipal governance.

As part of its ongoing commitment to strengthen participatory democracy and community engagement at the local level, the Department supported 33 municipalities during the 2024/2025 financial year to establish and maintain functional ward committees. This support included training of ward committee members, provision of operational guidelines, and monitoring tools to ensure that ward committees effectively facilitate public participation in municipal planning and decision-making processes. By building capacity at the ward level, the Department contributed to enhancing the responsiveness and accountability of municipalities to the needs of their communities.

In addition, the Department rolled out the Petition Management Framework across all districts and metropolitan municipalities to guide the structured and timely handling of public petitions. This framework has empowered municipalities to institutionalise clear processes for receiving, processing, and responding to community concerns, thereby strengthening social cohesion and trust in local governance. Support included training municipal officials and councillors on the framework and integrating petition handling into council oversight mechanisms. These efforts have significantly improved citizen engagement and provide communities with a reliable mechanism for raising service delivery concerns and receiving appropriate redress.

In line with the provisions of the Municipal Systems Act, 2000 (Act 32 of 2000) and its associated regulations, the Department supported nineteen (19) municipalities during the 2024/2025 financial year to strengthen compliance and institutional stability. This included technical assistance with the appointment processes of senior managers, ensuring adherence to the MSA Regulations on recruitment, selection, and competency requirements. The Department played an oversight role by reviewing recruitment documentation, providing legal guidance, and verifying qualifications and experience to ensure that only suitably qualified and competent individuals were appointed to strategic leadership positions.

Furthermore, the Department facilitated capacity-building sessions focused on the implementation of the Municipal Staff Regulations, which came into effect in 2021. These sessions aimed to equip municipalities with the knowledge and tools required to align their human resource policies and practices with the new regulatory framework, including performance management, disciplinary procedures, and organisational development.

The Department also provided direct support in addressing labour-related matters, including mediating disputes, guiding municipalities on compliance with the Labour Relations Act, and promoting sound labour practices. Through this multi-pronged approach, the Department contributed to improving human resource governance, professionalising the municipal administration, and creating stable and functional working environments within local government institutions.

The Department intensified its support to financially distressed municipalities through the implementation of the Municipal Support Intervention Framework (MSIF). This strategic framework enabled a structured and coordinated approach to assisting municipalities in the development and execution of Financial Recovery Plans (FRPs). The Department worked closely with National Treasury, Provincial Treasury, and affected municipalities to analyse financial challenges, identify root causes, and tailor recovery interventions. Support focused on areas such as revenue enhancement, expenditure control, improved budgeting, and debt management to stabilise municipal finances and restore service delivery capacity.

In parallel, the Department advanced the institutionalisation of Performance Management Systems (PMS) across municipalities, particularly for Section 54A and 56 managers, to strengthen accountability and results-driven leadership. Municipalities were supported to align their PMS frameworks with Integrated Development Plans (IDPs), Service Delivery and Budget Implementation Plans (SDBIPs), and individual performance agreements. The Department also provided technical guidance on setting performance targets, conducting evaluations, and integrating performance outcomes into organisational planning. These efforts contributed to improving institutional performance, enhancing service delivery monitoring, and entrenching a culture of accountability and continuous improvement in local governance.

Sub-Programme 2.1: Municipal Administration

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

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Responsive, capable and stable local state that deliver seamless services to the communities.	Consolidated assessment reports produced in compliance with relevant legislation.	Number of compliance assessment with legislation(s) conducted	4	4	39	39	0	None

Sub-Programme 2.2: Municipal Finance

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

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Responsive, capable, and stable local state that deliver seamless services to the communities.	Improved audit outcomes.	Number of assessment reports developed on audit response plans implemented by municipalities towards improvement of audit outcomes (Linked to MTSF 2019-2024, Priority 1)	39	39	4	4	0	None
	Quarterly Interventions conducted to monitor government debt payable to municipalities (Sub outcome 3, Action 1)	Number of quarterly interventions conducted to monitor government debt payable to municipalities (Sub outcome 3, Action 1)	4	4	6	6	0	None



Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
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 Committees (MPACs)	39	39	39	39	0	None

Sub-Programme 2.3: Public Participation

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

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
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)	33	33	33	33	0	None
	Municipalities are responsive to community concerns	Number of municipalities supported to resolve community concerns (Outcome-9; Sub-Outcome 2) (B2B Pillar 1)	49	14	Demand Driven	23	0	None
	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	8	0	None

## SUB-PROGRAMME 2.4- CAPACITY DEVELOPMENT

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

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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)	25	24	Demand driven	19	0	None
	Capacitated local government	Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019– 2024, Priority 1) (B2B Pillar 5)	12	4	4	4	0	None
	Municipalities have reviewed integrated HR Plans	Number of municipalities supported to comply with underlying Municipal Staff Regulations when reviewing their HR Plans	2	2	12	13	1	The Department received additional request for support from Ingquza Hill Local Municipality
	Reviewed organograms with IDP's aligned	Number of municipalities supported to review Organograms to comply with the underlying Municipal Staff Regulations linking with powers and functions as identified in the IDP	4	10	6	6	0	None
	Successful and sound labour relationship	Number of reports on the enhancement of sound labour relations in municipalities	1	Demand Driven (0)	4	4	0	None

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 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Responsive, and stable state deliver seamless services to the communities	Institutionalised and performance management systems in local government	Number of municipalities supported to institutionalize the performance management system (PMS) (Linked to MTSF 2019 –2024, Priority 1)	39	39	39	39	0	None
	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	None

5.2.4. Linking Performance with Budgets

Table 5.8: Sub-programme Expenditure

PROGRAMME 2: LOCAL GOVERNANCE							
Sub-Programme Name	Final Appropriation R'000	2024/2025		2023/2024		(Over) Under Expenditure R'000	% Spent
		Actual Expenditure R'000	(Over) Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000		
Municipal Administration	20 549	20 487	62	16 993	16 473	520	96.9%
Municipal Finance	11 196	11 164	32	12 455	11 664	791	93.6%
Municipal Public Participation	239 180	239 174	6	214 209	213 686	523	99.8%
Municipal Capacity Development	9 217	9 191	26	11 330	10 909	421	96.3%
Municipal Performance Monitoring, Reporting and Evaluation	12 580	12 559	21	12 975	11 871	1 104	91.5%
Total	292 722	292 575	147	267 962	264 603	3 359	98.7%



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

- All customized sector indicators for 2024/2025 have been included in the Annual Performance Plan 2024/2025 and been reported on.







# PROGRAMME 3

## DEVELOPMENT AND PLANNING



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### 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 terms of Spatial Planning and Land Use Management Act (SPLUMA) implementation, the Department supported municipalities, in establishment of municipal planning tribunals (MPTs), municipal officials, municipal councillors and Traditional Leaders to understand their role in the roll out of Spatial Planning and Land Use Management Act 16 of 2023 (SPLUMA). In this endeavour the department supported fourteen (14) municipalities, namely, Blue Crane Route, Walter Sisulu, Dr AB Xuma, NMBM, Raymond Mhlaba, Ntabankulu, Mhlontlo, Sundays River Valley, Sakhisizwe, Senqu, Amahlathi, Alfred Nzo, Ndlambe and Dr Beyers Naude Local municipality.

Furthermore, thirteen (13) municipalities, which are Blue Crane Route, Dr Beyers Naude, Ingquza Hill, Emalahleni, O R Tambo, Inxuba Yethemba, Ntabankulu, Port St Johns, Chris Hani, Winnie Madikizela Mandela, Sundays River Valley, Walter Sisulu and Nelson Mandela Bay Metro Municipality were supported in the development of a functional Integrated Geographic Information Systems- GIS.

Whilst thirteen (13) were guided towards improving the extent to which they comply with the Municipal Property Rates Act (MPRA) including the following municipalities Senqu, Sakhisizwe, Amahlathi, Elundini, Enoch Mgijima, Makana, Raymond Mhlaba, KSD, PSJ, Great Kei, Blue Crane Route, Ingquza Hill and Winnie Madikizela-Mandela thus ensuring that the municipalities comply with critical aspects of the MPRA and its regulations. This intervention contributes to dealing with the underlying challenges associated with inadequate revenue collection by the municipalities. The same municipalities were supported in the execution of land surveys to ensure infrastructure development and to preserve property integrity.

A total of twelve (12) Municipalities, which include Amahlathi, Mbhashe, Walter Sisulu, Senqu, Makana, SRVM, Ingquza Hill, Ntabankulu, Winnie Madikizela-Mandela, ORTDM, Sakhisizwe and Intsika Yethu, were supported and guided to implement projects according to updated council-approved LED strategies to promote local economic growth and job creation. Outdated LED Strategies and plans were reviewed to promote economic development of the communities, an intervention that assists municipalities in packaging LED Projects for potential funding and implementation.

The Department used the community work programme implementation as the basis for the creation of work opportunities under the expanded public works programme. A total of 170 work opportunities were created in Buffalo City Metro (Dimbaza) and Intsika Yethu LM (Tsomo and Cofimvaba). This initiative contributed to fighting against poverty and reducing unemployment in Buffalo City Metro and the Chris Hani District.



The Public Employment Programmes Implemented (CWP and EPWP) have played a vital role in addressing unemployment and poverty by creating work opportunities year on year.

In line with the Small-Town Regeneration Strategy, 2021, the Department embraced beautification projects for seven (7) small towns to enhance the quality of life for residents, socio-economic development, many with support from their local municipal authority. This support helps to enhance international, regional, and local tourism. Port St Johns (PSJ), Mhlontlo LM (Qumbu -Tsolo), Elundini (Mt Fletcher), Ndlambe LM (Port Alfred - Alexandria), Amahlathi LM (Stutterheim) , Dr AB Xuma (Engcobo) and Matatiele LM (Cederville - Maluti) have been assisted to develop Small Town Master and precinct plans for implementation.

In order to ensure improved access to basic services, the Department monitored compliance with infrastructure delivery programmes in collaboration with sector departments. This intensification of Provincial Municipal Infrastructure and Service Delivery (PMISD) as a monitoring performance reporting tool was very beneficial to determine the extent of access to basic services in municipalities. The intensification focused on outputs, where 36 municipalities have demonstrated a significant improvement towards achieving universal access to all basic services.

To support to improvement of national grant expenditure and accelerated access to basic services, the initial allocation of R8.564 billion for all capital grants in the 2024/25 financial year. As of the end of February 2025, the expenditure stood at R4,425 billion (52%) of the allocation, which is below the expected 75% threshold as per the risk-adjusted strategy. The expected expenditure for all grants at this point was 85% as per the RAS. In addressing the implementation gaps, the department supported the municipalities in the alignment of operational plans across different sectors supporting municipalities. The municipalities that are not at the expected level in improving conditional grants expenditure performance, (maximised CAPEX programmes performance), are supported through the Risk Adjusted Strategy (RAS) implementation, (improved OPEX programmes performance) and with the development of credible procurement plans to successfully implement infrastructure projects and services.

The Department has also monitored the progress of municipalities in implementing Indigent Policies, focusing on adherence to the council-adopted policy, the existence of Free Basic Services (FBS) coordinating structures, the availability of budgets and personnel for Free Basic Services, alignment of the Indigent Policy with other municipal policies, and the maintenance of a credible Indigent Register. Thirty-eight (38) municipalities were supported to implement FBS inclusive policies in ensuring that there is increased access of municipal services such as water, electricity, sanitation, refuse removal and other subsidies.

The Department continues to institutionalise the Disaster Management Programme in the province to prevent, mitigate disasters and enhance preparedness and capability to respond to these disasters. The Department commenced to support sector departments develop level one (1) sector disaster management plans. The sector plans serve as a build-up to the finalisation of the provincial disaster management plan.

The Department is further supporting sector departments in the implementation of the approved provincial disaster management policy framework to an extent that Provincial Treasury augmented the process by issuing a circular for sector departments to set aside 2% of their own funding to respond to disasters. To further strengthen the coordination element of the programme, the Department collaborated with the Office of the Premier (OTP) and Provincial Treasury (PT), by developing a disaster management coordination plan which contains an implementation protocol that sector departments and municipalities must implement and report on a quarterly basis. The protocol also contains elements of the provincial disaster management policy framework.

PROGRAMME 3: DEVELOPMENT AND PLANNING

The Table 5.9 below presents achievements against the originally tabled Annual Performance Plan 2024/2025 until the date of re-tabling in respect of Programme 3 (with specific reference to ONLY directorates that made revisions in the APP, and the revisions were tabled at Legislature and the changes are reflected in the EPRE).

SUB-PROGRAMME: SPATIAL PLANNING									
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	* Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations	Reasons for revisions to the Outputs/Output Indicators/Annual Targets
Improved integrated planning and development for better services delivery	Effective implementation of the PSDF by municipalities, sector departments, SOE's etc.	Number of phases completed in the review of the Provincial Spatial Framework (PSDF)	-	-	2	0	-2	The Q2 planned target of "1" was not achieved because it involved the Bid processes, and unfortunately the Bid was non-responsive.	Due to the non-responsiveness of the Bid (focusing on phase 1), the Annual Target was revised downward from "2" to "1" and remained in Q4 to cater for the Bid processes.

SUB-PROGRAMME 3.1- SPATIAL PLANNING<sup>1</sup>

Table 5.10: Spatial Planning: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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)	13	16	13	14	1	The Department responded to a request for support from Dr Beyers Naude Local Municipality for the training of Municipal Tribunal
	Functional Integrated GIS systems in municipalities.	Number of municipalities supported to develop functional Integrated Geographic Information Systems	17	16	12	13	1	The Department received a request from the Nelson Mandela Bay Metro for GIS training to the Disaster Management division.
	Effective implementation of the PSDF by municipalities, sector departments, SOE's etc.	Number of phases completed in the review of the Provincial Spatial Development Framework (PSDF)	-	-	1	1	0	None

<sup>1</sup> From this sub-programme \* 3.1 to 3.6, this section presents achievements against originally tabled APP (where no revision were made) and re-rebled APP (where revisions were made and tabled and presents an overall performance of programmes)



SUB-PROGRAMME 3.2- LAND USE MANAGEMENT

Table 5.11: Land Use Management: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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)	16	12	13	13	0	None
	Land parcels surveyed and registered in the municipalities.	Number of district municipalities supported to conduct cadastral surveys for access to land rights.	2	3	3	3	0	None
	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	10	19	19	0	None

SUB-PROGRAMME 3.3- LOCAL ECONOMIC DEVELOPMENT

Table 5.12: Local Economic Development \_ Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved integrated planning and development	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	12	12	12	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
for better services delivery	Promoted integrated strategic LED implementation	Number of LED IGR structures supported in municipalities to promote strategic collaboration	8	6	6	6	0	None
	Municipalities supported with LED capacity programmes	Number of municipalities supported with LED capacity programmes	-	6	6	6	0	None
	Municipalities supported to implement Community Work Programmes (CWP)	Number of municipalities supported to implement Community Work Programme (CWP)	33	33	33	33	0	None
	Created work opportunities	Number of EPWP job opportunities created through CWP norms and standards	194	182	170	170	0	None
	Improved public and private sector investments in targeted towns.	Number of municipalities supported to promote the Small-Town Development	7	7	7	7	0	None

### SUB-PROGRAMME 3.4- MUNICIPAL INFRASTRUCTURE

Table 5.13: Municipal Infrastructure: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved integrated planning and development	Efficient provision of infrastructure and delivery of services in line	Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1) (B2B Pillar 5)	36	36	36	36	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
for services delivery	with the IDPs.	Number of Districts monitored on the spending of National Grants.	6	6	6	6	0	None
	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	None
	Thriving local economies based on sustainable infrastructure.	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	None

SUB-PROGRAMME 3.5- DISASTER MANAGEMENT

Table 5.14: Disaster Management: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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	8	0	None
	Fire and Rescue Services Capability improved to have safer and resilient communities.	Number of municipalities supported on Fire Brigade Services	8	8	8	8	0	None



SUB-PROGRAMME 3.6- IDP COORDINATION

Table 5.15: IDP Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	*Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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	39	39	39	39	0	None

5.3.4. Linking Performance with Budgets

Table 5.16: Sub-programme Expenditure

PROGRAMME 3: DEVELOPMENT AND PLANNING									
Sub-Programme Name	2024/2025			2023/2024			2023/2024		
	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	15 189	15 177	12	99.9%	15 888	15 788	100	99.4%	
Land Use Management	20 041	19 941	100	99.5%	20 678	19 543	1 135	94.5%	
Local Economic Development (LED)	24 012	23 936	76	99.7%	23 200	22 200	1 000	95.7%	
Municipal Infrastructure	28 765	28 701	64	99.8%	28 458	28 189	269	99.1%	
Disaster Management	20 260	16 608	3 651	82.0%	17 253	16 749	504	97.1%	
IDP Co-ordination	8 413	8 380	33	99.6%	8 208	8 135	73	99.1%	
Total	116 680	112 744	3 936	96.6%	113 685	110 604	3 081	97.3%	

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

- All customised sector indicators for 2024/2025 have been included in the Annual Performance Plan 2024/2025 and have been reported on.







# PROGRAMME 4

## TRADITIONAL INSTITUTIONAL MANAGEMENT



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## 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 socio-economic development

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

The Department supported Traditional Governance in the drafting and review of policies that increase the efficiency and effectiveness of Traditional Leadership Institutions processes, as well as amending legislation that increases the efficiency and effectiveness of Traditional Leadership Institutions processes. Various research reports on genealogies of royal families were conducted which included; Nkosi Z.W. Mhlanga, Nkosi C.N. Mditshwa, Nkosi A. Zunguzane, Nkosi Phikisa, Nkosi Mdabuka, Nkosi N.C. Makhunze, Nkosi N.E. Fikeni and Nkosi Z.V. Sigcau.

The Department further ensured that Traditional Leadership Institutions play a meaningful role in the development of their communities through partnerships, promote cooperative relations in the development of traditional communities and create sound relations between Traditional Leadership Institutions and all spheres of government, parastatals, NGOS, the Private sector, etc. As a result, the Department supported 23 Traditional Councils on formulation and Review of Development Plans involving these key activities: awareness on development, review and profiling, presentation of draft Development Plans, consultation of Administrative Areas on draft Development Plan and presentation and signing of final development plans. Apart from the formulation of Development Plans, the Department monitored 49 Traditional Councils on the implementation of completed development plans.

The Department has also reviewed the existing guidelines on the participation of Traditional Leaders in Municipal councils. Additionally, the Department proceeded and conducted consultative sessions in respect of the reviewed Guidelines. On policy development, several activities were undertaken to ensure that traditional Leaders are aware of what is expected from them as they deliver the services to rural communities such activities were in respect of the two (2) policies under development namely, Guidelines on the role of traditional Leaders in Combating Gender Based Violence and Femicides (GBV+F) in traditional communities, and the Guidelines on the Performance of Legislative Functions and Obligations by Traditional Leaders. Consultative sessions were conducted with key and relevant stakeholders on two draft policies under development. Such sessions were conducted with regional Heads and Acting Secretaries of Local Houses, Chris Hani Local House of Traditional & Khoi-San leaders and OR Tambo Local House of Traditional & Khoi-San leaders.

Ten (10) awareness sessions were further conducted with Traditional Leaders and support staff from Kingdoms and Regions as well as with members of identified Traditional Councils in some instances alongside members of the community. These awareness sessions focused on elements and provisions of the following policies and legislation:

- Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019).

- Policy Guide on the Identification, Recognition, and Appointment of Traditional Leaders.
- Guidelines on Sitzings of Traditional Councils and Payments of Sitting Allowance to Non - Traditional Leaders Members of Traditional Councils.
- Guidelines on the Administration of Justice by Traditional Leaders.
- Memorandum of Agreement signed between DARLLD, COGTA, DARDA and DPWI.

Below are the Traditional Councils, Kingdoms and Regions where awareness sessions were conducted:

- Qaukeni Kingdom (Lusikisiki Area), Qaukeni Kingdom (Mbizana Area), Qaukeni Kingdom (Mount Ayliff Area), Rharhabe Kingdom, Gcaleka Kingdom, Dalindyebo Kingdom (Ngcobo), Western Tembuland Kingdom, Nyandeni Kingdom, Maluti Region and Fingoland Region

The Department awarded 15 bursaries to qualifying Traditional Leaders in the fields of : Social Science, Project Management, Business Management, BCom in Law and LLB. This forms part of the restoration of the dignity and stature of our Traditional leaders efforts by the Department, focusing on deepening transformation to serve the communities better through skilled and competent Traditional Leaders.

As part of capacity building of Traditional Councils, the Department has continued to coordinate traditional stakeholder engagement sessions. In addition, the Department coordinated and facilitated the induction sessions for newly recognised Traditional Leaders focusing on Legislation and policies impacting on Traditional Leaders with special focus on their roles and responsibilities.

The spiralling criminal activities and GBVF in rural areas, are a big concern for the government. To respond to this, the Department and traditional leaders embarked on a community-centred programmes that seeked to curb gender-based violence in their communities (anti-GBVF campaigns/interventions) and other related crimes. The Department responded with these initiatives to ensure an increased awareness and strategies to combat GBVF, Prevention of GBVF, and rebuilding social cohesion. The GBVF session was intentionally conducted in Matatiele due to high incidents of GBVF related cases contained in the SAPS and Community Safety Reports, and this involved, traditional leaders, social partners such as SAPS, Department of Social Development, Correctional Services and Community Safety.

Under difficult financial constraints, the Department monitored the construction of 05 Traditional Councils which included, Mqhekezweni, Mvumelwano, amaMpondomise, Amazizi and Imingcangathelo.



SUB-PROGRAMME 4.1 -TRADITIONAL INSTITUTIONAL ADMINISTRATION

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

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	* Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Functional and effective Traditional Leadership Institutions for socio-economic development	Policies that increase efficiency of Traditional Leadership processes.	Number of policies reviewed for improved governance	4	5	1	1	0	None
	Policies that increase efficiency and effectiveness of Traditional Leadership Institutions processes.	Number of policies developed for improved governance	-	-	2	2	0	None
	Building a future for good governance	Number of research reports on genealogies of Royal Families conducted	11	10	10	10	0	None



## SUB - PROGRAMME 4.2 – TRADITIONAL RESOURCE ADMINISTRATION

Table 5.18: Traditional Resource Administration: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	* Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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	261	150	239	239	0	None
	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)	2	4	2	2	0	None
	Traditional Leadership dignity restoration.	Number of Traditional Institutions monitored in construction towards completion	4	4	5	5	0	None
	Skilled and competent Traditional Leaders.	Number of bursaries awarded to qualifying traditional leaders Number of induction sessions (orientation and re-orientation) conducted for Traditional Leaders	- 4	10 2	15 4	15 4	0 0	None None

SUB - PROGRAMME 4.3 – RURAL DEVELOPMENT FACILITATION

Table 5.19: Rural Development Facilitation: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	* Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Functional and effective Traditional Leadership Institutions for socio-economic development	Implementable development addressing the Traditional Community needs.	Number of Traditional Councils supported on formulation of Development Plans	25	16	23	23	0	None
	Responsive development plans based on community development needs	Number of Traditional Councils monitored on implementation of completed development plans	-	-	49	49	0	None
	Responsive development based on community development needs	Number of Traditional Leadership Institutions supported through partnerships	60	30	14	14	0	None

5.4.5. Linking Performance with Budget Allocation

Table 5.20: Traditional Institutional Management Budget

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT							
Sub-Programme Name	2024/2025		2023/2024				
	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
Traditional Administration	16 114	15 734	380	97.6%	16 289	15 256	1 033
Traditional Administration	351 479	347 208	4 271	98.8%	341 684	339 178	2 506
Rural Facilitation	9 477	9 239	238	97.5%	10 440	9 460	980
Total	377 070	372 181	4 889	98.7%	368 413	363 894	4 519
							98.8%

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

- All customized sector indicators for 2024/2025 have been included in the Annual performance plan 2024/2025 and have been reported on.





# PROGRAMME 5

## HOUSE OF TRADITIONAL LEADERS



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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
5.1: Administration of House of Traditional Leaders	<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 socio-economic development

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

During the 2024/2025 financial year, the Department made significant strides in strengthening the role of Traditional Leadership Institutions in advancing pro-poor development initiatives. The Department coordinated partnerships agreements through MOUs with Ndibize Foundation, Banzo Type Technologies, Old Mutual, National First Home Finance, Reimagine SA and WipHold Roundtable Engagement. These partnerships focused on improving access to basic services, socio-economic development programmes, and capacity-building efforts in rural and traditional communities. By fostering collaborative efforts, the Department supported Traditional Leaders in playing a more active role in local development, in alignment with the objectives of the National Development Plan and the rural development agenda.

In parallel, the Department continued its oversight of customary male initiation practices by monitoring the functionality and compliance of 8 District Initiation Fora across the country. This monitoring was conducted to ensure adherence to the National Customary Male Initiation Act (Act No. 2 of 2021), which mandates the protection, safety, and dignity of initiates. The Department provided guidance and capacity support to the fora, promoting best practices, ethical conduct, and community awareness. Notably, interventions led to improved coordination between stakeholders, a reduction in initiation-related incidents, and strengthened accountability among traditional initiation practitioners.



SUB-PROGRAMME 5.1- ADMINISTRATION OF HOUSE OF TRADITIONAL LEADERS

Table 5.21: Administration of House of Traditional Leaders Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	* Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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 reports on partnerships entered into to support pro poor initiatives for Traditional Leadership Institutions.	1	1	4	4	0	None

Sub-Programme: 5.2- House Operations and Secretariat Services

Table 5.22: House Operations and Secretariat Services: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	* Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	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	8	8	8	8	0	None

5.5.5. Linking Performance with Budget

Table 5.23: House of Traditional Leaders

PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS								
Sub-Programme Name	2024/2025				2023/2024			
	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 of House of Traditional Leaders	12 819	12 375	444	96.5%	13 595	13 288	307	97.7%
Committees and Local Houses of Traditional Leaders	22 505	22 447	58	99.7%	20 997	20 589	408	98.1%
Total	35 324	34 822	502	98.6%	34 592	33 877	715	97.9%

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

- All Standardised indicators for 2024/2025 are reflected in the Annual Performance Plan 2024/2025 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
NONE				

### 6.2. Transfer payments to all organisations other than Public Entities

The table below reflects the transfer payments made for the period 1 April 2024 to 31 March 2025

**Table 6.2: Transfer payments made other than Public Entities**

Name of municipality	2024/2025 GRANT ALLOCATION					2024/25 TRANSFER			
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buffalo City Metropolitan Municipality (BCMM)	100	-	(36)	64	58	-	-	149	149
<b>TOTAL</b>	<b>100</b>	<b>-</b>	<b>(36)</b>	<b>64</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>149</b>

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

**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
NONE					

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 R2.000 million was received from Provincial Treasury for the year under review. An amount of R2.000 million was spent as at 31 March 2025. 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 2024 to 31 March 2025.

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)	R2.000 million	
Amount spent by the department (R'000)	R2.000 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 R381 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 two (2) Traditional Councils as follows:
    - R37 thousand relates to AmaGqunukhwebe Traditional Council and the project is completed.
    - R344 thousand relates to Mvumelwano Traditional Council and the project is still work-in-progress.
- An amount of R1.503 million was spent on Existing infrastructure assets, relating to Maintenance and repairs of infrastructure undertaken during the year under review.

Infrastructure	2023/2024			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
New and replacement assets	882	641	241	723	381	342
Existing infrastructure assets	-	-	-	2 625	1 503	1 122
<i>Upgrades and additions</i>	-	-	-	-	-	-
<i>Rehabilitation, renovations, and refurbishments</i>	-	-	-	-	-	-
<i>Maintenance and repairs</i>	-	-	-	2 625	1 503	1 122
Infrastructure transfer	-	-	-	-	-	-
<i>Current</i>	-	-	-	-	-	-
<i>Capital</i>	-	-	-	-	-	-
<b>TOTAL</b>	<b>882</b>	<b>641</b>	<b>241</b>	<b>3 348</b>	<b>1 884</b>	<b>1 464</b>

The underspending variance in 2024/25 financial year is as result of the following projects:

- In respect of the new infrastructure:
  - R200 thousand for Mqekezweni – the construction contract had to be cancelled on request of the service provider due to intimidations faced in that community related to extortion.
  - R80 thousand for Dabi Traditional Council – funds could not be spent by financial year-end under major renovations due to change in implementation strategy by DPW&I where this project was to be implemented in-house by DPW&I instead of outsourcing.
  - R30 thousand for Amazizi Traditional Council was for kickstarting the construction of the project and procurement process could not be finalised by DPW&I before financial year-end.
  - R30 thousand for Imingcangathelo Traditional Council was for kickstarting the construction of the project and procurement process could not be finalised by DPW&I before financial year-end.
  - R1 thousand balance on AmaGqunukhwebe Traditional Council which was savings realised on finalisation of the project.
- On existing infrastructure (maintenance and repairs) – This is mainly attributable to quotations for maintenance of traditional councils that came lower than the DPW&I estimates as well as delays experienced with the responsiveness of service providers in submitting the quotations.

#### Measures to ensure accurate asset register.

- Additions to assets were reconciled to the BAS and Asset Register monthly.
- New assets were barcoded.
- Physical asset verification was conducted in all areas i.e., Head Office, Regional and District offices, Traditional Councils etc.
- Where movement of assets was 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 are as follows:



Description	Opening Balance 1 April 2023	Disposals/prior year adjustment	Additions 2024/2025	Loss Control Register	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Transport Assets	26 241	(4 285)	2 544	-	24 500
Computer Equipment	45 519	(8 730)	3 410	(198)	40 001
Furniture & Office Equipment	26 019	(1 173)	953	-	25 799
Other Machinery & Equipment	10 823	(194)	820	(13)	11 436
Biological Assets	-	-	-	-	-
Software	7 368	-	-	-	7 368
Finance Leases	11 358	(5 887)	3 864	-	9 335
<b>Total</b>	<b>127 328</b>	<b>(20 269)</b>	<b>11 591</b>	<b>(211)</b>	<b>118 439</b>







# PART C

## GOVERNANCE



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## 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 the Risk Management Committee. The Audit Committee advises the department on risk management and independently monitors the effectiveness of the risk management processes through the assignments performed by the Internal Audit function.

#### Assessment and Monitoring

- The risk and control assessment are focusing on risk identification, risk analysis and risk prioritisation. The department undergone a formal process of identifying and assessing both strategic and operational risks which are managed and reported on quarterly. 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 a 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 Directorates 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 were conducted on the Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework at Sarah Baartman, Joe Gqabi, Kumkani Mhlontlo, Dr. A.B. Xuma, O.R. Tambo, KSD, Dr. Beyers Naude, Alfred Nzo, Amathole District, PSJ, Inxuba Yethemba, BCMM, Elundini, Emalahleni and Ngqushwa. A training in relation. A two (2) day Train-The-Trainer Workshop on the Code for Ethical Leadership in Local Government facilitated by The Ethics Institute was held on the 22<sup>nd</sup> – 23<sup>rd</sup> July 2024 for appointed Ethics Officers of the District Municipalities and Metropolitan Municipalities of the Province. Ethics Officers in attendance were from Alfred Nzo DM, OR Tambo DM, Buffalo City Metropolitan Municipality (BCMM), Amathole DM and Joe Gqabi DM. This was part of the launch of the Local Government Ethical Leadership Initiative that was launched by the Minister of CoGTA in the year 2024.

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. Three (3) cases were recorded and investigated during the period under review. One (1) investigation with regards to departmental cases to South African Police Services (SAPS) as it had a criminal element.

The following cases were recorded and investigated in the past financial year.

**Departmental investigations (Walk-in reported case)**

- Fraud and impersonation/ misrepresentation reported at Qwebe Qwebe Traditional Council.
- Fraud and corruption from the community of Njombela Village, Ingquza Hill Local Municipality, ward 24
- Fact-finding investigation into circumstances surrounding allegations of poor reception, bad handling of transportation of goods and forgery.

**Referred investigations to SAPS.**

- Fraud and impersonation/ misrepresentation reported at Qwebe Qwebe Traditional Council.
- Fraud and corruption by from the community of Njombela Village, Ingquza Hill Local Municipality, ward 24.

**Section 106 Investigations referred to DPCI**

- Matatiele LM fraud allegations

**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 emphasising 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**

There are internal control measures in place to ensure that employees 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 Members before considering any project tabled before the committee.
- Annual disclosures of financial interests by designated categories of employees and;
- Disclosure of gifts received by employees in a gift register.

All other matters are 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

DATE	TOPIC
27 and 29 August 2024 05 <sup>th</sup> of September 2024	Response to Portfolio Committee - 2024/25 budget vote resolutions
7 <sup>th</sup> , 15 <sup>th</sup> and 21 <sup>st</sup> of November 2024	2023/24 Annual report and 2024/25 Financial oversight report





RESOLUTIONS / RECOMMENDATIONS

PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON ANNUAL REPORT 2023/24

RESOLUTIONS / RECOMMENDATIONS

PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON ANNUAL REPORT 2023/2024

1. Terms of reference

The terms of reference of the Portfolio Committee were to consider the 2023/24 Annual Report of the Department of Cooperative Governance and Traditional Affairs (the Department), make recommendations and report to the House.

2. Method of work

The Committee met with the Department on the 7<sup>th</sup>·15<sup>th</sup> and 21<sup>st</sup> of November 2024.

3. Briefing

The MEC presented a brief overview of the Annual Report in line with the Department’s vision and mission statements and the set goals. The focus areas were on the strategic overview, financial overview, programme highlights, key challenges, and remedial measures to be implemented by the Department. Having considered the information presented by the Department, the Committee made the following findings and recommendations.

4. Voted funds

Final appropriation R'000	Actual amount spent R'000	Variance R'000	% Spent
R1 100 962	R1 089 772	R11 190	99

Programme 1: Administration The aim of the Program is to provide political and strategic services for an effective and efficient administration.			
No	Finding	Recommendations	Status Quo Feedback
1 (a)	The Department recorded yet again an unqualified (Clean) audit outcome in both Annual financial Statements as well as performance information and further	The Department must strengthen its internal controls and planning capabilities in order to ensure that it sustains its audit outcomes and achievements of performance targets.	The department notes the recommendation of the committee.

<b>Programme 1: Administration</b> <b>The aim of the Program is to provide political and strategic services for an effective and efficient administration.</b>				
No	Finding	Recommendations	Status feedback	Status Quo Feedback
(b)	<p>achieved 98% in both performance targets and budget expenditure.</p> <p>The Department has incurred an under expenditure of R14.351 million on Compensation of Employees (CoE) due to non-filing of vacant funded posts and is utilizing the existing staff to fulfill the departmental mandate.</p>	<p>The Department must ensure that all funded vacant posts are filled as a matter of urgency.</p>	<p>During the financial year, the ARP of the Department is constantly revised to include all the vacant funded posts as they occur from time to time due to employees exiting the system for various reasons including death, retirements, resignations and promotions.</p> <p>Recruiting from internal and promoting departmental employees becomes the main reason why there are many vacant posts that employees vacate to assume duties in other higher posts within the department. Therefore, whilst positions are filled as per the ARP targets, vacancies arise due to internal promotions</p> <p>The resolution of the committee is noted.</p>	
(c)	<p>The department has distributed 6000 male condoms for District Support Centers and Head Office as part of its wellness program, however no female condoms were provided to female staff members.</p>	<p>The Department must in future ensure that female condoms are also distributed.</p>		
(d)	<p>The Department has reported 12 new litigation matters which reflect a substantial reduction in litigation, however no information is attached on the cost implications for the reduced number of cases.</p>	<p>The Department must provide the committee with a report on the cost implications of these cases to measure whether there is a reduction in litigation costs.</p>	<p>The total of litigation costs paid is R8 440 935, 00.</p> <p>It is worth mentioning that litigation costs paid in the period under review are not necessarily related to the 12 new matters but include matters which have been inherited from the previous financial years but submission of invoices delayed.</p>	
(e)	<p>The Department has commissioned section 106 investigation and Special Investigation Unit at Enoch Mgijima, Amahlathi and Intsika Yethu municipalities.</p>	<p>The Department must submit to the Committee a report on actions taken against the implicated officials of the different municipalities investigated.</p>	<p>1. Enoch Mgijima LM - Forensic investigation in respect of the award of the tender for the construction of Lesseyton sports field.</p> <p><u>Findings:</u> The investigator concluded that the procurement process was flawed in material respect. It was found that, there was an initial procurement process which turned out to be flawed in all material respects to the extent that the successful contractor, Thalami Civils, cancelled the contract on 13 May 2019. The cancellation was done because the contractor was not permitted to continue with the works on the site because the necessary environmental impact</p>	

Programme 1: Administration The aim of the Program is to provide political and strategic services for an effective and efficient administration.			Status Quo Feedback
No	Finding	Recommendations	Status feedback
			<p>assessment authorisation had not been obtained by the municipality.</p> <p>On the 17 March 2020, the municipality simply issued a new letter to Thalami Civils for the construction of Lesseyton Sports Fields at a substantially revised contract price and for a materially difference scope of work. This was irregular because a municipality was patently required to follow a further procurement process.</p> <p><u>Actions taken by the municipality</u></p> <p>The municipality was furnished with the report. The municipality then raised that they cannot implement the report until it goes through their processes i.e. Report to be presented to MPAC and Municipal Disciplinary Board on financial misconduct. The action plans had not yet been implemented.</p> <p>2. Amahlathi LM – Allegations of malicious activities and compromised domain account. (Cyber fraud).</p> <p><u>Findings:</u></p> <p>The municipality was hacked, and this was due to the non-existence of a firewall.</p> <p>There was no access control of data coming in or out of the municipal network, making it easy for hackers to have unauthorised access. Hackers used penetrated the email of an official that was on leave, therefore eliminating the official from having a role in the malicious act.</p> <p><u>Actions taken by the municipality:</u></p> <p>Since the municipality did not have a firewall and other ICT systems security controls in place, it made the municipality vulnerable to hacking.</p> <p>Therefore, the official whose email was used could not be found liable for the cyber security breach.</p> <p>There municipality have since requested the installation of firewalls which will be delivered in January 2025 by the appointed Service Provider. The firewalls will be installed in all the municipal sites to prevent further intrusion to the municipal systems. The municipality server is currently located at IDZ which</p>



<b>Programme 1: Administration</b> <b>The aim of the Program is to provide political and strategic services for an effective and efficient administration.</b>				
No	Finding	Recommendations	Status feedback	Status Quo Feedback
			<p>has a firewall to serve as a preventative measure to cyber fraud.</p> <p>Training was also conducted on ICT Governance for the ICT Steering Committee on the 8<sup>th</sup> November 2024 facilitate by ECCoGTA Municipal ICT Unit.</p> <p>3. Intsika Yethu LM</p> <p>There has been no investigation commissioned at Intsika Yethu LM by the department nor cases under investigation by SIU or DPCI-Hawks.</p> <p>However, the department in November 2023 conducted an Advocacy Session and capacitated the municipality on the Local Government Anti-Corruption Strategy and the Municipal Integrity Management Framework for its Senior Management and Middle Management. The municipality was supported by the department in developing the Fraud Risk Register which also serves as preventative measure. Promotional materials were shared with the municipality to market the National Anti-Corruption Hotline (NACH) number for reporting any fraudulent activities and corruption acts occurring in the municipality. Continuous monitoring of the municipality is done by the relevant directorate with the municipality to ensure preventative measures, such as awareness workshops, updating of Fraud risk register, Fraud Prevention Plans etc. are in place.</p>	
(f)	The Department has a burden of paying Traditional Leaders as the employees of the Department.	<p>The Department must engage the national Department in the fast tracking of the payment of the Traditional Leaders packages from the national fiscus.</p>	<p>The department recently made an input to the Draft 2025/26 Division of Revenue Bill (Draft DRB) where we have re-iterated our call for a separate dispensation for Traditional Leaders' remuneration. In the feedback received from the latter comments, NT indicated the following:</p> <p>The concern by ECCOGTA was noted; however, this concern was not a Bill clauses issue in NT's view and NT maintains that the province raises the matter at the relevant intergovernmental forums.</p> <p>The feedback further highlights that the matter has since been escalated to Ministerial level and discussions between the Minister of Finance and the</p>	

Programme 1: Administration The aim of the Program is to provide political and strategic services for an effective and efficient administration.			
No	Finding	Recommendations	Status Quo Feedback
			<p><b>Status feedback</b></p> <p>Minister of Cooperative Governance and Traditional Affairs on this matter are on-going. The department will monitor the developments in terms of the above in addressing this challenge.</p>
Programme 2: Developmental Local Government The programme aims at facilitating sound corporate governance practices in all municipalities.			
No	Finding	Recommendations	Status Quo Feedback
1 (a)	Even though the Provincial Executive has reaffirmed the invocation of section 139(5)(a) of the Constitution at Makana Local Municipality, there is no improvement at this Municipality as it is still at the initial stage of the intervention.	The Department must consider taking other appropriate measures of intervention in terms of section 139 of the constitution to ensure the effectiveness of the intervention in this Municipality.	<p><b>Status feedback</b></p> <p>Section 139(5) intervention at Makana LM is under the supervision of the Provincial Executive Council. The role of the department is to actively participate in all Workstreams and provide support in areas identified for the department to assist. For example, assisting the municipality with training on the Code of Conduct and review of Rules of Order and Delegation Framework etc.</p>
(b)	Most Municipalities are not generating revenue from electricity sales due to poorly maintained electricity networks by the electricity departments.	The Department must encourage the Municipalities to make provisions in their budgets for repairs and maintenance of electricity infrastructure as it is the main source of revenue for them.	<p><b>Status Quo Feedback:</b></p> <p>Traditionally municipality have been using their annual equitable share funds to fund activities related to infrastructure maintenance, including electricity. A provision in the DoRA has since been made starting in the 2022/23 financial year, allowing municipalities to use 5% of their annual MIG Allocation to develop Integrated Infrastructure Asset Management Plans (IAMP) that incorporate Infrastructure Asset Maintenance Plans. Once the IAMP have been registered under MIG a municipality can then use 10% of their annual MIG allocation to implement maintenance projects in the IAMP. These Plans cover all the infrastructure in the asset register of the municipality.</p> <p>So far amongst the MIG receiving municipalities in EC, that are also responsible for electricity provision and electricity infrastructure maintenance only nine (09), have taken up the 5% and are either busy with IAMP development or have completed it. However, none amongst the electricity providers have accessed</p>

Programme 2: Developmental Local Government The programme aims at facilitating sound corporate governance practices in all municipalities.				
No	Finding	Recommendations	Status feedback	Status Quo Feedback
(c)	An amount of R1 477 359 766 is owed to Municipalities by different government departments during the year under review.	The Department must work out an enforceable plan with the Office of the Premier and Provincial Treasury that will ensure that government Departments pay for the debts that they owe to municipalities; and that plan must be submitted to the Committee.	the 10% meant for the implementation of electricity infrastructure maintenance projects.  COGTA during its various fora (DWiF, RAS Quarterly Engagement, etc) continues to monitor and encourage municipalities to develop IAMP and implement electricity maintenance projects.  The department is in the 4 <sup>th</sup> Quarter of the 2024/25 FY, planning to hold a Revenue Management/Indaba Summit that will seek to address the challenges on the debt owed by government departments wherein all the stakeholders ( Heads of government departments, departmental CFOs, Municipal CFOs and Revenue Managers, Town Planners from the departments and municipalities i.e. Surveyors, Valuers etc) will be required to bring solutions to the root causes of the debts.	
(d)	Most Municipalities in the province do not have the capacity to enforce their own bylaws.	The Department must provide the necessary support to municipalities that will assists them to enforce their bylaws.	The role of the department is to conduct assessments regarding the By-Laws implementations, assist with the reviews of By-Laws. With regard to enforcement, the department only advice and encourage the municipalities to establish Enforcement units or train people from EPWP in the area of enforcing existing By-Laws.	

Programme 3: Development and Planning The programme aims at promoting development in Local Government through fostering good governance and creation of viable and sustainable developmental municipalities.				
No	Finding	Recommendations	Status feedback	Status Quo Feedback
3 (a)	Even though the Department has developed a provincial Disaster Risk Plan it has, however not implemented the plan as the District Disaster Centres are not ready to implement the plan.	The Department must provide the necessary support and ensure that the District and Metropolitan Disaster Management Centres are ready to urgently implement the Disaster Risk Plan as the province is prone to disasters a progress report must be submitted to the Committee in this regard.	During the development process of the Provincial Disaster Risk Assessment, consultations with all District Disaster Management Centres were conducted in a form of training and workshops aimed at capacitating organs of state.  A Technical Advisory Committee comprising a stakeholders including sector departments, municipalities, academic institutions etc was also established to monitor the project and conduct capacity building programmes. A report shall be submitted as required.	



<b>Programme 3: Development and Planning</b> <b>The programme aims at promoting development in Local Government through fostering good governance and creation of viable and sustainable developmental municipalities.</b>				
No	Finding	Recommendations	Status feedback	Status Quo Feedback
(b)	Even though the provincial government has developed a District Development Model (DDM) "One Plan and One Budget" for each district and metropolitan areas however there are still lapses towards ensuring that all three of government accelerate the implementation of DDM.	The Department must in collaboration with the Office of the Premier and Provincial Treasury ensure that District Development Model is implemented accordingly in the manner that priorities alignment, integration of services and joint planning per district or metro.	<p>A framework for DDM Political Champion was developed to ensure Departments in 3 Spheres of government account for DDM in a political platform. On the 12-13 of September 2024, the Premier and all MECs of Sector Departments signed the Implementation Protocol Agreement and Pledge to Support DDM &amp; IGR.</p> <p>The Political MuniMEC and Premiers Intergovernmental Forum (PIF) Agenda Setting has standardised DDM Implementation Report.</p> <p>The IGR Core Team and the DDM Nerve Centre Forums are constituted by COGTA, OTP &amp; Provincial Treasury and are revitalised to work jointly to support DDM.</p> <p>DDM Planning and Catalytic Projects are integrated into the Provincial Medium Term Development Plan (P-MTDP) through Cluster System driven by OTP.</p>	
(c)	The Disaster Management Centre is not properly equipped to effectively deal with disasters in the province.	The Department must ensure that the Provincial Disaster Management Centre is properly equipped to deal with all types of disasters in the province.	<p>The department has purchased 2 x commercial drones to assist in damage assessments, disaster risk assessment, profiling and mapping, search and rescue amongst other things to enhance the capacity of the PDMC.</p> <p>The department has also appointed SITA for installation of a new Audio Visual and Video Conferencing for better remote coordination. A panel of service providers has been appointed to provide immediate disaster relief when a disaster occurs.</p> <p>SANSA has also been appointed to further conduct risk assessments through satellite imagery.</p> <p>A provincial search and rescue team has been established to ensure coordinated work during disasters.</p>	

Programme 4 and 5: Traditional Institutional Management and House of Traditional Affairs To support and capacitate institutions of traditional leadership to effectively perform their statutory and customary obligations.				
No	Finding	Recommendations	Status feedback	Status Quo Feedback
4 (a)	There is a growing trend of criminal activities that are now starting to affect traditional Leaders in the province.	The Department must in collaboration with the Department of Community Safety submit to the Committee a plan on measures taken to provide security services to royal families.	A written letter from the HOD of CoGTA to the HOD of Community Safety will be crafted. This letter will propose such a plan to ensure safety and security of the royal families. The response thereof will thus be sent to the Committee for comments and contributions. The implementation will follow through. This will be additional to the discussions and updates received quarterly from Community Safety meetings.	
(b)	The Department does not have budget to provide security to Kingdoms and Queenships	The Department must in collaboration with the National Department and all relevant stakeholders work towards plans to provide security for Kingdoms and Queenships.	The Department notes this proposal with high attention, and as it stands, the security of the department is provided through Public Works. However, before any security is allocated a Threat and Risk Assessment is conducted to establish the number of security officers to be allocated to the Queenships and Kingdoms. The National CoGTA will be involved in the part of financial provisions and Public Works as well on officer provision.	
(c)	The Department does not have a target for a number of partnerships entered into to support pro poor initiatives for Traditional Leadership Institutions.	The Department must in future set a baseline target for this indicator and measure its performance against the set baseline figure.	The Department notes the recommendation, in the next planning cycle, the baseline targets will be set for the indicator.	
(d)	The number of deaths of initiates per each initiation season remains unacceptable high and in this regard 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 in collaboration with relevant stakeholders must improve its plans of ensuring deaths free initiations seasons, further the Department must provide the committee with a process map with clear time frames of the amendment process.	The recommendation is noted. The Department is working together with local and district initiation structures to collaboratively develop plans that will strive towards ensuring death free initiation seasons. The amendment Bill is currently with the State Law Adviser for certification. Subsequent to the certification it will be tabled in the legislature.	
(e)	The Traditional Councils and Local Houses of Traditional Leaders and Khoi-San are not properly capacitated to effectively carry out their mandate	The Department must capacitate Traditional Leaders by developing clear roles and responsibilities for Traditional Leaders serving in Traditional Councils and Local Houses of Traditional and Khoi-San Leaders.	Roles and responsibilities for Traditional Councils and Local Houses of Traditional & Khoi San Leaders are clearly defined in the Traditional and Khoi San Leadership Act, 2019 (Act No3 of 2019) and Eastern Cape Traditional and Governance Act of 2017 (Act no.1 of 2017)	

Programme 4 and 5: Traditional Institutional Management and House of Traditional Affairs To support and capacitate institutions of traditional leadership to effectively perform their statutory and customary obligations.				
No	Finding	Recommendations	Status feedback	Status Quo Feedback
			Upon reconstitution of Tradition Councils all members will be inducted in particular on the roles and responsibilities of Tradition Councils. The department is in the process of finalising Rules and Orders for Local Houses of Traditional and Khoi San Leaders. The last sitting of the Local Houses will be utilised to capacitate members on rules and orders including the role and responsibilities and Local House as envisaged in the Act.	
(f)	There are some Traditional Councils that do not have secretaries to provide administrative support for the councils.	The Department must within the available budget ensure the appointment of secretaries for all Traditional Councils in the province.	Recommendation is noted and the department is fast-tracking filling of vacant posts of secretaries within the available budget and in line with the recruitment processes	
(g)	The Department is still in the process of reconstituting Traditional Councils and the regulations for reconstitution are in a draft phase.	The Department must fast track the reconstitution process of the Traditional Councils as per the requirements of Legislation.	Final regulations for reconstitution of Traditional Councils have been signed by the Premier and are in the process of being published on the Provincial gazette In terms provincial reconstitution plan, Traditional Councils will be reconstituted by 31 January 2025.	

General Findings				Status quo feedback
No	Finding	Recommendations	Status feedback	
1 (a)	The performance targets of the Department are set at the output level and this makes it difficult for the Committee to measure its impact.	The Department must in future set performance indicators that will enable the Committee to measure the impact of its performance.	The recommendation has been noted and accepted. In implementing the recommendation, the Department will enhance the Technical Indicator Descriptions (TID) by incorporating specific details regarding the level of impact at the indicator level and confirming municipal support. This will be done while considering the existing government planning frameworks, particularly the Revised Framework for the Development of the Strategic Plan (SP), and Annual Performance Plans (APP) and Guidelines for implementation of the Revised Framework for SPs, APPs, and AOP (2019), which currently only allows for output indicators in the APP. However, with the new term of government, the Department has initiated a strategic planning process, utilizing various planning tools such as Theory of Change and the Logic Model. This approach has led to the	



General Findings No	Finding	Recommendations	Status feedback development of more meaningful, impactful, and practical outcomes and outcome indicators, alongside the technical descriptions.	Status quo feedback

PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON FINANCIAL OVERSIGHT REPORT 2024/2025

1. Terms of reference

The terms of reference of the Portfolio Committee were to consider the Half Year Financial Oversight Report of the Department of Cooperative Governance and Traditional Affairs (the Department), to make findings and recommendations and to report to the House.

2. Method of work

The Committee met with the Department on 21<sup>st</sup> of November 2024 to receive a briefing on the Half Year report and to interact with Department on the content of the report.

3. Briefing

The Acting Deputy Director General Developmental Local Government and the Chief Financial Officer presented a detailed overview of the Financial Oversight Report in line with the Department’s vision and mission statements and the set goals. The focus areas included the strategic overview, financial overview, programme highlights, key challenges and remedial measures to be implemented by the Department. Having considered the information presented by the Department, the Committee made the following findings and recommendations.

4. TOTAL BUDGET VS ACTUALS (APRIL – SEPTEMBER 2024)

Programme	Current Budget R000	Expenditure April – Sept R000	Over/ under expenditure R000	% Spent
Administration	268 524	130 973	(914)	48,8
Local Governance	291 119	135 988	5 847	46,7
Development & Planning	128 059	54 093	5 990	42,2
Traditional Institutional Management	386 946	184 136	1 833	47,6
House of Traditional Leaders	35 277	16 295	(235)	46,2

<b>Programme 1: Administration</b> <b>The aim of the programme is to provide political and strategic services for an effective and efficient administration.</b>				
No	Finding	Recommendations	Status feedback	Status quo Feedback
1 (a)	As of 30 September 2024, the Department recorded 47% (R521.485 million) against the voted funds of R1.109 billion and the Department has achieved 98% of its targets, reflecting a two-percentage point increase from the 95 percent achieved at the same time last year in a Year on Year (YoY) comparison.	The Department must submit a plan outlining how it will ensure that by the end of the financial year it would have not under or overspent its budget and further that it will achieve all its targets. In addition, there must be a correlation between expenditure and performance on targets.	<p><b>Financial Performance:</b></p> <p>The department has in the 2024/25 reviewed its budget and adjusted expenditure with a view of reprioritizing funds to areas of need within the Vote. The Adjusted Budget has therefore been prepared and submitted to PT as a plan for expenditure of the remaining months. Furthermore, Cash Flow Projections will be revised from January 2025 – March 2025. This is due for submission to PT in January 2025 (with the December 2024 IYM report). Spending will then be monitored for the remaining period in line with the requirement of s40(4) of the PFMA.</p>	
(b)	The Department is projecting an under expenditure on Compensation of Employees which emanates from delays experienced in the implementation of the 2024/25 annual recruitment plan.	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.	<p>The Department gives priority to all vacant funded posts where the ARP of the Department is always revised to include all the vacant funded posts as they occur from time to time. Recruiting from internal and promoting departmental employees becomes the reason why there are many vacant posts that employees vacate to assume duties in other higher posts within the department. Therefore, whilst positions are filled as per the ARP targets, vacancies arise due to internal promotions however, the department strives to ensure that the 6 months period to fill vacancies is achieved except in exceptional cases which are beyond the control of the department particularly in cases where Head Hunting must be pursued due to limited supply of the requisite skill.</p>	
(c)	The Department is projecting a year end over expenditure amounting to R4.656 million on goods and services which emanates from procurement of additional cell phones for Traditional Leaders, Travel & Subsistence and higher than projected billing from the Department of Justice and Constitutional Development.	The Department must submit a detailed plan on how it is going to prevent this over expenditure on goods and services.	<p>This has been addressed through the 2024/25 Adjustment Estimates processes where funds have been reprioritised within the baseline to fund the cost pressure areas.</p> <p>The department will then implement budget monitoring in line with S40(4) of the PFMA in terms of spending vs projections up to 31 March 2025.</p>	



<b>Programme 1: Administration</b> <b>The aim of the programme is to provide political and strategic services for an effective and efficient administration.</b>				
No	Finding	Recommendations	Status feedback	Status quo Feedback
(d)	The Department is projecting an under-expenditure of R1.513 million on Capital Assets which emanates from the articulated deviation for High Level Audio Visual and Video Conference System for the PDMC and the construction for Traditional Councils	The Department must provide a plan to the Committee on how it intends to deal with the potential under-spending on capital assets and the negative impact caused by the deviations.	<p>For 2025/26, the department will ensure that any known cost pressures are then accommodated through internal reprioritisation of the baseline as PT indicated categorically that there will be no additional funding to departments due to constrained fiscus.</p> <p>An analysis of the current projects under procurement has been analysed in the build-up to the 2024/25 Adjustment Budget to identify projects that are likely not to be awarded this financial year due to various challenges faced procurement phases.</p> <p>The outcome has led to some of the funds being requested to be rescheduled so that they are secured for when the procurement process is finalised / commenced. The has resulted in R7.970 million being rescheduled to 2025/26 during the Adjustment Estimate, made up of: R2.259 million for the review of the Provincial Spatial Development Framework (PSDF) due to due to non-responsive bids.</p> <p>R1.2 million for the Disaster Management Integrated Information Systems (DMIIS) has been rescheduled to the 2025/26 financial year owing to the phasing out of the current system as the department is now engaging with SITA for the development and installation of a new system.</p> <p>R1.7 million for the construction of aMaMpondomise Royal Palace while the department is finalising its engagement with National Traditional Affairs on the funding modalities for this project.</p> <p>R850 thousand for renovations to the Kings House in Lusikisiki as proceeding with renovations will result to fruitless and wasteful expenditure due to susceptibility of the project to vandalism when no one is occupying it.</p> <p>R761 thousand for Mqhekezweni and Mvumelwano Traditional Councils owing to later</p>	

Programme 1: Administration The aim of the programme is to provide political and strategic services for an effective and efficient administration.				
No	Finding	Recommendations	Status feedback	Status quo Feedback
			<p>than anticipated implementation / awarding of contracts by DPW1 in the current financial year. R1.200 million for sitting allowance for the reconstitution of Traditional Councils planned for later this financial year for which its expenditure in relation to sitting is more likely to be realised in the 2025/26 financial year.</p> <p>Given the limited resource at COGTA's disposal, the department believes the decision to request for rescheduling will ensure that the funds are secured in the next financial year to allow projects to continue being implemented.</p>	
(e)	The Department is projecting year end under expenditure of R1.058 million for transfers and subsidies which is attributed to lower than projected expenditure on processing of leave gratuity for departmental employees.	The Department must submit to the Committee a plan on how it will deal with the under-expenditure on transfers and subsidies which has an adverse impact on leave gratuity.	<p>The reduction in fiscus results in HRM gets allocated limited budget including on transfers and subsidies, making it difficult to process leave gratuities on time.</p> <p>The process gets implemented when there is more budget allocation during the budget adjustment periods.</p>	
Programme 2: Developmental Local Government The programme aims at facilitating sound corporate governance practices in all municipalities.				
No	Finding	Recommendations	Status feedback	Status quo Feedback
2 (a)	The department is projecting an under-expenditure of R5,857,000 in this programme.	The Department must submit a detailed plan on how it is going to prevent the potential under expenditure in this programme.	<p>The under expenditure in this programme is mainly on COE which has been reported under programme 1.</p> <p>There are also some of the key projects under Programme 3 for which interventions are ongoing to improve spending which includes: SITA has been appointed to implement the Audio Visual and Video Conferencing project on behalf of the department and is currently finalising procurement of a suitable service provider. SITA has made an undertaking in line with the submitted Project Implementation Plan that the project shall be finalised within the 2024/25 financial year.</p> <p>The department has signed an MoU with the South African Space Agency to conduct thermal</p>	

Programme 2: Developmental Local Government The programme aims at facilitating sound corporate governance practices in all municipalities.			
No	Finding	Recommendations	Status feedback  Status quo Feedback
			<p>risk assessments for areas prone to flooding. SANSA has started with the work and shall be completing 2024/25 financial year planned part of the project before the end of the financial year. Tender for the Review of the PSDF closed on the 6<sup>th</sup> of August 2024 and service provider was earmarked to be appointed beginning of September 2024. However, due to the non-responsive bids received, the procurement process for the PSDF will be restarted. The funds have been rescheduled to 2025/26 while the department continues with the procurement processes. This is to avoid losing these funds to underspending at financial year-end.</p>

Programme 3: Development and Planning The programme aims at promoting development in Local Government through fostering good governance and the creation of viable and sustainable developmental municipalities.			
No	Finding	Recommendations	Status feedback  Status quo Feedback
3 (a)	The Department is projecting an under expenditure of R5 990, 000 in this programme.	The Department must provide the Committee with a plan on how it will ensure that the funds are spent according to plan, and it will prevent the under expenditure.	<p>SITA has been appointed to implement the Audio Visual and Video Conferencing project on behalf of the department and is currently finalising procurement of a suitable service provider. SITA has made an undertaking in line with the submitted Project Implementation Plan that the project shall be finalised within the 2024/25 financial year.</p> <p>The department has signed an MoU with the South African Space Agency to conduct thermal risk assessments for areas prone to flooding. SANSA has started with the work and shall be completing 2024/25 financial year planned part of the project before the end of the financial year. The Tender for the Review of the PSDF closed on the 6<sup>th</sup> of August 2024 and service provider was earmarked to be appointed beginning of September 2024. Procurement process for the PSDF will be restarted as the tender was non-responsive.</p>



Programme 3: Development and Planning The programme aims at promoting development in Local Government through fostering good governance and the creation of viable and sustainable developmental municipalities.			
No	Finding	Recommendations	Status quo Feedback
(b)	Even though the Department has purchased drones for the Disaster management Centre and has trained pilots to drive them, the drones are not yet operational due to the fact that the department has applied for licences from Airports Company South Africa (ACSA)	The Department must make a follow-up with ACSA on its application in order to ensure that the drones are utilised for their intended purpose. The department must further ensure that the Disaster Management Centre is fully capacitated to forecast and support communities to mitigate the impact of disasters.	Phase one and two of the drones licensing and registration with the South African Civil Aviation Association (SACAA) has been completed. The project is currently in its final phases namely three to five.  Phase three, which comprises the approval of the operational manual to be confirmed before the 15 <sup>th</sup> of January 2025. Phase four, which comprises the flying demonstration from the trained pilots, as well as phase five, which comprises administrative approval work shall take a shorter period. The two latter stages are expected to be finalised during the fourth quarter of 2024/25 financial year.
(c)	On capital project there is an under expenditure which triggers a risk that by the end of the financial year the department would under spend on capital projects.	The Department must submit its plan on how it intends to ensure that all its capital projects are completed within time and the budget is spent accordingly.	Refer to response 1(d) under Programme 1.

Programme 4: Traditional Institutional Management To support and capacitate institutions of traditional leadership to effectively perform their statutory and customary obligations.			
No	Finding	Recommendations	Status quo Feedback
4 (a)	The Department is projecting an underspending of R1 833,000 in this programme.	The Department must submit a plan to the Committee which details how the potential under-spending in this programme will be prevented.	The following are plans in relation to ensuring that spending is put back on track: <u>Sitting Allowances</u> – pending sitting allowances have been captured on Persal for payment in the month of December 2024. The balance has been rescheduled for the reconstitution of TCs.  <u>Maintenance</u> Procurement of material of Royal Palaces is in progress as specification was submitted to SCM and awaiting appointment of service providers to purchase material as per the assessment of DPW&I  <u>Gratuities</u>

<b>Programme 5 : House of Traditional Leaders</b> <b>To promote and improve the effective and efficient functioning of the Eastern Cape House of Traditional Leaders as well as the Local Houses.</b>			
<b>No</b>	<b>Finding</b>	<b>Recommendations</b>	<b>Status quo Feedback</b>
5 (a)	The Department is projecting an overspending of R235,000 in this programme which due to the unfunded salary increase for Traditional Leaders that was implemented in August 2024.	The Department must submit a plan to the Committee which details how the potential over-spending in this programme will be prevented.	The department has utilised the 2024/25 Adjustment Estimates budget processes to reprioritise funding within the baseline as there was no additional funds from PT to fund this shortfall.

Programme 5 : House of Traditional Leaders To promote and improve the effective and efficient functioning of the Eastern Cape House of Traditional Leaders as well as the Local Houses.				
No	Finding	Recommendations	Status feedback	Status quo Feedback
(b)	The Department has reported in its Half Year that it has purchased 6 vehicles for Chairpersons of Local Houses of Traditional and Khoi-San Leaders whereas in fact it has purchased 4 vehicles.	The Department must submit an erratum to correct this information and must always ensure that all the documents that are tabled with the Committee are quality assured to ensure credibility and accuracy of information.	The department has made the submission correcting the issue and will ensure that in future, this does not happen.	
General recommendation				
No	Finding	Recommendations	Status feedback	Status quo Feedback
5 (a)	The Department has couple of performance targets that are not SMART as they said to be demand driven.	The department must ensure that all its performance targets are SMART.	The recommended is hereby acknowledged. However, the Framework Managing Programme Performance Information, Revised Framework for the development of Strategic Plan, Annual Performance Plan and Annual Operational Plan, and Guidelines for implementation of the Revised Framework for Strategic Plans and Annual Performance Plans, (2019) do not prohibit the use of demand driven indicator in performance target setting as long as the Output Indicator (Quantitative/Qualitative) meets the indicator criteria. Following the recent strategic planning session for the new term plans, the department will not have any indicators with demand driven performance targets.	



## 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 2024/2025

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

## 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 programs of the department to be responsible for developing effective internal controls such as the policies, Standard Operating Procedures, checklists (internal control tools) 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 in order to address the internal Control deficiencies that the external auditors had identified. The departments' individual programs decide on the action plans (control measures to put in place) to address the root causes of the audit findings raised by AG in order 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 accordance with Treasury Regulation 3.2.5 issued in terms of Section 76 of the Public Finance Management Act states that the purpose authority and responsibility of the internal audit function must, in consultation with the Audit Committee, be formally defined in an Audit Charter and be consistent with the Institute of Internal Auditors' (IIA) definition of internal auditing and the Global Internal Audit Standards (GIAS).

### MANDATE

“The Internal Audit Activity has been established in the Department of Cooperative Governance and Traditional Affairs (COGTA) in terms of Section 38(1)(a)(ii) of the Public Finance Management Act (Act 1 of 1999) as amended and paragraph 3.2 of Treasury Regulations.”

Governing the Internal Audit Function, Domain III states that “The Internal Audit Function receives its mandate from the Audit Committee. The mandate specifies the authority, role, and responsibilities of the internal audit function. The mandate empowers the Internal Audit Function to provide the Audit Committee and senior management with objective assurance, advice, insight, and foresight. The Internal Audit function carries out the mandate by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes throughout the organization”.

### PURPOSE STATEMENT

Global Internal Audit Standards in Domain 1 states that the purpose of the Internal Audit Function is to strengthen the Department of Cooperative governance 's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

### Ethics and Professionalism

Global Internal Audit Standards, Domain II: Ethics and professionalism states that the behavioural expectations for professional Internal Auditors, including Chief Audit Executive, will promote adherence to the principles and standards builds trust in the Internal Auditing profession, fosters an ethical culture within the Internal Audit function, and establishes a foundation for relying on the work and judgment of Internal Auditors.

All Internal Auditors complied with the standards of ethics and professionalism. If Internal Auditors are subject to other codes of ethics, behaviour, or conduct, such as those of the Department, they are still expected to conform to the principles and standards of ethics and professionalism.

While Internal Auditors are responsible for ensuring their own conformance, the Chief Audit Executive supported and promoted adherence to the principles and standards of ethics and professionalism by offering opportunities for training and guidance.

### Key Activities and Objectives of the Audit Committee

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 the independent and objective evaluation of the department's system of internal control at a detailed level and for bringing any significant business risks and exposures to the attention of management and the committee through the provision of comprehensive internal audit reports. 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. An Audit Improvement Plan was also developed, and the 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 2024/25 risk-based Internal Audit Plan. The Directorate produced 15 Internal Audit reports.

The following internal audit assignments were completed during the year under review:

- Annual Financial Statements 2023/24
- Annual report 2023/24
- Performance Information Half Yearly review 2024/25
- Governance & Ethics Management
- Auxiliary Services
- Supply Chain Management
- Small Towns Revitalization Programme
- Security Management
- Risk Management
- Internal Control Dashboard
- Management of resources allocated to Traditional Leaders
- ICT Audit
- Personnel and Assets verification Ad Hoc Review
- Follow up on Auditor General's report 2023/24
- Follow up on risk-based audits.

## 10.12. AUDIT COMMITTEE REPORT

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

### Part 1: Audit Committee Reflections – 2024/25

The Audit Committee has complied with its responsibilities arising from Public Finance Management Act and Treasury Regulations 3.1.8-3.1.16. The Audit Committee understands and has internalised the requirements of the Global Internal Audit Standards in its work. The Audit Committee reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein. The Audit Committee has functioned without hindrance or limitations throughout the reporting period.

### Chairperson's brief reflections on key objectives and activities of the Audit Committee

#### Purpose:

The Audit Committee fulfilled their oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the department's process for monitoring compliance with laws and regulations and the code of conduct. The Committee fulfilled the responsibility for monitoring governance and risk management processes.

#### Mandate:

The Audit Committee carried its mandate to have full, free, and unrestricted access to all the Department's activities, records, property, and staff.

#### Strategic Focus:

#### The Audit Committee ensured that:

There is adequate and effective Corporate Governance, encompassing Fraud and Risk Management, Information Technology, Internal Control, Financial Management and reporting systems. Availability of an



adequately resourced, functional, and sustained Internal Audit function. A sound relationship with all Assurance Providers, Oversight Structures, and other Stakeholders.

#### Values:

- Independence
- Commitment
- Professionalism
- Integrity
- Transparency and openness
- Fairness and objectivity

#### Part 2: Audit Committee Composition and Meeting Attendance

The Audit Committee consists of four (4) members. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened eight (8) times during the year with four (4) being ordinary meetings and the remainder special meetings.

Name (Position)	Qualifications	Is the AC member an employee of an organ of state? (Yes / No)	Date appointed	Date Resigned	No. of Ordinary Meetings attended	No. of Special Meetings attended
Mr PG Zitumane (Chairperson)	Master of Business Leadership of Bachelor of Commerce Being a Director – Part 1 to Part 5	N	01 November 2023	N/A	4	4
Ms L Smith (Member)	Chartered Accountant and Registered Auditor Bachelor of Commerce of Post Graduate Diploma in Accountancy	N	03 March 2021	N/A	3	4
Ms Z Mgaga (Member)	Bachelor of Accounting Science Certificate in Executive Development Programme Certificate in Professional Internal Auditor	N	01 November 2023	N/A	4	4
Mr. S. Dzengwa (Member)	Master of Business Administration Bachelor of Arts Master of Public Administration Certificate in Development Finance	N	02 July 2019	04 April 2024	N/A	N/A
Craig Sparg (Member)	Bachelor of Commerce of Chartered Accountant Certificate in the Theory of Accountancy Certified Director	N	07 May 2024	N/A	4	4

### Part 3: Audit Committee Focus Areas

The following were reviewed during the year under review:

#### 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 though internal control weaknesses were identified in the Internal Audit reports. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The Accounting Officer is 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.

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 noncompliance to limit occurrence of the irregular expenditure.

#### Effectiveness of the Internal Audit Function (IAF)

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 Function 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 Global Internal Audit Standards” (GIAS) may be used by the function.

#### Effectiveness of 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 and submits quarterly reports to the Audit Committee.

The Audit Committee continue to monitor the implementation of risk mitigation strategies for adequacy and effectiveness including recommendations for improvement of risk management processes and is satisfied with the progress to date.

#### Adequacy, reliability, and accuracy of performance information

The Audit Committee reviewed the Draft Annual Report for the year ended 31 March 2025 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 South Africa.

### Compliance with Legal and Regulatory provisions

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

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

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 quarterly financial reports prepared and issued by the Department during the year under review in compliance with the statutory reporting framework.

### Combined Assurance

The Audit Committee ensured that a Combined Assurance Model is applied to provide a coordinated approach to all assurance activities. The Audit Committee ensured that the Combined Assurance Plan is appropriate to address all the significant risks facing the organization. The relationship between the external assurance providers and the organization were monitored by the Audit Committee.

### Evaluation of the Financial Statements

The Audit Committee reviewed the Draft Annual Financial Statements for the year ended 31 March 2025 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 South Africa.

#### AUDITOR GENERAL OF SOUTH AFRICA

The Audit Committee has reviewed the audit plan for the year ended 31 March 2025 and concurs with the scope of the audit. The Audit Committee is not aware of any unresolved issues with respect to the current audit.



**P.G. ZITUMANE**

**CHAIRPERSON OF THE AUDIT COMMITTEE DEPARTMENT OF  
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
DATE 29 AUGUST 2025**



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?																				
Developing and implementing a preferential procurement policy?		<div>In line with the Preferential Procurement Regulations of 2022; the department’s preferential procurement policy forms part of the departmental SCM Policy and its specific goals on which its preference points system is allocated take into consideration one of the key aspects of the B-BBBEE codes and objectives of the RDP i.e., ownership applied in the following manner:</div> <table><tr><th>#</th><th>Aspect</th><th>80/20 Preference points</th></tr><tr><td></td><td>HDI</td><td>6</td></tr><tr><td></td><td>Women</td><td>4</td></tr><tr><td></td><td>Youth</td><td>4</td></tr><tr><td></td><td>Disability</td><td>3</td></tr><tr><td></td><td>Military Veteran</td><td>3</td></tr></table>	#	Aspect	80/20 Preference points		HDI	6		Women	4		Youth	4		Disability	3		Military Veteran	3
#	Aspect	80/20 Preference points																		
	HDI	6																		
	Women	4																		
	Youth	4																		
	Disability	3																		
	Military Veteran	3																		
Determining qualification criteria for the sale of state-owned enterprises?		N/A																		
Developing criteria for entering into partnerships with the private sector?		N/A																		
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?		N/A																		



# PART D

## HUMAN RESOURCE MANAGEMENT



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X Ecogta



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## 11. INTRODUCTION

### 11.1. OVERVIEW OF HUMAN RESOURCES

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 2024 to 31 August 2029.
- 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 with the following reasons:
- 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	Implement the Annual Recruitment Plan (ARP) and facilitate the filling of vacant funded posts within the applicable turnaround times. Reducing the vacancy rate at SMS level and taking into consideration the priority to appointments of women candidates at vacant SMS posts in the Department.
Fast-tracking decentralization of functions and decision making	Well-resourced District Support Centres (DSCs) to support the District Municipalities in monitoring and evaluating and assisting the municipalities and to support the Local Houses of traditional affairs and traditional councils within the borders of the DM.
Counselling cases conducted on referred cases as well as full implementation of grievances and misconduct	The key elements are to conduct health and wellness sessions for employees. Provide professional counselling and support to employees referred, also attend to grievances and misconduct cases received.
Training and Development of employees	The Department trained 261 employees in 2024/2025 on Advanced Project Management, Service delivery, Programme and Project Management, SCM for Public Officials, Citizen centred Service delivery, Evidence based Policy Making and Implementation and the trainings have added value to the performance levels of the department as the Key performance Targets on the Annual Performance Plans have been achieved beyond 90 percent. The department continues to explore alternative funding sources to ensure that more training is provided. The trained has also assisted with impactful interactions with communities and the municipalities to ensure synergy in government programmes
Full implementation of Performance Management and Development System and its maintenance.	The department has registered good performance in terms of submission of PMDS tools for 2024/2025 financial year and employees are fully compliant except marginal numbers where SMS members join the department towards the end of the financial year and unable to contract in time to be assessed as the Performance Management framework permits contracting of new employees within Two (2) months of assuming duty. Synergy has also been attained between the individual employee performance and institutional performance as the Performance Agreements are aligned to the Annual performance Plan and the Operational Plans
Implementation of the Employment Equity Act	The department is compliant with the Employment Equity Act as the Employment Equity targets were set and built into the departmental Employment Equity Plan submitted to the Dept of Labour for a period of 5 years however, the department has struggled to attain its set targets by a percentage less than 20 particularly on Women in Senior positions. Despite 5 women being appointed from a total of 11 new appointments at SMS, the target remains elusive for now and measures are being taken to address the gap through intentional posting of the preferred gender



HR PRIORITIES	IMPACT OF THESE PRIORITIES
	in the adverts in the new Financial year and expecting deviation reports from Selection Panels where equity has not been reached.
HR Information Management	Use of the e-leave systems, e-recruitment, ePMDS and the Persal system to continuously improve HR information systems.
Implementation of job evaluation	An objective, justifiable and equitable basis of determining the relative salary level/job weight and able to provide a basis of managing internal job inconsistencies in relation to job grading. Ensure work of equal value is remunerated equally.

## 11.2. HUMAN RESOURCES OVERSIGHT STATISTICS

### 11.2.1. Personnel related expenditure

**Table 11.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	277,450	191,032	675	1,155	68,9	73,6
Local Governance	292,575	282,928	0	0	96,7	108,9
Development & Planning	112,744	97,872	9	1,109	86,8	37,7
Traditional Institute Manage	372,181	345,853	0	1,101	92,9	133,2
House Of Traditional Leaders	34,822	23,742	0	1,712	68,2	9,1
<b>Total</b>	<b>1,089,772</b>	<b>941,427</b>	<b>684</b>	<b>5,077</b>	<b>86,4</b>	<b>363</b>
NOTES						

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 2024 and 31 March 2025**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	2863	0	14	205
02 Skilled (Levels 3-5)	41,993	4	147	286
03 Highly skilled production (Levels 6-8)	586,872	62	2,088	281
04 Highly skilled supervision (Levels 9-12)	221,342	23	271	817
05 Senior management (Levels >= 13)	76,647	8	55	1,394
09 Other	144	0	2	72
11 Contract (Levels 3-5)	692	0	3	231
12 Contract (Levels 6-8)	1,733	0	12	144
13 Contract (Levels 9-12)	3,601	0	3	1,200

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
14 Contract (Levels >= 13)	5,540	1	2	2,770
<b>TOTAL</b>	<b>941,427</b>	<b>99,6</b>	<b>2597</b>	<b>363</b>
<b>NOTES</b>				

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 2024/2025

Note 3: This reflects the number of employees.

Note 4: The average number of employees calculated for the 2024/2025 financial year.

**Table 11. 3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025**

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
<b>ADMINISTRATION</b>	163,801	17,4	0	0	5,000	0,5	9,606	20,5
<b>LOCAL GOVERNANCE</b>	235,453	25	0	0	10,803	1,1	20,969	44,7
<b>DEVELOPMENT &amp; PLANNING</b>	85,965	9,1	0	0	2297	0,2	2,722	5,8
<b>TRADITIONAL INSTITUTE MANAGE</b>	321,873	34,2	0	0	5191	0,6	12,128	25,9
<b>HOUSE OF TRADITIONAL LEADERS</b>	20,417	2,2	0	0	758	0,1	1,447	3,1
<b>Total</b>	<b>827,509</b>	<b>87,9</b>	<b>0</b>	<b>0</b>	<b>24,049</b>	<b>2,6</b>	<b>46872</b>	<b>100</b>

**Table 11.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	1,966	0,2	0	0	204	0,8	454	1
Skilled (Levels 3-5)	30,726	3,7	0	0	2,562	10,7	4,682	10
Highly skilled production (Levels 6-8)	502,504	60,7	0	0	15,958	66,4	34,054	72,7
Highly skilled supervision (Levels 9-12)	213,119	25,8	0	0	4,431	18,4	6,992	15
Senior management (Levels >= 13)	68,297	8,3	0	0	875	3,6	690	1,5
Other	144	0,0	0	0	0	0	0	0
Contract (Levels 3-5)	619	0,1	0	0	0	0	0	0
Contract (Levels 6-8)	1675	0,2	0	0	19	0.1	0	0

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
Contract (Levels 9-12)	3235	0,39	0	0	0	0	0	0
Contract (Levels >= 13)	5224	0,6	0	0	0	0	0	0
<b>TOTAL</b>	<b>827,509</b>	<b>99,7</b>	<b>0</b>	<b>0</b>	<b>24,049</b>	<b>99,9</b>	<b>46,872</b>	<b>100</b>

### 11.2.2. Employment and Vacancies

Table 11.5 Employment and vacancies by programme as on 31 March 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	364	325	11	12
Local Governance	596	562	6	0
Development and Planning	137	119	13	3
Traditional Institutional Management	1563	1545	1	1
House of Traditional Leaders	51	46	10	0
<b>TOTAL</b>	<b>2711</b>	<b>2597</b>	<b>4</b>	<b>16</b>

Table 11.6 Employment and vacancies by salary band as on 31 March 2025

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	14	14	0	0
02 Skilled (Levels 3-5), Permanent	164	147	10	0
03 Highly Skilled Production (Levels 6-8), Permanent	2156	2089	3	2
04 Highly Skilled Supervision (Levels 9-12), Permanent	289	271	6	2
05 Senior Management (Levels >= 13), Permanent	67	55	18	0
09 Other, Permanent	1	1	0	0
11 Contract (Levels 3-5), Permanent	3	3	0	0
12 Contract (Levels 6-8), Permanent	12	12	0	12
13 Contract (Levels 9-12), Permanent	3	3	0	0
14 Contract (Levels >= 13), Permanent	2	2	0	0
<b>TOTAL</b>	<b>2711</b>	<b>2597</b>	<b>4</b>	<b>16</b>



Table 11.7 Employment and vacancies by critical occupations as on 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION CLERKS, Permanent	13	12	8	0
ADMINISTRATION OFFICER, Permanent	11	10	9	0
ADMINISTRATIVE RELATED, Permanent	318	292	8	11
ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent	7	7	0	1
BUS AND HEAVY VEHICLE DRIVERS, Permanent	14	12	14	0
BUS DRIVER, Permanent	1	1	0	0
CARTOGRAPHER, Permanent	1	0	100	0
CARTOGRAPHERS AND SURVEYORS, Permanent	6	5	17	1
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	33	32	3	0
COMMUNICATION STRATEGIST, Permanent	1	1	0	0
COMMUNITY DEVELOPMENT WORKERS, Permanent	514	489	5	0
ENGINEERING SCIENCES RELATED, Permanent	13	13	0	0
ENGINEERS AND RELATED PROFESSIONALS, Permanent	4	4	0	0
FINANCE AND ECONOMICS RELATED, Permanent	5	5	0	0
FINANCIAL AND RELATED PROFESSIONALS, Permanent	43	38	12	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	4	3	25	0
GARDEN WORKER, Permanent	1	1	0	0
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	1	1	0	0
GEOLOGISTS GEOPHYSICISTS HYDROLOGISTS & RELAT PROF, Permanent	2	2	0	0
HUMAN RESOURCE CLERK, Permanent	1	1	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	2	2	0	0
HUMAN RESOURCES CLERKS, Permanent	26	25	4	0
HUMAN RESOURCES RELATED, Permanent	28	27	4	0
LEGAL ADMINISTRATION OFFICER, Permanent	1	1	0	0
LIBRARY MAIL AND RELATED CLERKS, Permanent	2	0	100	0
LIGHT VEHICLE DRIVER, Permanent	2	2	0	0
LIGHT VEHICLE DRIVERS, Permanent	8	7	13	0
LOGISTICAL SUPPORT PERSONNEL, Permanent	11	9	18	0
MANAGERS NOT ELSEWHERE CLASSIFIED, Permanent	4	3	25	0
MESSENGERS PORTERS AND DELIVERERS, Permanent	20	17	15	0
MIDDLE MANAGER: ADMINISTRATIVE RELATED, Permanent	6	6	0	0
MIDDLE MANAGER: FINANCE AND ECONOMICS RELATED, Permanent	1	1	0	0
MIDDLE MANAGER: INTERNAL AUDIT RELATED, Permanent	2	2	0	0
MOTOR VEHICLE DRIVERS, Permanent	1	1	0	0
NATURAL SCIENCES RELATED, Permanent	1	1	0	0
OFFICE CLEANER, Permanent	1	1	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	9	8	11	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	6	2	67	0
OTHER MIDDLE MANAGER, Permanent	16	14	13	0
OTHER OCCUPATIONS, Permanent	1293	1285	1	3
PERSONAL ASSISTANT, Permanent	5	5	0	0
RECEPTIONIST (GENERAL), Permanent	2	2	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	9	8	11	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	209	194	7	0
SENIOR MANAGERS, Permanent	53	45	15	0
<b>TOTAL</b>	<b>2711</b>	<b>2597</b>	<b>4</b>	<b>16</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.

### 11.2.4. SMS post information as at 31 March 2025

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 2025**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
MEC & Head of Department (SL 16)	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	6	04	40	02	25
Salary Level 13	17	07	29.2	10	37
<b>Total</b>	<b>23</b>	<b>11</b>	<b>69.2</b>	<b>12</b>	<b>62</b>

**Table 11.9 SMS post information as on 30 September 2024**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
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 2024 and 31 March 2025**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
MEC & Head of Department (SL 16)	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	6
Salary Level 13	1	1	16
<b>Total</b>	1	1	22

**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	
1.	Introduction of Circular 49 from the OTP on the moratorium in filling vacant funded posts except the critical posts that had to go with motivation.
2.	Dispute on the COGTA budget by the Provincial Treasury Department that was later clarified and the budget confirmed.
3.	The Department had to present to the PCMT more than two after the budget was confirmed.
Reasons for vacancies Not filled within Twelve Months	
1.	Introduction of Circular 49 from the OTP on the moratorium in filling vacant funded posts except the critical posts that had to go with motivation
2.	Dispute on the COGTA budget by the Provincial Treasury Department that was later clarified and the budget confirmed
3.	The Department had to present to the PCMT more than two after the budget was confirmed.
4.	Some of posts in ARP that were initially vacant and funded and the Provincial Treasury made them unfunded.

**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 2024 and 31 March 2025**

Disciplinary steps taken
No disciplinary steps taken. The HRM Directorate facilitates the recruitment process of the vacant and funded SMS posts in the Department which get advertised after every PCMT approval. The budget confirmation for the posts that were previously unfunded in the Department, as well as OTP Circular 49 on austerity measures in filling vacant funded posts played a role on the delays in filling the vacant SMS posts in the Department.

### 11.3. Job Evaluation

The following table summarizes 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 2024 and 31 March 2025**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	14	0	0	0	0	0	0
Skilled (Levels 3-5)	150	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	2097	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	276	0	0	0	0	0	0
Senior Management Service Band A	37	0	0	0	0	0	0
Senior Management Service Band B	10	0	0	0	0	0	0

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded Number	% of posts evaluated	Posts downgraded Number	% of posts evaluated
Senior Management Service Band C	8	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>Total</b>	<b>2593</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 2024 and 31 March 2025**

Gender	African	Asian	Coloured	White	Total
Female	1092	0	14	3	1109
Male	1473	0	8	3	1484
<b>Total</b>	<b>2565</b>	<b>0</b>	<b>22</b>	<b>6</b>	<b>2593</b>

#### Employees with a disability

The following table summarizes 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 2024 and 31 March 2025.**

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

The following table summarizes 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 2024 and 31 March 2025.**

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

### 11.3.1. 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 2024 and 31 March 2025**

Salary band	Number of employees at beginning of period-1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2)	13	1	0	0
Skilled (Levels 3-5)	135	21	5	4
Highly Skilled Production (Levels 6-8)	2127	70	98	5
Highly Skilled Supervision (Levels 9-12)	262	13	5	2

Salary band	Number of employees at beginning of period-1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Management Service Band A	39	4	6	15
Senior Management Service Band B	6	1	0	0
Senior Management Service Band C	8	0	0	0
Senior Management Service Band D	1	0	0	0
Other Permanent	4	0	0	0
Contract (Levels 3-5)	3	6	6	200
Contract (Levels 6-8)	19	2	6	28
Contract (Levels 9-12)	4	6	7	70
Contract Band A	1	4	4	80
Contract Band B	0	1	1	100
Contract Band D	1	0	0	0
<b>TOTAL</b>	<b>2623</b>	<b>129</b>	<b>138</b>	<b>5</b>

**Table 11.18 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025**

Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administration clerks permanent	1	13	7	50
Administration officer permanent	0	5	0	0
Administrative related permanent	317	0	0	0
Architects town and traffic planners permanent	7	0	0	0
Auxiliary community development practitioner permanent	0	0	11	0
Bus and heavy vehicle drivers permanent	14	0	0	0
Bus driver permanent	0	2	1	0
Cartographer permanent	0	0	1	0
Cartographers and surveyors permanent	5	0	0	0
Cleaners in offices workshops hospitals etc. Permanent	32	0	0	0
Community development workers permanent	501	0	0	0
Engineering sciences related permanent	15	0	0	0
Engineers and related professionals permanent	4	0	0	0
Finance and economics related permanent	5	0	0	0
Financial accountant permanent	0	0	1	0
Financial and related professionals permanent	38	1	0	0
Financial clerks and credit controllers permanent	4	0	0	0
Garden worker permanent	0	1	0	0
General legal administration & rel. Professionals permanent	2	0	0	0
Geologists geophysicists hydrologists & related prof permanent	2	0	0	0
Human resource clerk permanent	0	5	1	0
Human resources & organisational development & relate prof permanent	1	0	0	0
Human resources clerks permanent	24	0	0	0
Human resources related permanent	29	0	0	0
Industrial/ labour relations officer permanent	0	0	2	0



Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Information technology & systems manager permanent	0	0	1	0
Internal auditor permanent	0	2	1	0
Light vehicle driver permanent	0	2	2	0
Light vehicle drivers permanent	7	0	0	0
Logistical support personnel permanent	11	0	0	0
Managers not elsewhere classified permanent	0	5	3	0
Messengers porters and deliverers permanent	18	0	0	0
Middle manager: administrative related permanent	0	3	2	0
Middle manager: finance and economics related permanent	0	1	1	0
Middle manager: internal audit related permanent	0	2	0	0
Motor vehicle drivers permanent	1	0	0	0
Natural sciences related permanent	1	0	0	0
Office cleaner permanent	0	5	3	0
Other administration & related clerks and organisers permanent	9	0	0	0
Other administrative policy and related officers permanent	5	0	0	0
Other middle manager permanent	0	6	6	0
Other occupations permanent	1304	68	92	7
Personal assistant permanent	0	3	0	0
Receptionist (general) permanent	0	0	1	0
Risk management and security services permanent	7	0	0	0
Secretaries & other keyboard operating clerks permanent	211	3	0	0
Senior managers permanent	48	0	0	0
Strategy/monitoring & evaluation manager permanent	0	2	2	0
<b>TOTAL</b>	<b>2623</b>	<b>129</b>	<b>138</b>	<b>5</b>

Table 11.19 Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	46	33
Resignation	55	40
Expiry of contract	19	14
Dismissal – misconduct	1	1
Retirement	17	12
<b>Total</b>	<b>138</b>	
<b>Total number of employees who left as a % of total employment</b>		<b>5%</b>

Table 11.20 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administration clerks	1	1	100	130	10
Administration officer	0	7	0	27	0
Administrative related	317	0	0	0	0
Architects' town and traffic planners	7	0	0	0	0
Bus and heavy vehicle drivers	14	0	0	0	0

Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Cartographer	0	1	0	2	0
Cartographers and surveyors	5	0	0	0	0
Chief financial officer	0	0	0	1	0
Cleaners in offices workshops hospitals etc.	32	0	0	0	0
Communication and marketing manager	0	0	0	1	0
Community development workers	501	0	0	0	0
Disaster management manager	0	0	0	1	0
Engineering sciences related	15	0	0	0	0
Engineers and related professionals	4	0	0	0	0
Filing and registry clerk	0	0	0	1	0
Finance and economics related	5	0	0	0	0
Finance manager	0	0	0	1	0
Financial accountant	0	0	0	18	0
Financial and related professionals	38	0	0	0	0
Financial clerks and credit controllers	4	0	0	0	0
Garden worker	0	0	0	1	0
General legal administration & rel. Professionals	2	0	0	0	0
Geologist	0	0	0	1	0
Geologists geophysicists hydrologists & relat prof	2	0	0	0	0
Human resource clerk	0	0	0	1	0
Human resource manager	0	0	0	3	0
Human resource practitioner	0	0	0	9	0
Human resources & organisat developm & relate prof	1	0	0	0	0
Human resources clerks	24	0	0	0	0
Human resources related	29	0	0	0	0
Industrial/ labour relations officer	0	0	0	1	0
Information technology & systems manager	0	0	0	1	0
Internal audit manager	0	0	0	2	0
Internal auditor	0	0	0	1	0
Legal administration officer	0	1	0	2	0
Legal related manager	0	0	0	1	0
Light vehicle driver	0	0	0	6	0
Light vehicle drivers	7	0	0	0	0
Logistical support personnel	11	0	0	0	0
Managers not elsewhere classified	0	0	0	9	0
Messengers porters and deliverers	18	0	0	0	0
Midd.manager:human resource & organisa.devel.rela	0	0	0	13	0
Middle manager: administrative related	0	0	0	25	0
Middle manager: finance and economics related	0	0	0	17	0
Middle manager: information technology related	0	0	0	6	0
Middle manager: internal audit related	0	0	0	6	0
Middle manager:communication & information related	0	0	0	2	0
Motor vehicle drivers	1	0	0	0	0
Natural sciences related	1	0	0	0	0
Office cleaner	0	0	0	22	0
Other administrat & related clerks and organisers	9	0	0	0	0

Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Other administrative policy and related officers	5	0	0	0	0
Other middle manager	0	4	0	51	0
Other occupations	1304	3	0	537	41
Personal assistant	0	0	0	29	0
Public/media relations manager	0	0	0	1	0
Receptionist (general)	0	1	0	0	0
Risk management and security services	7	0	0	0	0
Secretaries & other keyboard operating clerks	211	0	0	0	0
Secretary (general)	0	0	0	1	0
Senior managers	48	0	0	0	0
Strategy/monitoring & evaluation manager	0	0	0	2	0
Tanker driver	0	0	0	5	0
Urban and regional planner	0	0	0	6	0
<b>TOTAL</b>	<b>2623</b>	<b>18</b>	<b>1</b>	<b>943</b>	<b>36</b>

Table 11.21 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower Skilled (Levels 1-2)	13	0	0	8	62
Skilled (Levels 3-5)	135	1	1	71	53
Highly Skilled Production (Levels 6-8)	2127	9	0	684	32
Highly Skilled Supervision (Levels 9-12)	262	6	2	151	58
Senior Management (Levels >= 13)	54	2	4	28	52
Other Permanent	4	0	0	0	0
Contract (Levels 3-5)	3	0	0	0	0
Contract (Levels 6-8)	19	0	0	1	5
Contract (Levels 9-12)	4	0	0	0	0
Contract (Levels >= 13)	2	0	0	0	0
<b>TOTAL</b>	<b>2623</b>	<b>18</b>	<b>1</b>	<b>943</b>	<b>36</b>

### 11.3.2. Employment Equity

Table 11.22 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	101	1	1	1	130	3	0	2	239
Professionals	26	1	0	0	40	1	0	0	68
Technicians and associate professionals	13	0	0	0	40	1	0	0	54
Clerks	75	1	0	2	219	3	0	1	301
Service and sales workers	22	0	0	0	0	0	0	0	22



Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Plant and machine operators and assemblers	1146	0	0	0	466	6	0	0	1618
Elementary occupations	85	5	0	0	204	0	0	0	294
<b>Total</b>	<b>1468</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>1099</b>	<b>14</b>	<b>0</b>	<b>3</b>	<b>2596</b>
<b>Employees with disabilities</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>31</b>

**Table 11.23 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	9	0	0	0	0	0	0	0	9
Senior Management	26	1	0	0	19	0	0	0	46
Professionally qualified and experienced specialists and mid-management	112	1	1	1	152	2	0	2	271
Skilled technical and academically qualified workers, junior management, supervisors	1252	5	0	2	817	11	0	1	2088
Semi-skilled and discretionary decision making	54	0	0	0	93	0	0	0	147
Unskilled and defined decision making	5	1	0	0	8	0	0	0	14
	1	0	0	0	0	0	0	0	1
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	0	1	0	0	3
Contract (Skilled Technical)	4	0	0	0	8	0	0	0	12
Contract (Semi-Skilled)	1	0	0	0	2	0	0	0	3
<b>TOTAL</b>	<b>1468</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>1099</b>	<b>14</b>	<b>0</b>	<b>3</b>	<b>2596</b>

**Table 11.24 Recruitment for the period 1 April 2024 and 31 March 2025**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	0	0	0	3	0	0	0	5
Professionally qualified and experienced specialists and mid-management	3	0	0	0	10	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen	40	0	0	0	30	0	0	0	70
Semi-skilled and discretionary decision making	7	0	0	0	14	0	0	0	21
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	4	0	0	1	0	0	0	0	5

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Professionally qualified)	4	0	0	0	0	2	0	0	6
Contract (Skilled technical)	1	0	0	0	1	0	0	0	2
Contract (Semi-skilled)	2	0	0	0	4	0	0	0	6
<b>TOTAL</b>	64	0	0	1	62	2	0	0	129
Employees with disabilities	1	0	0	0	0	0	0	0	0

Table 11.25 Promotions for the period 1 April 2024 and 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	17	1	0	0	12	0	0	0	30
Professionally qualified and experienced specialists and mid-management	63	1	1	1	88	2	0	1	157
Skilled technical and academically qualified workers, junior management, supervisors, foremen	206	3	0	2	473	8	0	1	693
Semi-skilled and discretionary decision making	30	0	0	0	42	0	0	0	72
Unskilled and defined decision making	3	1	0	0	4	0	0	0	8
Contract (Skilled technical)	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>320</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>619</b>	<b>10</b>	<b>0</b>	<b>2</b>	<b>958</b>
Employees with disabilities	14	0	0	0	15	1	0	1	30

Table 11.26 Terminations for the period 1 April 2024 and 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	5	0	0	0	1	0	0	0	6
Professionally qualified and experienced specialists and mid-management	4	0	0	0	1	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors	69	1	0	0	28	0	0	0	98
Semi-skilled and discretionary decision making	2	0	0	0	3	0	0	0	5
Contract (Skilled technical)	4	0	0	1	0	0	0	0	5
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>7</b>
Employees with Disabilities	1	0	0	0	5	0	0	0	6

**Table 11.27 Disciplinary action for the period 1 April 2024 and 31 March 2025**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
One month suspension without pay and final written warning.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Dismissal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Found not guilty	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

**Table 11.28 Skills development for the period 1 April 2024 and 31 March 2025**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	58				50				118
Professionals	57				117				174
Technicians and associate professionals	10				39				49
Clerks	16				35				51
Service and sales workers	0				0				0
Skilled agriculture and fishery workers	0				0				0
Craft and related trades workers	0				0				0
Plant and machine operators and assemblers	0				0				0
Elementary occupations	0				0				0
<b>Total</b>	141				251				392
<b>Employees with disabilities</b>	<b>0</b>				<b>0</b>				<b>0</b>

**11.3.3. 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				
Salary Level 15		2.00	0.00	0
Salary Level 14		10.00	0.00	0
Salary Level 13		38.00	0.00	0
<b>Total</b>		<b>50.00</b>	<b>0.00</b>	<b>0</b>



**Table 11.30 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025**

Reasons
The failure by some SMS members to submit Performance contracts for 2024/2025 was as a result of those SMS members who joined the department very late into the Financial Year and the fact that the Performance Management Framework permits all new employees to conclude Performance Contracts within 2 months after their assumption of duty.
Therefore, those SMS members will appear in the PERSAL report as part of the total staff complement or Warm Bodies whilst their Performance Agreements are not yet due as per the Performance Management Policy. In conclusion, by year end, the assessment period is not adequate for those SMS members for the Financial Year under review

**11.3.4. 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 2024 and 31 March 2025**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	0.00	2537.00	0.00	0.00	0.00
Male	0.00	1453.00	0.00	0.00	0.00
Female	0.00	1084.00	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	8.00	0.00	0.00	0.00
Female	0.00	13.00	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>2596.00</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 2024 and 31 March 2025**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled:(Levels 1-2)	0.00	14.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	0.00	147.00	0.00	0.00	0.00	0.00
Highly skilled production (level 6-8)	0.00	2088.00	0.00	0.00	0.00	0.00
Highly skilled supervision (level 9-12)	0.00	271.00	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	12.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	0.00	3.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>2539.00</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 2024 and 31 March 2025**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks And Credit Controllers	0.00	3.00	0.00	0.00	0.00
Human Resources Clerks	0.00	26.00	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	17.00	0.00	0.00	0.00
Human Resources & Organisational Development & Relate Prof	0.00	2.00	0.00	0.00	0.00
Risk Management And Security Services	0.00	8.00	0.00	0.00	0.00
Finance And Economics Related	0.00	6.00	0.00	0.00	0.00
Logistical Support Personnel	0.00	9.00	0.00	0.00	0.00
Other Administrative & Related Clerks And Organisers	0.00	20.00	0.00	0.00	0.00
Other Occupations	0.00	1284.00	0.00	0.00	0.00
Legal Related	0.00	1.00	0.00	0.00	0.00
Financial And Related Professionals	0.00	8.00	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	326.00	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks	0.00	201.00	0.00	0.00	0.00
Cleaners In Offices Workshops Hospitals Etc.	0.00	34.00	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	27.00	0.00	0.00	0.00
General Legal Administration & Rel. Professionals	0.00	1.00	0.00	0.00	0.00
Other Administrative Policy And Related Officers	0.00	2.00	0.00	0.00	0.00
Bus And Heavy Vehicle Drivers	0.00	13.00	0.00	0.00	0.00
Senior Managers	0.00	45.00	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	2.00	0.00	0.00	0.00
Engineering Sciences Related	0.00	13.00	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	9.00	0.00	0.00	0.00
Community Development Workers	0.00	489.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>2596.00</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 2024 and 31 March 2025**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0.00	37.00	0.00	0.00	0.00	
Band B	0.00	10.00	0.00	0.00	0.00	
Band C	0.00	8.00	0.00	0.00	0.00	
Band D	0.00	2.00	0.00	0.00	0.00	
<b>Total</b>	<b>0.00</b>	<b>57.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

Circular 1 of 2019 from DPSA has eliminated the payment of Performance Bonuses in the Public Sector beyond the 2021/22 Financial Year and therefore, no bonuses were paid except for one employee (M. Mabokwana) due to a backlog and the amount was R4 173.31.

### 11.3.5. Foreign Workers

The tables below summarize 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 2024 and 31 March 2025

Salary band	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Senior Management (Level 13-16)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 11.36 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025

Major occupation	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Management	0	0	0	0	0	0
Prof qual & exp mid-management	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 11.3.6. 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 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 3-5)	44	43	10	2	4	15
Contract (Levels 6-8)	1498	89	188	40	8	2641
Highly skilled production (Levels 6-8)	1133	81	161	34	7	3498
Highly skilled supervision (Levels 9-12)	40	83	8	2	5	28
Lower skilled (Levels 1-2)	169	90	26	6	7	863
Senior management (Levels 13-16)	602	90	75	16	8	621
<b>TOTAL</b>	<b>3486</b>	<b>86</b>	<b>468</b>	<b>100</b>	<b>7</b>	<b>7665</b>

Table 11.38 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024

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)	478	100	13	46	37	800
Highly skilled supervision (Levels 9-12)	352	100	7	25	50	1187



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)
Senior management (Levels 13-16)	186	100	2	7	93	1006
Skilled (Levels 3-5)	66	100	6	21	11	71
<b>TOTAL</b>	<b>1082</b>	<b>100</b>	<b>28</b>	<b>100</b>	<b>39</b>	<b>3064</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 2024 to 31 December 2024**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	6	3	2
Contract (Levels 3-5)	15	8	2
Contract (Levels 6-8)	289	15	19
Contract (Levels 9-12)	18	9	2
Highly skilled production (Levels 6-8)	13583	17	801
Highly skilled supervision (Levels 9-12)	5707	21	271
Lower skilled (Levels 1-2)	247	18	14
Senior management (Levels 13-16)	969	20	48
Skilled (Levels 3-5)	2624	19	138
<b>TOTAL</b>	<b>23458</b>	<b>18</b>	<b>1297</b>

**Table 11.40 Capped leave for the period 1 January 2024 to 31 December 2024**

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)	3	3	72	1	5526	77
Highly skilled supervision (Levels 9-12)	0	0	79	0	2285	29
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Other	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	53	0	420	8
Skilled (Levels 3-5)	0	0	58	0	290	5
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>72</b>	<b>1</b>	<b>8522</b>	<b>119</b>

**Table 11.41 Leave payouts for the period 1 April 2024 and 31 March 2025. The following table summarizes 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)	552	10	55200
Annual - gratuity: death/retirement/medical retirement (workdays)	1286	26	49462
Capped - gratuity: death/retirement/medical retirement (workdays)	1808	10	180800
<b>TOTAL</b>	<b>3645</b>		

### 11.3.7. 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
<b>Females 40-49 years old</b>	Action plan stemming from state of wellness in the department

**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. M. Madikane
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		Employee Health and Wellness Unit 5 employees Annual Budget R302 790.00
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		The key elements are: <ul style="list-style-type: none"> <li>To conduct health and wellness sessions for employees.</li> <li>Provide professional counselling and support to employees referred.</li> </ul>
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		Plan to resuscitate Employee Wellness Committee for the financial year 2025/26.
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		HIV&AIDS, STI and TB Management Policy (2024) Safety Health Environment Risk and Quality Assurance policy 2024 Wellness Management policy 2021
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&AIDS, STI and TB Management Policy (2024) explains on how to address discrimination in the 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		Screening and Testing of HIV was conducted to 12 employees 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>4 operational plans per pillar</li> <li>Corporate service operation plan with 4 indicators</li> <li>Submission of POE to M&amp;E directorate</li> <li>Internal auditing and risk assessment reports</li> <li>Provincial HR dashboard</li> </ul>

### 11.3.8. Labour Relations

**Table 11.44 Collective agreements for the period 1 April 2024 and 31 March 2025**

<b>Total number of Collective agreements</b>	<b>Nil</b>
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**Table 11.45**

Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025. The following table summarizes the outcome of disciplinary hearings conducted within the department for the year under review.

<b>Outcomes of disciplinary hearings</b>	<b>Number</b>	<b>% of total</b>
Correctional counselling	Nil	NIL
Verbal warning	Nil	NIL
Written warning	Nil	NIL
Final written warning	Two (2)	33%
Suspended without pay	Nil	NIL
Fine	Nil	NIL
Demotion	Nil	NIL
Dismissal	Nil	NIL
Not guilty	Nil	NIL
Case withdrawn	Nil	NIL
<b>Total</b>	<b>2</b>	<b>33%</b>

<b>Total number of Disciplinary hearings finalised</b>	<b>Two (2)</b>
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**Table 11.46 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025**

<b>Type of misconduct</b>	<b>Number</b>	<b>% of total</b>
Sexual harassment	Nil	Nil
Absence from work without duty.	One (1)	17%
Unauthorised use of state vehicle	Nil	Nil
Insubordination.	One (1)	17%
<b>Total</b>	<b>2</b>	<b>34%</b>

**Table 11.47 Grievances logged for the period 1 April 2024 and 31 March 2025**

<b>Grievances</b>	<b>Number</b>	<b>% of Total</b>
Number of grievances resolved	Eight (8)	80%
Number of grievances not resolved	Two (2)	20%
<b>Total number of grievances lodged</b>	<b>Ten (10)</b>	<b>100%</b>

**Table 11.48 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025**

<b>Disputes</b>	<b>Number</b>	<b>% of Total</b>
Number of disputes upheld	Six (6)	86%
Number of disputes dismissed	One (1)	14,2%
<b>Total number of disputes lodged</b>	<b>Seven (7)</b>	

**Table 11.49 Strike actions for the period 1 April 2024 and 31 March 2025**

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



**Table 11.50 Precautionary suspensions for the period 1 April 2024 and 31 March 2025**

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

**11.3.9. 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 2024 and 31 March 2025**

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	2788	None	Monitoring & Evaluations Advanced Management Development Programme CPMD	Conferences Seminars Workshops Induction	59
	Male					
Professionals	Female		None	Mentoring & Coaching Advanced Computer Basic Fire Fighter	Conferences Seminars Workshops Induction Re-Orientation Programme	145
	Male					
Technicians and associate professionals	Female		None	Field Data Collection Advanced Project Management	Conferences Seminars Workshops Induction	74
	Male					
Clerks	Female		None	Customer Care Introduction to Computer	Awareness Induction Personal Mastery	121
	Male					
Service and sales workers	Female		None	None	None	0
	Male					
Skilled agriculture and fishery workers	Female		None	None	None	0
	Male					
Craft and related trades workers	Female		None	None	None	0
	Male					
Plant and machine operators and assemblers	Female		None	None	None	0
	Male					
Elementary occupations	Female		None	None	None	0
	Male					
Sub Total	Female					
	Male					
<b>Total</b>	<b>399</b>					<b>399</b>

Table 11.52 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials, and managers	Female	2788	None	<ul style="list-style-type: none"> <li>Project Management</li> <li>Field Data Collection</li> </ul>	<ul style="list-style-type: none"> <li>Conferences</li> <li>Seminars</li> <li>Workshops</li> <li>Induction</li> </ul>	60
	Male					58
Professionals	Female		None	<ul style="list-style-type: none"> <li>Evidence Based Policy Making</li> <li>Citizen Centred Service Delivery</li> <li>Project Management</li> </ul>	<ul style="list-style-type: none"> <li>Conferences</li> <li>Seminars</li> <li>Workshops</li> <li>Induction</li> </ul>	117
	Male					57
Technicians and associate professionals	Female		None	<ul style="list-style-type: none"> <li>Advanced Project Management</li> <li>Field Data Collection</li> </ul>	<ul style="list-style-type: none"> <li>Conferences</li> <li>Seminars</li> </ul>	39
	Male					0
Clerks	Female		None	<ul style="list-style-type: none"> <li>Project Management</li> <li>Field Data Collection</li> </ul>	<ul style="list-style-type: none"> <li>Conferences</li> <li>Seminars</li> <li>Workshops</li> <li>Induction</li> </ul>	35
	Male					16
Service and sales workers	Female		None	None	None	0
	Male					0
Skilled agriculture and fishery workers	Female		None	None	None	0
	Male					0
Craft and related trades workers	Female		None	None	None	0
	Male					0
Plant and machine operators and assemblers	Female		None	None	None	0
	Male					0
Elementary occupations	Female		None	None	None	0
	Male					0
Sub Total	Female	251				251
	Male	141				141
Total		392				392

### 11.3.10. Injury on duty

Table 11.53 Injury on duty for the period 1 April 2024 and 31 March 2025. 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	3	0,1%
Permanent Disablement	0	0%
Fatal	0	0%
Total	3	0,1 %

### 11.3.11. 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 2024 and 31 March 2025**

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
Conducting a disaster risk assessment through satellite imagery amongst other things	4	24 months	R3 630 000,00
Appointment of a service provider to develop Cedarville-Maluti Master Plan and Qacha's Nek Precinct Plan	4	10 months	R460 862,50
Appointment of a service provider to develop Tsolo and Qumbu Master and Precinct Plan	4	10 months	R647 737,50
Appointment of a Service provider to provide B-BBEE verification services for Department of Cooperative Governance and Traditional Affairs	3	30 months	R258 098,00
Development, installation, training and maintenance of Provincial Disaster Management Application System	5	48 weeks	R3 874 365,18
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Workdays</b>	<b>Total contract value in Rand</b>
6	22	109 Months	R10 770 761.41

**Table 11.55: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a service provide for supply, delivery, training, licencing and Maintenance of Two integrated Multi rotor drones for COGTA	100%	100%	2
Conducting a disaster risk assessment through satellite imagery amongst other things	100%	100%	4
Appointment of a service provider to develop Cedarville-Maluti Master Plan and Qacha's Nek Precinct Plan	51%	100%	4
Appointment of a service provider to develop Tsolo and Qumbu Master and Precinct Plan	51%	100%	4
Appointment of a Service provider to provide B-BBEE verification services for Department of Cooperative Governance and Traditional Affairs	100%	100%	3



Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Development, installation, training and maintenance of Provincial Disaster Management Application System	100%	100%	5

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

**Table 11.56: Consultant appointments using Donor funds**

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

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

**Table 11.57: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025**

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

### 11.3.12. Severance Packages

**Table 11.58 Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025**

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



# PART E

## PFMA COMPLIANCE REPORT



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

### 12.1. Irregular Expenditure

#### a) Reconciliation of irregular expenditure

Description	2024/25 R'000	2023/24 R'000
Opening balance	1 938	2 196
Adjustment to opening balance	(289)	-
Opening balance as restated	1 649	-
Add: Irregular expenditure confirmed	-	664
Less: Irregular expenditure condoned	(240)	(916)
Less: Irregular expenditure not condoned and removed	(195)	(6)
Less: Irregular expenditure recoverable <sup>2</sup>		
Less: Irregular expenditure not recoverable and written off		
Closing balance	1 214	1 938

The adjustment of R289 058,44 is the net effect of the addition of R3 220,45 (correction of prior year understatement) and the subtraction of R292 278,89 (R109 554 of smart pens previously included both as irregular and fruitless and wasteful expenditure as well as the R182 724,90 included as irregular expenditure in the previous years and when determination test is conducted in 2024-25 financial year, the transaction was found not meeting the definition of irregular expenditure).

#### Reconciling notes

Description	2024/25 R'000	2023/24 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
Total	-	664

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

Description <sup>3</sup>	2024/25 R'000	2023/24 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	1 801
Total	-	1 801

#### c) Details of irregular expenditure condoned

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure condoned	240	916
Total	240	916

In terms of the new National Treasury Instruction Note No. 4 of 2022/2023, Accounting officers of the departments are the regarded as the relevant authorities for condonation of irregular expenditure. R239 651,50 was condoned internally by the COGTA Accounting officer.

<sup>2</sup> Transfer to receivables

<sup>3</sup> Group similar items



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

Description	2024/25 R'000	2023/24 R'000
<b>Irregular expenditure NOT condoned and removed</b>	<b>195</b>	<b>6</b>
Total	195	6

--

## e) Details of irregular expenditure recoverable

Description	2024/25 R'000	2023/24 R'000
<b>Irregular expenditure recoverable</b>	<b>-</b>	<b>-</b>
Total	-	-

--

## f) Details of irregular expenditure written off (irrecoverable)

Description	2024/25 R'000	2023/24 R'000
<b>Irregular expenditure written off</b>	<b>-</b>	<b>-</b>
Total	-	-

--

## Additional disclosure relating to Inter-Institutional Arrangements

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

Description
<b>None.</b>
Total

--

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)<sup>4</sup>

Description	2024/25 R'000	2023/24 R'000
<b>None</b>		
Total		

--

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

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

Disciplinary steps taken
Disciplinary steps were taken against an employee that was found responsible for the occurrence of irregular expenditure in 2016-17 financial year.

## 1.1. Fruitless and wasteful expenditure

## a) Reconciliation of fruitless and wasteful expenditure

Description	2024/25 R'000	2023/24 R'000
Opening balance	4 262	4 143
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	1174	400
Less: Fruitless and wasteful expenditure recoverable <sup>5</sup>	(1272)	(135)
Less: Fruitless and wasteful expenditure not recoverable and written off	(4079)	(146)
Closing balance	85	4 262

*Out of the remaining R84 737,20, R7 257,85 relates to the previous year and the determination test has been conducted and concluded for the remaining R77 479,35 that relates the 2024-25 financial year.*

## Reconciling notes

Description	2024/25 R'000	2023/24 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	699	-
Fruitless and wasteful expenditure for the current year	475	400
Total	1174	400

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

Description <sup>6</sup>	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	337
Fruitless and wasteful expenditure under investigation	4	-
Total	4	337

## c) Details of fruitless and wasteful expenditure recoverable

Description	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure recoverable	1 272	135
Total	1 272	135

<sup>5</sup> Transfer to receivables

<sup>6</sup> Group similar items

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

Description	2024/25 R'000	2023/24 R'000
<b>Fruitless and wasteful expenditure written off</b>	<b>4 079</b>	<b>146</b>
Total	4 079	146

--

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

Disciplinary steps taken
<b>None</b>
Total

--

## 1.2. Unauthorised expenditure

## a) Reconciliation of unauthorised expenditure

Description	2024/25 R'000	2023/24 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>7</sup>	-	-
Less: unauthorised not recoverable and written off <sup>8</sup>	-	-
Closing balance	-	-

*The department had not incurred any unauthorised expenditure in both 2023/24 and 2024/25 financial years.*

## Reconciling notes

Description	2024/25 R'000	2023/24 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	-	-

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

Description <sup>9</sup>	2024/25 R'000	2023/24 R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

<sup>7</sup> Transfer to receivables

<sup>8</sup> This amount may only be written off against available savings

<sup>9</sup> Group similar items



None

**1.3. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))<sup>10</sup>****a) Details of material losses through criminal conduct**

Material losses through criminal conduct	2024/25 R'000	2023/24 R'000
<b>Theft</b>	-	-
<b>Other material losses</b>	-	-
<b>Less: Recoverable</b>	-	-
<b>Less: Not recoverable and written off</b>	-	-
<b>Total</b>	-	-

None

**b) Details of other material losses**

Nature of other material losses	2024/25 R'000	2023/24 R'000
<i>(Group major categories, but list material items)</i>	-	-
	-	-
	-	-
	-	-
	-	-
<b>Total</b>	-	-

None

**c) Other material losses recoverable**

Nature of losses	2024/25 R'000	2023/24 R'000
<i>(Group major categories, but list material items)</i>	-	-
	-	-
	-	-
	-	-
	-	-
<b>Total</b>	-	-

None

**d) Other material losses not recoverable and written off**

Nature of losses	2024/25 R'000	2023/24 R'000
<i>(Group major categories, but list material items)</i>	-	-
	-	-
	-	-
	-	-
	-	-
<b>Total</b>	-	-

None

<sup>10</sup> Information related to material losses must be disclosed in the annual financial statements.

**LATE AND/OR NON-PAYMENT OF SUPPLIERS**

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

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

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	4 361	120 675
Invoices paid within 30 days or agreed period	4 361	120 675
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

- No invoices received and paid after 30 days (unpaid with and without dispute) for 2024/25 financial year.*

**14. SUPPLY CHAIN MANAGEMENT**

**Supply Chain Management (SCM):** For 2024/25 Financial year, all procurement transactions were sourced following the normal supply chain management processes in line with the relevant pieces of legislation. The Department did not receive or consider any unsolicited bid. SCM operates in a legislative environment and the relevant provisions are followed to avoid incurring or contributing to incurrence of irregular expenditure. In a case where there are cases identified possible irregular expenditure, such cases / matters are referred to and considered through Internal Control Unit in line with the Irregular Expenditure Framework guideline.

**14.1. Procurement by other means**

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
<b>TOTAL</b>				

**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
<b>Total</b>						



# PART F

## FINANCIAL INFORMATION

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## Report of the auditor-general to the 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 148 to 256, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Cooperative Governance and Traditional Affairs as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury, and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 24 of 2024 (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (tSAs). 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 5, forms part of my 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 2025 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Local governance	42-48	To ensure the transformation of developmental local government by strengthening municipal institutions that will be responsive to the needs of communities.

Development and planning	50-58	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.

#### **Report on compliance with legislation**

16. 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.



- 17 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.
18. 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.
19. I did not identify any material non-compliance with the selected legislative requirements.

#### Other information in the annual report

20. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
21. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
22. 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.
23. 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

24. 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.
25. I did not identify any significant deficiencies in internal control.



## 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)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 24 of 2024	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
National Health Act 61 of 2003	Section 13
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6

Legislation	Sections or regulations
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)



FINANCE AND SCM PERFORMANCE AWARDS 2024/25 FY



(COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS)  
VOTE 7

ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025



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

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For the year ended  
31 March 2025

AFS EC-CoGTA for the year ended 31 March 2025



(COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS)  
VOTE 7

ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

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AFS EC-CoGTA for the year ended 31 March 2025

(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7  
APPROPRIATION STATEMENT  
for the year ended 31 March 2025

Appropriation per programme									
Programme	2024/25					2023/24			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	276,896	(8)	-	276,888	275,175	1,713	99,4%	286,166	283,489
2. Local Governance	286,834	-	5,888	292,722	292,575	147	99,9%	267,962	264,603
3. Development and Planning	118,880	-	(2 200)	116,680	112,744	3,936	96,6%	113,685	110,604
4. Traditional Institutional Management	380,758	-	(3 688)	377,070	372,181	4,889	98,7%	368,413	363,894
5. House of Traditional Leaders	35,324	-	-	35,324	34,822	502	98,6%	34,592	33,877
Subtotal	1,098 692	(8)	-	1,098 684	1,087 497	11,187	99,0%	1,070,818	1,056,467
Statutory Appropriation	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144
Members' remuneration	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144
TOTAL	1,100 962	-	-	1,100 962	1,089 772	11 190	99,0%	1,072,962	1,058,611

Reconciliation with statement of financial performance									
ADD									
Departmental receipts				1,388				1,769	
Actual amounts per statement of financial performance (Total revenue)				1,102 350				1,074,731	
Actual amounts per statement of financial performance (Total expenditure)				1,089 772					1,058,611

AFS CoGTA-EC for the year ended 31 March 2025



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

Appropriation per economic classification									
	2024/25					2023/24			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>1,073 688</b>	<b>(2 437)</b>	-	<b>1,071 251</b>	<b>1,063 434</b>	<b>7, 817</b>	<b>99,3%</b>	<b>1,026,358</b>	<b>1,012,228</b>
<b>Compensation of employees</b>	<b>951, 031</b>	<b>(6 016)</b>	-	<b>945, 015</b>	<b>941, 427</b>	<b>3, 588</b>	<b>99,6%</b>	<b>900,003</b>	<b>887,458</b>
Salaries and Wages	837, 418	(6 580)	(634)	830, 204	827, 509	2, 695	99,7%	793,020	781,749
Social Contributions	113, 613	564	634	114, 811	113, 918	893	99,2%	106,983	105,709
<b>Good and Services</b>	<b>122, 657</b>	<b>3, 579</b>	-	<b>126, 236</b>	<b>122, 007</b>	<b>4, 229</b>	<b>96,6%</b>	<b>126,355</b>	<b>124,766</b>
Administrative Fees	172	-	-	172	171	1	99,4%	3	-
Advertising	777	282	-	1, 059	1, 059	-	100,0%	1,162	1,161
Minor Assets	698	408	-	1, 106	1, 098	8	99,3%	598	574
Audit costs: External	5, 180	1, 188	-	6, 368	6, 368	-	100,0%	6,257	6,257
Bursaries: Employees	1,151	(78)	-	1,073	692	381	64,5%	610	608
Catering: Dept act	5,469	37	-	5,506	5,202	304	94,5%	5,185	5,024
Communication (G&S)	16,562	536	-	17,098	17,091	7	100,0%	15,089	15,077
Computer Services	3,356	(1,856)	-	1,500	1,499	1	99,9%	3,366	3,329
Consultants: Bus& Adv Services	5,403	(201)	-	5,202	5,077	125	97,6%	4,983	4,875
Scientific and technological services	1,254	-	-	1,254	1,254	-	100,0%	-	-
Legal services	3,406	549	-	3,955	3,955	-	-	10,535	10,535
Contractors	2,368	(87)	-	2,281	2,279	2	99,9%	2,270	2,270
Agency& supp/ outsourced	1,000	467	-	1,467	718	749	48,9%	720	720
Entertainment	209	(50)	-	159	154	5	96,9%	189	182
Fleet Services	8,240	464	-	8,704	8,704	-	100,0%	8,427	8,427
Inventory: Other supplies	628	(113)	-	515	515	-	100,0%	20	20

AFS CoGTA-EC for the year ended 31 March 2025

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

Consumable supplies	1,136	402	-	1,538	1,494	44	97,1%	1,309	1,266
Consumable: stationary	1,373	(212)	-	1,161	1,134	27	97,7%	4,312	4,311
Operating leases	5,135	(433)	-	4,702	4,702	-	100,0%	1,869	1,670
Property Payments	5,800	(773)	-	5,027	3,794	1,233	75,5%	2,150	2,149
Travel and subsistence	39,184	3,148	-	42,332	41,197	1,135	97,3%	42,322	41,882
Training and development	814	(125)	-	689	684	5	99,3%	2,050	1,915
Operating Payments	4,825	51	-	4,876	4,779	97	98,0%	4,781	4,630
Venues and facilities	6,688	51	-	6,739	6,669	70	99,0%	6,112	6,082
Rental and hiring	1,829	(76)	-	1,753	1,718	35	98,0%	2,036	1,802
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	<b>4</b>
Interest (Inc interest on Unitary Payments (PPP))	-	-	-	-	-	-	-	-	4
<b>Transfers and subsidies</b>	<b>7,206</b>	<b>2,010</b>	-	<b>9,216</b>	<b>9,197</b>	<b>19</b>	<b>99,8%</b>	<b>20,555</b>	<b>20,509</b>
<b>Provinces and municipalities</b>	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
<b>Municipalities</b>	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
<b>Municipalities Bank Accounts</b>	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
<b>Households</b>	<b>7,106</b>	<b>2,046</b>	-	<b>9,152</b>	<b>9,139</b>	<b>13</b>	<b>99,9%</b>	<b>20,406</b>	<b>20,360</b>
Social benefits	7,106	2,046	-	9,152	9,139	13	99,9%	20,406	20,360
<b>Payments for capital assets</b>	<b>20,068</b>	<b>427</b>	-	<b>20,495</b>	<b>17,141</b>	<b>3,354</b>	<b>83,6%</b>	<b>26,049</b>	<b>25,716</b>
<b>Buildings and other fixed structures</b>	<b>723</b>	-	-	<b>723</b>	<b>381</b>	<b>342</b>	<b>52,7%</b>	<b>882</b>	<b>641</b>
Buildings	723	-	-	723	381	342	52,7%	882	641
<b>Machinery and equipment</b>	<b>19,345</b>	<b>427</b>	-	<b>19,772</b>	<b>16,760</b>	<b>3,012</b>	<b>84,8%</b>	<b>25,167</b>	<b>25,075</b>
Transport Equipment	12,760	(612)	-	12,148	12,129	19	99,8%	15,993	15,963
Other machinery& equip	6,585	1,039	-	7,624	4,631	2,993	60,7%	9,174	9,112
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	<b>158</b>
<b>Total</b>	<b>1,100,962</b>	-	-	<b>1,100,962</b>	<b>1,089,772</b>	<b>11,190</b>	<b>99,0%</b>	<b>1,072,962</b>	<b>1,058,611</b>

AFS CoGTA-EC for the year ended 31 March 2025

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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

Statutory appropriation per economic classification									
2024/25									
	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>Economic classification</b>									
<b>Current payments</b>	<b>2,270</b>	<b>8</b>	<b>-</b>	<b>2,278</b>	<b>2,275</b>	<b>3</b>	<b>99,9%</b>	<b>2,144</b>	<b>2,144</b>
Compensation of employees	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144
<b>Total</b>	<b>2,270</b>	<b>8</b>	<b>-</b>	<b>2,278</b>	<b>2,275</b>	<b>3</b>	<b>99,9%</b>	<b>2,144</b>	<b>2,144</b>

Programme 1: Administration									
2024/25									
	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. Office of the MEC	9,422	(423)	-	8,999	8,810	189	97,9%	9,084	8,813
2. Corporate Services	267,474	415	-	267,889	266,365	1,524	99,4%	277,082	274,676
<b>Total</b>	<b>276,896</b>	<b>(8)</b>	<b>-</b>	<b>276,888</b>	<b>275,175</b>	<b>1,713</b>	<b>99,4%</b>	<b>286,166</b>	<b>283,489</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>257,751</b>	<b>(899)</b>	<b>-</b>	<b>256,852</b>	<b>255,312</b>	<b>1,540</b>	<b>99,4%</b>	<b>249,911</b>	<b>247,112</b>
<b>Compensation of employees</b>	<b>193,611</b>	<b>(3,710)</b>	<b>-</b>	<b>189,901</b>	<b>188,757</b>	<b>1,144</b>	<b>99,4%</b>	<b>181,714</b>	<b>179,551</b>
Salaries and Wages	166,437	(3,798)	-	162,639	161,834	805	99,5%	156,548	154,648
Social Contributions	27,174	88	-	27,262	26,923	339	98,8%	25,166	24,903

AFS CoGTA-EC for the year ended 31 March 2025

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

Good and Services	64,140	2,811	-	66,951	66,555	396	99,7%	68,197	67,557
Administrative Fees	172	-	-	172	171	1	99,4%	3	-
Advertising	530	375	-	905	905	-	100,0%	934	934
Minor Assets	543	234	-	777	774	3	99,6%	268	244
Audit costs: External	5,180	1,188	-	6,368	6,368	-	100,0%	6,257	6,257
Bursaries: Employees	300	4	-	304	304	-	100,0%	117	117
Catering: Dept act.	1,043	16	-	1,059	1,052	7	99,3%	1,201	1,192
Communication	15,702	538	-	16,240	16,234	6	100,0%	13,125	13,114
Computer Services	1,136	(219)	-	917	916	1	99,9%	1,511	1,474
Consultants: Bus& adv service	1,655	(450)	-	1,205	1,155	50	95,9%	1,204	1,148
Legal services	3,406	549	-	3,955	3,955	-	100,0%	8,441	8,441
Contractors	335	(132)	-	203	201	2	99,0%	165	165
Entertainment	120	(45)	-	75	71	4	94,7%	99	98
Fleet services	8,240	464	-	8,704	8,704	-	100,0%	8,427	8,427
Consumable supplies	334	(151)	-	183	154	29	84,2%	551	522
Consumable: stationary	687	(91)	-	596	596	-	100,0%	731	706
Operating leases	5,135	(433)	-	4,702	4,702	-	100,0%	4,312	4,311
Property payments	1,570	(7)	-	1,563	1,563	-	100,0%	1,678	1,678
Travel and subsistence	10,169	1,666	-	11,835	11,650	185	98,4%	11,625	11,423
Training and development	805	(126)	-	679	675	4	99,4%	855	729
Operating payments	4,234	(272)	-	3,962	3,892	70	98,2%	3,986	3,881
Venues and facilities	2,844	(297)	-	2,547	2,513	34	98,7%	2,707	2,696
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	<b>4</b>
Interest paid	-	-	-	-	-	-	-	-	<b>4</b>
<b>Transfers and subsidies</b>	<b>3,243</b>	<b>509</b>	-	<b>3,752</b>	<b>3,733</b>	<b>19</b>	<b>99,5%</b>	<b>12,676</b>	<b>12,676</b>
<b>Municipalities</b>	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
<b>Municipalities bank accounts</b>	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
Municipal agencies and funds	100	(36)	-	64	58	6	90,6%	149	149

AFS CoGTA-EC for the year ended 31 March 2025



(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7

APPROPRIATION STATEMENT  
for the year ended 31 March 2025

Households	3,143	545	-	3,688	3,675	13	99,6%	12,527	12,527	12,527
Social benefits	3,143	545	-	3,688	3,675	13	99,6	12,527	12,527	12,527
Payments for capital assets	15,902	382	-	16,284	16,130	154	99,1%	23,579	23,579	23,543
Machinery and equipment	15,902	382	-	16,284	16,130	154	99,1%	23,579	23,579	23,543
Transport equipment	12,672	(1,076)	-	11,596	11,577	19	99,8%	14,477	14,477	14,477
Other machinery& equip	3,230	1,458	-	4,688	4,553	135	97,1%	9,102	9,102	9,066
Payments for financial assets	-	-	-	-	-	-	-	-	-	158
Total	276,896	(8)	-	276,888	275,175	1,713	99,4%	286,166	286,166	283,489

2024/25										
2023/24										
1.1 OFFICE OF THE MEC	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
Economic classification										
Current payments	9,422	(423)	-	8,999	8,810	189	97,9%	9,084	8,813	
Compensation of employees	5,675	(624)	-	5,051	5,038	13	99,7%	4,348	4,281	
Salaries and Wages	5,126	(528)	-	4,598	4,585	13	99,7%	3,947	3,889	
Social Contributions	549	(96)	-	453	453	-	100,0%	401	392	
Good and Services	3,747	201	-	3,948	3,772	176	95,5%	4,736	4,532	
Catering: departmental activities	236	(41)	-	195	190	5	97,4%	556	555	
Entertainment	84	(43)	-	41	37	4	90,2%	72	71	
Consumables supplies	52	(30)	-	22	22	-	100,0%	7	7	
Consumable stationary, printing, and office supplies	16	(16)	-	-	-	-	-	-	-	
Travel and subsistence	2,924	319	-	3,243	3,076	167	94,9%	3,467	3,266	
Venues and facilities	435	12	-	447	447	-	100,0%	634	633	
Total	9,422	(423)	-	8,999	8,810	189	97,9%	9,084	8,813	

AFS CoGTA-EC for the year ended 31 March 2025

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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

1.2 CORPORATE SERVICES									
2024/25							2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	248,329	(476)	-	247,853	246,502	1,351	99,5%	240,827	238,299
Compensation of employees	187,936	(3,086)	-	184,850	183,719	1,131	99,5%	177,366	175,270
Salaries and Wages	161,311	(3,270)	-	158,041	157,249	792	99,5%	152,601	150,759
Social Contributions	26,625	184	-	26,809	26,470	339	98,7%	24,765	24,511
Good and Services	60,393	2,610	-	63,003	62,783	220	99,6%	63,461	63,025
Administration fees	172	-	-	172	171	1	99,4%	3	-
Advertising	530	375	-	905	905	-	100,0%	934	934
Minor assets	543	234	-	777	774	3	99,6%	268	244
Audit costs: External	5,180	1,188	-	6,368	6,368	-	100,0%	6,257	6,257
Bursaries: Employees	300	4	-	304	304	-	100,0%	117	117
Catering: departmental activities	807	57	-	864	862	2	99,8%	645	637
Communication	15,702	538	-	16,240	16,234	6	100,0%	13,125	13,114
Computer Services	1,136	(219)	-	917	916	1	99,9%	1,511	1,474
Consultants: Bus& adv service	1,655	(450)	-	1,205	1,155	50	95,9%	1,204	1,148
Legal services	3,406	549	-	3,955	3,955	-	100,0%	8,441	8,441
Contractors	335	(132)		203	201	2	99,0%	165	165
Entertainment	36	(2)		34	34	-	100,0%	27	27
Fleet services	8,240	464		8,704	8,704	-	100,0%	8,427	8,427
Consumable supplies	282	(121)		161	132	29	82,0%	544	515

AFS CoGTA-EC for the year ended 31 March 2025

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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

Consumable stationary, printing, and office supplies	671	(75)		596	596	-	100,0%	731	706
Operating leases	5,135	(433)		4,702	4,702	-	100,0%	4,312	4,311
Property payments	1,570	(7)		1,563	1,563	-	100,0%	1,678	1,678
Travel and subsistence	7,245	1,347		8,592	8,574	18	99,8%	8,158	8,157
Training and development	805	(126)		679	675	4	99,4%	855	729
Operating payments	4,234	(272)		3,962	3,892	70	98,2%	3,986	3,881
Venues and facilities	2,409	(309)		2,100	2,066	34	98,4%	2,073	2,063
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	<b>4</b>
Interest paid	-	-	-	-	-	-	-	-	<b>4</b>
<b>Transfers and subsidies</b>	3,243	509	-	3,752	3,733	19	99,5%	<b>12,676</b>	<b>12,676</b>
Provinces and municipalities	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
Municipalities	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
Municipal bank accounts	<b>100</b>	<b>(36)</b>	-	<b>64</b>	<b>58</b>	<b>6</b>	<b>90,6%</b>	<b>149</b>	<b>149</b>
Households	3,143	545	-	3,688	3,675	13	99,6%	12,527	12,527
Social benefits	3,143	545	-	3,688	3,675	13	99,6%	12,527	12,527
<b>Payments for capital assets</b>	15,902	382	-	16,284	16,130	154	99,1%	<b>23,579</b>	<b>23,543</b>
<b>Machinery and equipment</b>	<b>15,902</b>	<b>382</b>	-	<b>16,284</b>	<b>16,130</b>	<b>154</b>	<b>99,1%</b>	<b>23,579</b>	<b>23,543</b>
Transport equipment	12,672	(1,076)	-	11,596	11,577	19	99,8%	14,477	14,447
Other machinery & equip	3,230	1,458	-	4,688	4,553	135	97,1%	9,102	9,066
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	<b>158</b>
<b>Total</b>	<b>267,474</b>	<b>415</b>	-	<b>267,889</b>	<b>266,365</b>	<b>1,524</b>	<b>99,4%</b>	<b>277,082</b>	<b>274,676</b>

AFS CoGTA-EC for the year ended 31 March 2025

(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7

APPROPRIATION STATEMENT  
for the year ended 31 March 2025

Programme 2: LOCAL GOVERNANCE						2024/25			2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
<b>Sub Programme</b>											
1. Municipal Administration	20,742	(193)	-	20,549	20,487	62	99,7%	16,993	16,473		
2. Municipal Finance	11,317	(121)	-	11,196	11,164	32	99,7%	12,455	11,664		
3. Municipal Public Participation	232,737	555	5,888	239,180	239,174	6	100,0%	214,209	213,686		
4 Municipal Capacity Building	9,271	(54)	-	9,217	9,191	26	99,7%	11,330	10,909		
5 Municipal Performance, Monitoring and Evaluation	12,767	(187)	-	12,580	12,559	21	99,8%	12,975	11,871		
<b>Total for sub programmes</b>	<b>286,834</b>	<b>-</b>	<b>5,888</b>	<b>292,722</b>	<b>292,575</b>	<b>147</b>	<b>99,9%</b>	<b>267,962</b>	<b>264,603</b>		
<b>Economic classification</b>											
<b>Current payments</b>	<b>286, 834</b>	<b>-</b>	<b>5,888</b>	<b>292,722</b>	<b>292,575</b>	<b>147</b>	<b>99,9%</b>	<b>267,962</b>	<b>264,603</b>		
<b>Compensation of employees</b>	<b>277, 316</b>	<b>(230)</b>	<b>5,888</b>	<b>282,974</b>	<b>282,928</b>	<b>46</b>	<b>100,0%</b>	<b>255, 987</b>	<b>252,885</b>		
Salaries and Wages	231,491	(1,082)	5,054	235,463	235,453	10	100,0%	212,058	209,450		
Social Contributions	45,825	852	834	47,511	47,475	36	99,9%	43,929	43,435		
<b>Good and Services</b>	<b>9,518</b>	<b>230</b>	<b>-</b>	<b>9,748</b>	<b>9,647</b>	<b>101</b>	<b>99,0%</b>	<b>11,975</b>	<b>11,718</b>		
Advertising	-	-	-	-	-	-	-	61	61		
Catering: departmental activities	871	(1)	-	870	870	-	100,0%	1,024	1,006		
Communication (G&S)	-	-	-	-	-	-	-	1,669	1,669		
Entertainment	15	(2)	-	13	12	1	92,3%	16	16		
Inventory: Other supplies	628	(628)	-	-	-	-	-	-	-		
Consumables supplies	5	630	-	635	635	-	100,0%	6	-		
Consumable stationary, printing, and office supplies	184	(60)	-	124	124	-	100,0%	192	67		
Travel and subsistence	6,406	473	-	6,879	6,797	82	98,8%	7,009	6,942		

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(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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APPROPRIATION STATEMENT  
for the year ended 31 March 2025

	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	-	-	-	-	-	-	-	890	881
Operating payments	184	(54)	-	130	113	17	86,9%	487	455
Venues and facilities	1,133	(36)	-	1,097	1,096	1	99,9%	602	602
Rental and hiring	92	(92)	-	-	-	-	-	19	19
<b>Total</b>	<b>286,834</b>	<b>-</b>	<b>5,888</b>	<b>292,722</b>	<b>292,575</b>	<b>147</b>	<b>99,9%</b>	<b>267,962</b>	<b>264,603</b>
<b>2.1 MUNICIPAL ADMINISTRATION</b>									
	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>20,742</b>	<b>(193)</b>	<b>-</b>	<b>20,549</b>	<b>20,487</b>	<b>62</b>	<b>99,7%</b>	<b>16,993</b>	<b>16,473</b>
<b>Compensation of employees</b>	<b>18,829</b>	<b>(106)</b>	<b>-</b>	<b>18,723</b>	<b>18,720</b>	<b>3</b>	<b>100,0%</b>	<b>15,220</b>	<b>14,727</b>
Salaries and Wages	16,651	8	-	16,659	16,657	2	100,0%	13,361	12,926
Social Contributions	2,178	(114)	-	2,064	2,063	1	100,0%	1,859	1,801
<b>Good and Services</b>	<b>1,913</b>	<b>(87)</b>	<b>-</b>	<b>1,826</b>	<b>1,767</b>	<b>59</b>	<b>96,8%</b>	<b>1,773</b>	<b>1,746</b>
Catering: departmental activities	103	(8)	-	95	95	-	100,0%	118	110
Entertainment	7	-	-	7	6	1	85,7%	8	8
Consumables supplies	5	-	-	5	5	-	100,0%	6	-
Consumable stationary, printing, and office supplies	38	(38)	-	-	-	-	-	10	9
Travel and subsistence	1,574	(45)	-	1,529	1,488	41	97,3%	1,459	1,456
Operating payments	57	9	-	66	49	17	74,2%	15	6
Venues and facilities	129	(5)	-	124	124	-	100,0%	157	157
<b>Total</b>	<b>20,742</b>	<b>(193)</b>	<b>-</b>	<b>20,549</b>	<b>20,487</b>	<b>62</b>	<b>99,7%</b>	<b>16,993</b>	<b>16,473</b>

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APPROPRIATION STATEMENT  
for the year ended 31 March 2025

2024/25										2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
<b>Economic classification</b>											
<b>Current payments</b>	<b>11,317</b>	<b>(121)</b>	-	<b>11,196</b>	<b>11,164</b>		<b>99,7%</b>	<b>12,455</b>	<b>11,664</b>		
<b>Compensation of employees</b>	<b>10,283</b>	<b>(357)</b>	-	<b>9,926</b>	<b>9,920</b>		<b>99,9%</b>	<b>11,158</b>	<b>10,400</b>		
Salaries and Wages	8,798	(321)	-	8,477	8,474		100,0%	9,597	8,850		
Social Contributions	1,485	(36)	-	1,449	1,446		99,8%	1,561	1,550		
<b>Good and Services</b>	<b>1,034</b>	<b>236</b>	-	<b>1,270</b>	<b>1,244</b>		<b>98,0%</b>	<b>1,297</b>	<b>1,264</b>		
Catering: departmental activities	131	(27)	-	104	104		100,0%	224	223		
Entertainment	2			2	2		100,0%	-	-		
Consumable stationary, printing, and office supplies	17	-	-	17	17		100,0%	21	21		
Travel and subsistence	702	119	-	821	795		96,8%	960	928		
Operating payments	8	-	-	8	8		100,0%	3	3		
Venues and facilities	174	144	-	318	318		100,0%	89	89		
<b>Total</b>	<b>11,317</b>	<b>(121)</b>	-	<b>11,196</b>	<b>11,164</b>	<b>32</b>	<b>99,7%</b>	<b>12,455</b>	<b>11,664</b>		

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2.3. MUNICIPAL PUBLIC PARTICIPATION									
	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	232,737	555	5,888	239,180	239,174	6	100,0%	214,209	213,686
<b>Compensation of employees</b>	227,942	472	5,888	234,302	234,298	4	100,0%	208,780	208,385
Salaries and Wages	188,253	(445)	5,054	192,862	192,863	(1)	100,0%	171,030	170,792
Social Contributions	39,689	917	834	41,440	41,435	5	100,0%	37,750	37,593
<b>Good and Services</b>	4,795	83	-	4,878	4,876	2	100,0%	5,429	5,301
Advertising	-	-	-	-	-	-	-	61	61
Catering: departmental activities	457	74	-	531	531	-	100,0%	333	324
Communication	-	-	-	-	-	-	-	1,669	1,669
Entertainment	6	(2)	-	4	4	-	100,0%	6	6
Inventory: Other Supplies	628	(628)	-	-	-	-	-	-	-
Consumable supplies	-	630	-	630	630	-	100,0%	-	-
Consumable stationary, printing, and office supplies	104	-	-	104	104	-	100,0%	149	37
Travel and subsistence	2,764	335	-	3,099	3,097	2	99,9%	2,887	2,880
Operating payments	54	(30)	-	24	24	-	100,0%	15	15
Venues and facilities	690	(204)	-	486	486	-	100,0%	290	290
Rental and hiring	92	(92)	-	-	-	-	-	19	19
<b>Total</b>	<b>232,737</b>	<b>555</b>	<b>5,888</b>	<b>239,180</b>	<b>239,174</b>	<b>6</b>	<b>100,0%</b>	<b>214,209</b>	<b>213,686</b>

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APPROPRIATION STATEMENT

for the year ended 31 March 2025

2.4 CAPACITY BUILDING									
2024/25							2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	9,271	(54)	-	9,217	9,191	26	99,7%	11,330	10,909
Compensation of employees	8,385	(30)	-	8,355	8,338	17	99,8%	8,891	8,512
Salaries and Wages	7,332	(46)	-	7,286	7,282	4	99,9%	7,674	7,418
Social Contributions	1,053	16	-	1,069	1,056	13	98,8%	1,217	1,094
Good and Services	886	(24)	-	862	853	9	99,0%	2,439	2,397
Catering: departmental activities	166	(26)		140	140	-	100,0%	330	330
Entertainment	-	-	-	-	-	-	-	2	2
Travel and subsistence	690	6		696	687	9	98,7%	793	783
Training and development	-	-	-	-	-	-	-	890	881
Operating payments	-	-	-	-	-	-	-	424	401
Venues and facilities	30	(4)		26	26	-	100,0%	-	-
Total	9,271	(54)	-	9,217	9,191	26	99,7%	11,330	10,909

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2.5 MUNICIPAL PERFORMANCE, REPORTING & EVALUATION										
	2024/25						2023/24			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Economic classification</b>										
<b>Current payments</b>	12,767	(187)	-	12,580	12,559	21	99,8%	12,975	11,871	
<b>Compensation of employees</b>	11,877	(209)	-	11,668	11,652	16	99,9%	11,938	10,861	
Salaries and Wages	10,457	(278)	-	10,179	10,177	2	100,0%	10,396	9,464	
Social Contributions	1,420	69	-	1,489	1,475	14	99,1%	1,542	1,397	
<b>Good and Services</b>	890	22	-	912	907	5	99,5%	1,037	1,010	
Catering: departmental activities	14	(14)	-	-	-	-	-	19	19	
Consumable stationary, printing, and office supplies	25	(22)	-	3	3	-	100,0%	12	-	
Travel and subsistence	676	58	-	734	730	4	99,5%	910	895	
Operating payments	65	(33)	-	32	32	-	100,0%	30	30	
Venues and facilities	110	33	-	143	142	1	99,3%	66	66	
<b>Total</b>	<b>12,767</b>	<b>(187)</b>	<b>-</b>	<b>12,580</b>	<b>12,559</b>	<b>21</b>	<b>99,8%</b>	<b>12,975</b>	<b>11,871</b>	

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**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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**APPROPRIATION STATEMENT  
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Programme 3: DEVELOPMENT AND PLANNING									
	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub Programme</b>									
1. Spatial Planning	15,366	23	(200)	15,189	15,177	12	99,9%	15,888	15,788
2. Land Use Management	20,771	30	(760)	20,041	19,941	100	99,5%	20,678	19,543
3. Local Economic Development (LED)	24,522	(160)	(350)	24,012	23,936	76	99,7%	23,200	22,200
4. Municipal Infrastructure	29,103	(148)	(190)	28,765	28,701	64	99,8%	28,458	28,189
5. Disaster Management	20,694	266	(700)	20,260	16,609	3,651	82,0%	17,253	16,749
6. IDP Co-ordination	8,424	(11)	-	8,413	8,380	33	99,6%	8,208	8,135
<b>Total for sub programmes</b>	<b>118,880</b>	<b>-</b>	<b>(2 200)</b>	<b>116,680</b>	<b>112,744</b>	<b>3,936</b>	<b>96,6%</b>	<b>113,685</b>	<b>110,604</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>115,502</b>	<b>-</b>	<b>(2,200)</b>	<b>113,302</b>	<b>112,192</b>	<b>1 110</b>	<b>99,0%</b>	<b>112 169</b>	<b>109 118</b>
<b>Compensation of employees</b>	<b>100,910</b>	<b>(584)</b>	<b>(2,200)</b>	<b>98,126</b>	<b>97,872</b>	<b>254</b>	<b>99,7%</b>	<b>97 913</b>	<b>94 955</b>
Salaries and Wages	88,202	(73)	(2,040)	86,089	85,965	124	99,9%	86 061	83 373
Social Contributions	12,708	(511)	(160)	12,037	11,907	130	98,9%	11 852	11 582
<b>Good and Services</b>	<b>14,592</b>	<b>584</b>	<b>-</b>	<b>15,176</b>	<b>14,320</b>	<b>856</b>	<b>94,4%</b>	<b>14 256</b>	<b>14 163</b>
Advertising	-	-	-	-	-	-	-	9	9
Minor assets	5	13	-	18	13	5	72,2%	-	-
Catering: departmental activities	400	43	-	443	435	8	98,2%	275	274
Computer Services	2,220	(1,637)	-	583	583	-	100,0%	1 855	1 855
Consultants: Bus& adv service	179	930	-	1 109	1,109	-	100,0%	968	922
Scientific& Technological Services	1,254	-	-	1,254	1,254	-	100,0%	-	-
Contractors	2,033	35	-	2,068	2,068	-	100,0%	2 105	2 105

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Agency& supp/ outsourced	1,000	467	-	1,467	718	749	48,9%	720	720
Entertainment	20	(1)	-	19	19	-	100,0%	1	-
Inventory: other supplies	-	515	-	515	515	-	100,0%	-	-
Consumables supplies	240	(65)	-	175	175	-	100,0%	137	137
Consumable stationary	143	(6)	-	137	122	15	89,1%	74	53
Travel and subsistence	6,180	391	-	6,571	6,498	73	98,9%	7 124	7 100
Training and development	9	1	-	10	9	1	90,0%	275	275
Operating payments	362	(99)	-	263	259	4	98,5%	128	128
Venues and facilities	547	(2)	-	545	543	2	99,6%	585	585
<b>Payments for capital assets</b>	<b>3,378</b>	<b>-</b>	<b>-</b>	<b>3,378</b>	<b>552</b>	<b>2,826</b>	<b>16,3%</b>	<b>1 516</b>	<b>1 486</b>
<b>Machinery and equipment</b>	<b>3,378</b>	<b>-</b>	<b>-</b>	<b>3,378</b>	<b>552</b>	<b>2,826</b>	<b>16,3%</b>	<b>1 516</b>	<b>1 486</b>
Transport equipment	88	464	-	552	552	-	100,0%	1 516	1 486
Other machinery& equip	3,290	(464)	-	2,826	-	2,826	-	-	-
<b>Total</b>	<b>118,880</b>	<b>-</b>	<b>(2 200)</b>	<b>116,680</b>	<b>112,744</b>	<b>3,936</b>	<b>96,6%</b>	<b>113 685</b>	<b>110 604</b>

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**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

3.1 SPATIAL PLANNING	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>15,366</b>	<b>23</b>	<b>(200)</b>	<b>15,189</b>	<b>15,177</b>	<b>12</b>	<b>99,9%</b>	<b>15,888</b>	<b>15,788</b>
<b>Compensation of employees</b>	<b>14,009</b>	<b>5</b>	<b>(200)</b>	<b>13,814</b>	<b>13,813</b>	<b>1</b>	<b>100,0%</b>	<b>14,480</b>	<b>14,380</b>
Salaries and Wages	12,432	41	(200)	12,273	12,273	-	100,0%	12,831	12,767
Social Contributions	1,577	(36)	-	1,541	1,540	1	99,9%	1,649	1,613
<b>Good and Services</b>	<b>1,357</b>	<b>18</b>	<b>-</b>	<b>1,375</b>	<b>1,364</b>	<b>11</b>	<b>99,2%</b>	<b>1,408</b>	<b>1,408</b>
Advertising	-	-	-	-	-	-	-	4	4
Catering: departmental activities	24	30	-	54	52	2	96,3%	44	44
Computer services	211	(12)	-	199	199	-	100,0%	268	268
Entertainment	2	-	-	2	2	-	100,0%	-	-
Consumable: Stationery, Printing & office supplies	9	-	-	9	9	-	100,0%	-	-
Travel and subsistence	1,042	-	-	1,042	1,034	8	99,2%	888	888
Training and development	-	-	-	-	-	-	-	40	40
Operating payments	16	-	-	16	16	-	100,0%	15	15
Venues and facilities	53	-	-	53	52	1	98,1%	149	149
<b>Total</b>	<b>15,366</b>	<b>23</b>	<b>(200)</b>	<b>15,189</b>	<b>15,177</b>	<b>12</b>	<b>99,9%</b>	<b>15,888</b>	<b>15,788</b>

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for the year ended 31 March 2025

3.2 LAND USE MANAGEMENT										
	2024/25						2023/24			
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Economic classification</b>										
<b>Current payments</b>	20,771	30	(760)	20,041	19,941	100	99,5%	20,678	19,543	
<b>Compensation of employees</b>	19,614	72	(760)	18,926	18,838	88	99,5%	19,167	18,034	
Salaries and Wages	17,022	50	(700)	16,372	16,325	47	99,7%	16,648	15,603	
Social Contributions	2,592	22	(60)	2,554	2,513	41	98,4%	2,519	2,431	
<b>Good and Services</b>	1,157	(42)	-	1,115	1,103	12	98,9%	1,511	1,509	
Advertising	-	-	-	-	-	-	-	5	5	
Catering: departmental activities	44	(18)	-	26	25	1	96,2%	37	37	
Computer supplies	9	(1)	-	8	8	-	100,0%	50	50	
Entertainment	9	(1)	-	8	8	-	100,0%	1	-	
Consumable stationary, printing, and office supplies	15	(6)	-	9	9	-	100,0%	32	31	
Travel and subsistence	1,054	(2)	-	1,052	1,043	9	99,1%	1,328	1,328	
Operating payments	26	(14)	-	12	10	2	83,3%	38	38	
Venues and facilities	-	-	-	-	-	-	-	20	20	
<b>Total</b>	<b>20,771</b>	<b>30</b>	<b>(760)</b>	<b>20,041</b>	<b>19,941</b>	<b>100</b>	<b>99,5%</b>	<b>20,678</b>	<b>19,543</b>	

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3.3 LOCAL ECONOMIC DEVELOPMENT (LED)									
2024/25							2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	24,522	(160)	(350)	24,012	23,936	76	99,7%	23,200	22,200
Compensation of employees	20,371	(291)	(350)	19,730	19,655	75	99,6%	19,288	18,291
Salaries and Wages	17,839	(303)	(300)	17,236	17,222	14	99,9%	16,907	15,989
Social Contributions	2,532	12	(50)	2,494	2,433	61	97,6%	2,381	2,302
Good and Services	4,151	131	-	4,282	4,281	1	100,0%	3,912	3,909
Catering: departmental activities	74	-	-	74	73	1	98,6%	22	22
Contractors	2,000	68	-	2,068	2,068	-	100,0%	2,105	2,105
Consultants business advisory	1,109	-	-	1,109	1,109	-	100,0%	820	820
Entertainment	4	-	-	4	4	-	100,0%	-	-
Consumable supplies	-	-	-	-	-	-	-	135	135
Consumable stationary, printing, and office supplies	26	(5)	-	21	21	-	100,0%	12	9
Travel and subsistence	808	68	-	876	876	-	100,0%	818	818
Venues and facilities	130	-	-	130	130	-	100,0%	-	-
Total	24,522	(160)	(350)	24,012	23,936	76	99,7%	23,200	22,200

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3.4 MUNICIPAL INFRASTRUCTURE									
	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	29,103	(148)	(190)	28,765	28,701	64	99,8%	28,458	28,189
<b>Compensation of employees</b>	26,852	(326)	(190)	26,336	26,316	20	99,9%	26,051	25,791
Salaries and Wages	23,319	191	(190)	23,320	23,305	15	99,9%	23,080	22,850
Social Contributions	3,533	(517)	-	3,016	3,011	5	99,8%	2,971	2,941
<b>Good and Services</b>	2,251	178	-	2,429	2,385	44	98,2%	2,407	2,398
Catering: departmental activities	103	(10)	-	93	91	2	97,8%	40	39
Entertainment	3	-	-	3	3	-	100,0%	-	-
Consumable supplies	-	10	-	10	10	-	100,0%	-	-
Consumable stationary, printing, and office supplies	16	10	-	26	26	-	100,0%	14	13
Travel and subsistence	2,052	194	-	2,246	2,204	42	98,1%	2,218	2,211
Operating payments	77	(26)	-	51	51	-	100,0%	68	68
Venues and facilities	-	-	-	-	-	-	-	67	67
<b>Total</b>	<b>29,103</b>	<b>(148)</b>	<b>(190)</b>	<b>28,765</b>	<b>28,701</b>	<b>64</b>	<b>99,8%</b>	<b>28,458</b>	<b>28,189</b>

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<b>3.5 DISASTER MANAGEMENT</b>									
<b>2024/25</b>								<b>2023/24</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>Economic classification</b>									
<b>Current payments</b>	<b>17,316</b>	<b>266</b>		<b>16,882</b>	<b>16,057</b>	<b>825</b>	<b>95,1%</b>	<b>15,737</b>	<b>15,263</b>
<b>Compensation of employees</b>	<b>12,397</b>	<b>(33)</b>		<b>11,664</b>	<b>11,626</b>	<b>38</b>	<b>99,7%</b>	<b>11,748</b>	<b>11,335</b>
Salaries and Wages	10,944	(33)	(650)	10,261	10,242	19	99,8%	10,363	9,986
Social Contributions	1,453	-	(50)	1,403	1,384	19	98,6%	1,385	1,349
<b>Good and Services</b>	<b>4,919</b>	<b>299</b>		<b>5,218</b>	<b>4,431</b>	<b>787</b>	<b>84,9%</b>	<b>3,989</b>	<b>3,928</b>
Minor Assets	5	13	-	18	13	5	72,2%	-	-
Catering: departmental activities	155	41	-	196	194	2	99,0%	132	132
Consultants business advisory	(930)	930	-	-	-	-	-	148	102
Computer services	2,000	(1,624)	-	376	376	-	100,0%	1,537	1,537
Scientific and Technological Services	1,254	-	-	1,254	1,254	-	100,0%	-	-
Contractors	33	(33)	-	-	-	-	-	-	-
Agency & support/ outsourced	1,000	467	-	1,467	718	749	48,9%	720	720
Entertainment	2	-	-	2	2	-	100,0%	-	-
Inventory: Other Supplies	-	515	-	515	515	-	100,0%	-	-
Consumable supplies	240	(75)	-	165	165	-	100,0%	2	2
Consumable stationary, printing, and office supplies	61	(5)	-	56	41	15	73,2%	-	-
Travel and subsistence	769	131	-	900	887	13	98,6%	1,208	1,193
Training and development	9	1	-	10	9	1	90,0%	235	235
Operating payments	243	(60)	-	183	182	1	99,5%	7	7
Venues and facilities	78	(2)	-	76	75	1	98,7%	-	-
<b>Payments for capital assets</b>	<b>3,378</b>	<b>-</b>	<b>-</b>	<b>3,378</b>	<b>552</b>	<b>2,826</b>	<b>16,3%</b>	<b>1,516</b>	<b>1,486</b>

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Machinery and equipment	3,378	-	-	3,378	552	2,826	16,3%	1,516	1,486
Transport equipment	88	464	-	552	552	-	100,0%	1,516	1,486
Other machinery& equip	3,290	(464)	-	2,826	-	2,826	-	-	-
Total	20,694	266	(700)	20,260	16,609	3,651	82,0%	17,253	16,749

3.6 IDP CO-ORDINATION										
2024/25										
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	8,424	(11)	-	8,413	8,380	33	99,6%	8,208	8,135	
Compensation of employees	7,667	(11)	-	7,656	7,624	32	99,6%	7,179	7,124	
Salaries and Wages	6,646	(19)	-	6,627	6,598	29	99,6%	6,232	6,178	
Social Contributions	1,021	8	-	1,029	1,026	3	99,7%	947	946	
Good and Services	757	-	-	757	756	1	99,9%	1,029	1,011	
Consumable: stationery, printing and office supplies	16	-	-	16	16	-	100,0%	16	-	
Travel and subsistence	455	-	-	455	454	1	99,8%	664	662	
Venues and facilities	286	-	-	286	286	-	100,0%	349	349	
Total	8,424	(11)	-	8,413	8,380	33	99,6%	8,208	8,135	

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<b>Programme 4: TRADITIONAL INSTITUTIONAL MANAGEMENT</b>									
	<b>2024/25</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>Sub Programme</b>									
1. Traditional Institutional Admin	16,114	-	-	16,114	15,734	380	97,6%	341,684	339,178
2. Traditional Resource Admin	355,170	(3)	(3,688)	351,479	347,208	4,271	98,8%	16 289	15 256
3. Rural Development Facilitation	9,474	3	-	9,477	9,239	238	97,5%	10,440	9,460
<b>Total for sub programmes</b>	<b>380,758</b>	<b>-</b>	<b>(3,688)</b>	<b>377,070</b>	<b>372,181</b>	<b>4,889</b>	<b>98,7%</b>	<b>368,413</b>	<b>363,894</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>376,072</b>	<b>(1,501)</b>	<b>(3,688)</b>	<b>370,883</b>	<b>366,336</b>	<b>4,547</b>	<b>98,8%</b>	<b>359,870</b>	<b>355,635</b>
<b>Compensation of employees</b>	<b>352,732</b>	<b>(1,501)</b>	<b>(3,688)</b>	<b>347,543</b>	<b>345,853</b>	<b>1 690</b>	<b>99,5%</b>	<b>338,398</b>	<b>334,509</b>
Salaries and Wages	328,406	(1,553)	(3,648)	323,205	321,873	1 332	99,6%	315,744	312,098
Social Contributions	24,326	52	(40)	24,338	23,980	358	98,5%	22,654	22 411
<b>Good and Services</b>	<b>23,340</b>	<b>-</b>	<b>-</b>	<b>23,340</b>	<b>20,483</b>	<b>2 858</b>	<b>87,8%</b>	<b>21,472</b>	<b>21,126</b>
Minor assets	150	150	-	300	300	-	100,0%	330	330
Bursaries: Employees	851	(82)	-	769	388	381	50,5%	493	491
Catering: departmental activities	1,965	(82)	-	1,883	1,597	286	84,8%	1,539	1,483
Consultants: Bus& adv service	1,644	(468)	-	1,176	1,101	75	93,6%	1,129	1,128
Legal services	-	-	-	-	-	-	-	2,094	2,094
Entertainment	36	(2)	-	34	34	-	100,0%	55	51
Inventory: Other supplies	-	-	-	-	-	-	-	20	20
Consumable supplies	462	(52)	-	410	396	14	96,6%	387	385
Consumable stationary	242	(3)	-	239	227	12	95,0%	728	727
Property payments	4,230	(766)	-	3,464	2,231	1,233	64,4%	472	471

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Travel and subsistence	10,329	398	-	10,727	9,941	786	92,7%	10,919	10,839
Training and development	-	-	-	-	-	-	-	30	30
Operating payments	5	432	-	437	434	3	99,3%	30	30
Venues and facilities	2,051	340	-	2,391	2,359	32	98,6%	1,468	1,449
Rental and hiring	1,375	135	-	1,510	1,475	35	97,7%	1,778	1,598
<b>Transfers and subsidies</b>	<b>3,963</b>	<b>1,501</b>	-	<b>5,464</b>	<b>5,464</b>	-	<b>100,0%</b>	<b>7,661</b>	<b>7,618</b>
<b>Households</b>	<b>3,963</b>	<b>1,501</b>	-	<b>5,464</b>	<b>5,464</b>	-	<b>100,0%</b>	<b>7,661</b>	<b>7,618</b>
Social benefits	3,963	1,501	-	5,464	5,464	-	100,0%	7,661	7,618
<b>Payments for capital assets</b>	<b>723</b>	-	-	<b>723</b>	<b>381</b>	<b>342</b>	<b>52,7%</b>	<b>882</b>	<b>641</b>
<b>Buildings and other fixed structures</b>	<b>723</b>	-	-	<b>723</b>	<b>381</b>	<b>342</b>	<b>52,7%</b>	<b>882</b>	<b>641</b>
Buildings	723	-	-	723	381	342	52,7%	882	641
<b>Total</b>	<b>380,758</b>	-	<b>(3,688)</b>	<b>377,070</b>	<b>372,181</b>	<b>4,889</b>	<b>98,7%</b>	<b>368,413</b>	<b>363,894</b>

4.1 TRADITIONAL INSTITUTIONAL ADMINISTRATION									
2024/25									
	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>Economic classification</b>									
<b>Current payments</b>	<b>16,114</b>	-	-	<b>16,114</b>	<b>15,734</b>	<b>380</b>	<b>97,6%</b>	<b>333,141</b>	<b>330,919</b>
<b>Compensation of employees</b>	<b>14,536</b>	-	-	<b>14,536</b>	<b>14,168</b>	<b>368</b>	<b>97,5%</b>	<b>315,175</b>	<b>313,251</b>
Salaries and Wages	12,838	(36)		12,802	12,454	348	97,3%	295,118	293,407
Social Contributions	1,698	36		1,734	1,714	20	98,8%	20,057	19,844
<b>Good and Services</b>	<b>1,578</b>	-	-	<b>1,578</b>	<b>1,566</b>	<b>12</b>	<b>99,2%</b>	<b>17,966</b>	<b>17,668</b>
Minor Assets	-	-	-	-	-	-	-	330	330
Bursaries: Employees	-	-	-	-	-	-	-	493	491
Catering: departmental activities	333	(49)	-	284	278	6	97,9%	1,154	1,102

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Consultants: Business & Advisory Services	-	-	-	-	-	-	-	-	-	-	-	1,129	1,128
Legal Services	-	-	-	-	-	-	-	-	-	-	-	2,094	2,094
Entertainment	6	-	-	-	6	6	6	100,0%	43	43	43	43	43
Inventory: other supplies	-	-	-	-	-	-	-	-	20	20	20	20	20
Consumable Supplies	-	-	-	-	-	-	-	-	387	387	385	385	385
Consumable stationary, printing, and office supplies	2	-	-	-	2	2	2	100,0%	701	701	700	700	700
Property Payments	-	-	-	-	-	-	-	-	472	472	471	471	471
Travel and subsistence	1,152	49	-	-	1,201	1,196	5	99,6%	8,045	8,045	7,986	7,986	7,986
Training & development	-	-	-	-	-	-	-	-	30	30	30	30	30
Operating payments	-	-	-	-	-	-	-	-	30	30	30	30	30
Venues and facilities	85	-	-	-	85	84	1	98,8%	1,260	1,260	1,260	1,260	1,260
Rental & hiring	-	-	-	-	-	-	-	-	1,778	1,778	1,598	1,598	1,598
Transfers and Subsidies	-	-	-	-	-	-	-	-	7,661	7,661	7,618	7,618	7,618
Households	-	-	-	-	-	-	-	-	7,661	7,661	7,618	7,618	7,618
Social Benefits	-	-	-	-	-	-	-	-	7,661	7,661	7,618	7,618	7,618
<b>Payments for Capital Assets</b>	-	-	-	-	-	-	-	-	<b>882</b>	<b>882</b>	<b>641</b>	<b>641</b>	<b>641</b>
<b>Building &amp; other fixed structures</b>	-	-	-	-	-	-	-	-	<b>882</b>	<b>882</b>	<b>641</b>	<b>641</b>	<b>641</b>
<b>Buildings</b>	-	-	-	-	-	-	-	-	<b>882</b>	<b>882</b>	<b>641</b>	<b>641</b>	<b>641</b>
<b>Total</b>	<b>16,114</b>	-	-	-	<b>16,114</b>	<b>15,734</b>	<b>380</b>	<b>97,6%</b>	<b>341,684</b>	<b>341,684</b>	<b>339,178</b>	<b>339,178</b>	<b>339,178</b>

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4.2 TRADITIONAL RESOURCE ADMINISTRATION									
2024/25								2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>350,484</b>	<b>(1,504)</b>	<b>(3,688)</b>	<b>345,292</b>	<b>341,363</b>	<b>3,929</b>	<b>98,9%</b>	<b>16 289</b>	<b>15 256</b>
<b>Compensation of employees</b>	<b>329,617</b>	<b>(1,501)</b>	<b>(3,688)</b>	<b>324,428</b>	<b>323,344</b>	<b>1,084</b>	<b>99,7%</b>	<b>14 231</b>	<b>13 245</b>
Salaries and Wages	308,179	(1,499)	(3,648)	303,032	302,241	791	99,7%	12 651	11 685
Social Contributions	21,438	(2)	(40)	21,396	21,103	293	98,6%	1 580	1 560
<b>Good and Services</b>	<b>20,867</b>	<b>(3)</b>	<b>-</b>	<b>20,864</b>	<b>18,019</b>	<b>2,845</b>	<b>86,4%</b>	<b>2 058</b>	<b>2 011</b>
Minor assets	150	150	-	300	300	-	100,0%	-	-
Bursaries: Employees	851	(82)	-	769	388	381	50,5%	-	-
Catering: departmental activities	1,542	(30)	-	1,512	1,232	280	81,5%	193	189
Consultants: Bus& adv service	1,644	(468)	-	1,176	1,101	75	93,6%	-	-
Entertainment	28	-	-	28	28	-	100,0%	10	6
Consumables supplies	462	(52)	-	410	396	14	96,6%	-	-
Consumable stationary, printing, and office supplies	232	5	-	237	225	12	94,9%	-	-
Property Payments	4,230	(766)	-	3,464	2,231	1 233	64,4%	-	-
Travel and subsistence	8,406	333	-	8,739	7,958	781	91,1%	1 690	1 670
Operating payments	5	432	-	437	434	3	99,3%	-	-
Venues and facilities	1,966	340	-	2,306	2,275	31	98,6%	165	146
Rental and hiring	1,351	135	-	1,486	1,451	35	97,6%	-	-
<b>Transfers and subsidies</b>	<b>3,963</b>	<b>1,501</b>	<b>-</b>	<b>5,464</b>	<b>5,464</b>	<b>-</b>	<b>100,0%</b>	<b>-</b>	<b>-</b>
<b>Households</b>	<b>3,963</b>	<b>1,501</b>	<b>-</b>	<b>5,464</b>	<b>5,464</b>	<b>-</b>	<b>100,0%</b>	<b>-</b>	<b>-</b>
Social benefits	3,963	1,501	-	5,464	5,464	-	100,0%	-	-
<b>Payments for capital assets</b>	<b>723</b>	<b>-</b>	<b>-</b>	<b>723</b>	<b>381</b>	<b>342</b>	<b>52,7%</b>	<b>-</b>	<b>-</b>

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<b>Buildings and other fixed structures</b>	723	-	-	723	381	342	52,7%	-	-
Buildings	723	-	-	723	381	342	52,7%	-	-
<b>Total</b>	<b>355,170</b>	<b>(3)</b>	<b>(3,688)</b>	<b>351,479</b>	<b>347,208</b>	<b>4,271</b>	<b>98,8%</b>	<b>16 289</b>	<b>15 256</b>

<b>4.3 RURAL DEVELOPMENT FACILITATION</b>										
<b>2024/25</b>										<b>2023/24</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>Economic classification</b>										
<b>Current payments</b>	<b>9,474</b>	<b>3</b>	<b>-</b>	<b>9,477</b>	<b>9,239</b>	<b>238</b>	<b>97,5%</b>	<b>10,440</b>	<b>9,460</b>	
<b>Compensation of employees</b>	<b>8,579</b>	<b>-</b>	<b>-</b>	<b>8,579</b>	<b>8,341</b>	<b>238</b>	<b>97,2%</b>	<b>8,992</b>	<b>8,013</b>	
Salaries and Wages	7,389	(18)		7,371	7,178	193	97,4%	7,975	7,006	
Social Contributions	1,190	18		1,208	1,163	45	96,3%	1,017	1,007	
<b>Good and Services</b>	<b>895</b>	<b>3</b>	<b>-</b>	<b>898</b>	<b>898</b>	<b>-</b>	<b>100,0%</b>	<b>1,448</b>	<b>1,447</b>	
Catering: departmental activities	90	(3)	-	87	87	-	100,0%	192	192	
Entertainment	2	(2)	-	-	-	-	-	2	2	
Consumable stationary, printing, and office supplies	8	(8)	-	-	-	-	-	27	27	
Travel and subsistence	771	16	-	787	787	-	100,0%	1,184	1,183	
Rental& hiring	24	-	-	24	24	-	100,0%	-	-	
Venues and facilities	-	-	-	-	-	-	-	43	43	
<b>Total</b>	<b>9,474</b>	<b>3</b>	<b>-</b>	<b>9,477</b>	<b>9,239</b>	<b>238</b>	<b>97,5%</b>	<b>10,440</b>	<b>9,460</b>	

AFS CoGTA-EC for the year ended 31 March 2025

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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2025**

Programme 5: HOUSE OF TRADITIONAL LEADERS									
	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub Programme</b>									
1. Administration of House of Traditional Leaders	13,471	(652)	-	12,819	12,375	444	96,5%	13,595	13,288
2. Committees and Local Houses of Traditional Leaders	21,853	652	-	22,505	22,447	58	99,7%	20,997	20,589
<b>Total for sub programmes</b>	<b>35,324</b>	<b>-</b>	<b>-</b>	<b>35,324</b>	<b>34,822</b>	<b>502</b>	<b>98,6%</b>	<b>34,592</b>	<b>33,877</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>35,259</b>	<b>(45)</b>	<b>-</b>	<b>35,214</b>	<b>34,744</b>	<b>470</b>	<b>98,7%</b>	<b>34,302</b>	<b>33,616</b>
<b>Compensation of employees</b>	<b>24,192</b>	<b>-</b>	<b>-</b>	<b>24,192</b>	<b>23,742</b>	<b>450</b>	<b>98,1%</b>	<b>23,847</b>	<b>23,414</b>
Salaries and Wages	20,856	(19)	-	20,837	20,417	420	98,0%	20,753	20,324
Social Contributions	3,336	19	-	3,355	3,325	30	99,1%	3,094	3,090
<b>Good and Services</b>	<b>11,067</b>	<b>(45)</b>	<b>-</b>	<b>11,022</b>	<b>11,002</b>	<b>20</b>	<b>99,8%</b>	<b>10,455</b>	<b>10,202</b>
Advertising	247	(93)	-	154	154	-	100,0%	158	157
Minor Assets	-	11	-	11	11	-	100,0%	-	-
Catering: departmental activities	1,190	62	-	1,252	1,248	4	99,7%	1,146	1,069
Communication (G&S)	860	(2)	-	858	857	1	99,9%	295	294
Consultants: Bus& adv service	1,925	(213)	-	1,712	1,712	-	100,0%	1,682	1,677
Contractors	-	10	-	10	10	-	100,0%	-	-
Entertainment	18	-	-	18	18	-	100,0%	18	17
Consumables supplies	95	40	-	135	134	1	99,3%	228	222
Consumable Stationery, printing and office supplies	117	(52)	-	65	65	-	100,0%	144	117
Travel and subsistence	6,100	220	-	6,320	6,311	9	99,9%	5,645	5,578

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(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7

APPROPRIATION STATEMENT  
for the year ended 31 March 2025

Operating payments	40	45	-	85	81	4	95,3%	150	136
Venues and facilities	113	46	-	159	158	1	99,4%	750	750
Rental and hiring	362	(119)	-	243	243	-	100,0%	239	185
Transfers and subsidies	-	-	-	-	-	-	-	218	215
Households	-	-	-	-	-	-	-	218	215
Social benefits	-	-	-	-	-	-	-	218	215
Payments for capital assets	65	45	-	110	78	32	70,9%	72	46
Machinery& Equipment	65	45	-	110	78	32	70,9%	72	46
Other machinery& Equipment	65	45	-	110	78	32	70,9%	72	46
Total	35,324	-	-	35,324	34,822	502	98,6%	34,592	33,877

5.1 ADMINISTRATION OF HOUSE OF TRADITIONAL LEADERS									
2024/25									
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	13,471	(652)	-	12,819	12,375	444	96,5%	13,337	13,049
Compensation of employees	11,542	(518)	-	11,024	10,586	438	96,0%	11,623	11,444
Salaries and Wages	9,797	(527)		9,270	8,859	411	95,6%	9,839	9,664
Social Contributions	1,745	9		1,754	1,727	27	98,5%	1,784	1,780
Good and Services	1,929	(134)	-	1,795	1,789	6	99,7%	1,714	1,605
Catering: departmental activities	151	(38)		113	109	4	96,5%	133	105
Entertainment	18			18	18	-	100,0%	18	17
Consumables supplies	40	50		90	89	1	98,9%	123	118
Consumable stationary, printing, and office supplies	80	(15)		65	65	-	100,0%	122	98
Travel and subsistence	1,527	(77)		1,450	1,449	1	99,9%	1,189	1,144

AFS CoGTA-EC for the year ended 31 March 2025



(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7

APPROPRIATION STATEMENT  
for the year ended 31 March 2025

Operating payments	-	-	-	-	-	-	-	-	-	40	34
Venues and facilities	113	(54)	-	59	59	-	-	100,0%	-	89	89
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-	<b>218</b>	<b>215</b>
Households	-	-	-	-	-	-	-	-	-	218	215
Social benefits	-	-	-	-	-	-	-	-	-	218	215
<b>Payment of capital assets</b>	-	-	-	-	-	-	-	-	-	<b>40</b>	<b>24</b>
<b>Machinery and equipment</b>	-	-	-	-	-	-	-	-	-	<b>40</b>	<b>24</b>
Other machinery and equip	-	-	-	-	-	-	-	-	-	40	24
<b>Total</b>	<b>13,471</b>	<b>(652)</b>	<b>-</b>	<b>12,819</b>	<b>12,375</b>	<b>444</b>	<b>96,5%</b>	<b>13,595</b>	<b>13,288</b>		

5.2 COMMITTEES AND LOCAL HOUSE OF TRADITIONAL LEADERS											
2024/25											
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure	2023/24	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
<b>Economic classification</b>											
<b>Current payments</b>	<b>21,788</b>	<b>607</b>	-	<b>22,395</b>	<b>22,369</b>	<b>26</b>	<b>99,9%</b>	<b>20,965</b>	<b>20,567</b>		
<b>Compensation of employees</b>	<b>12,650</b>	<b>518</b>	-	<b>13,168</b>	<b>13,156</b>	<b>12</b>	<b>99,9%</b>	<b>12,224</b>	<b>11,970</b>		
Salaries and Wages	11,059	508		11,567	11,558	9	99,9%	10,914	10,660		
Social Contributions	1,591	10	-	1,601	1,598	3	99,8%	1,310	1,310		
<b>Good and Services</b>	<b>9,138</b>	<b>89</b>	-	<b>9,227</b>	<b>9,213</b>	<b>14</b>	<b>99,8%</b>	<b>8,741</b>	<b>8,597</b>		
Advertising	247	(93)	-	154	154	-	100,0%	158	157		
Minor Assets	-	11	-	11	11	-	100,0%	-	-		
Catering: departmental activities	1,039	100	-	1,139	1,139	-	100,0%	1,013	964		
Communications (G&S)	860	(2)	-	858	857	1	99,9%	295	294		
Consultants: Bus& adv service	1,925	(213)	-	1,712	1,712	-	100,0%	1,682	1,677		
Contractors	-	10	-	10	10	-	100,0%	-	-		
Consumable Supplies	55	(10)	-	45	45	-	100,0%	105	104		

AFS CoGTA-EC for the year ended 31 March 2025

(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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APPROPRIATION STATEMENT  
for the year ended 31 March 2025

Venues and facilities	-	100	-	100	99	1	99,0%	661	661
Consumable stationary, printing, and office supplies	37	(37)	-	-	-	-	-	22	19
Travel and subsistence	4,573	297	-	4,870	4,862	8	99,8%	4,456	4,434
Operating payments	40	45	-	85	81	4	95,3%	110	102
Rental and hiring	362	(119)	-	243	243	-	100,0%	239	185
Payment of capital assets	65	45	-	110	78	32	70,9%	32	22
Machinery and equipment	65	45	-	110	78	32	70,9%	32	22
Other machinery and equipment	65	45	-	110	78	32	70,9%	32	22
Total	21,853	652	-	22,505	22,447	58	99,7%	20,997	20,589

DIRECT CHARGES									
2024/25									
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub Programme									
1. Members remuneration	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144
Total for sub programmes	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144
Economic classification									
Current payments	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144
Compensation of employees	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144
Salaries and Wages	2,026	(56)	-	1,970	1,967	3	99,8%	1,856	1,856
Social Contributions	244	64	-	308	308	-	100,0%	288	288
Total	2,270	8	-	2,278	2,275	3	99,9%	2,144	2,144

AFS CoGTA-EC for the year ended 31 March 2025

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

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

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

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

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

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

**3. Detail on payments for financial assets**

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

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

**4.1 Per programme**

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Programme 1- Administration	279,166	277,450	1,716	0,6%
Programme 2-Local governance	292,722	292,575	147	0,1%
Programme 3-Development and planning	116,680	112,744	3,936	3,4%
Programme 4-Traditional Institutional Admin	377,070	372,181	4,889	1,3%
Programme 5- House of Traditional Leaders	35,324	34,822	502	1,4%
<b>Total</b>	<b>1,100,962</b>	<b>1,089,772</b>	<b>11,190</b>	<b>1,0%</b>

**PROGRAMME 1 – Administration**

- The Programme spent 99,4% of the allocated budget of R 279,166 million recording an underspending of R 1,715 million. The unexpended funds will be surrendered to the Provincial Revenue Fund (PRF).

**1.Compensation of employees:**

- The Programme has spent 99.4% of the final appropriation with a deviation that is less than 2% for variance explanation.

**2.Goods and services:**

- The Programme has spent 99.4% of the final appropriation with a deviation that is less than 2% for variance explanation.

AFS CoGTA-EC for the year ended 31 March 2025

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

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

**3. Transfers and subsidies:**

- The Programme has spent 99.5% of the final appropriation with a deviation that is less than 2% for variance explanation.

**4. Expenditure for capital assets:**

- The Programme has spent 99.1% of the final appropriation with a deviation that is less than 2% for variance explanation.
- The unspent funds will be surrendered to the Provincial Revenue Fund (PRF).

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**PROGRAMME 2 – Local governance**

- The Programme spent 99,9% of the allocated budget of R 292,722 million recording an underspending of R147 thousand. The unexpended funds will be surrendered to the Provincial Revenue Fund (PRF).

**1. Compensation of employees:**

- The Programme has spent 100% of the final appropriation.

**2. Goods and services:**

- The Programme has spent 99% of the final appropriation of goods and services with a deviation that is less than 2% for variance explanation.
- The unspent funds will be surrendered to the Provincial Revenue Fund.

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**PROGRAMME 3 – Development and planning**

- The Programme spent 96,6% of the allocated budget of R 116,680 million recording an underspending of R 3,938 million. The unexpended funds will be surrendered to the Provincial Revenue Fund (PRF).

**1. Compensation of employees:**

- The Programme has spent 99.7% of the final appropriation with a deviation that is less than 2% for variance explanation. The unspent funds will be surrendered to the Provincial Revenue Fund (PRF).

**2. Goods and services:**

- The Programme has spent 94.4% (R14,320 million) of the final appropriation on goods and services with a deviation of 5.6% (R856 thousand) and this is mainly due to the delivery of disaster relief material that could not be made by the service provider before the last payment run in March 2025.
- The department has submitted a rollover request amounting to R749 thousand to Provincial Treasury.

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VOTE 7**

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

**3. Expenditure for capital assets (CAPEX):**

- The Programme has spent 16.3% (R552 thousand) of the final appropriation on CAPEX with a deviation of 83.7% (R2,826 million) and this is due to non-responsive bid for the procurement of Audio-Visual Equipment project for the PDMC implemented through SITA.
- The unspent funds will be surrendered to the Provincial Revenue Fund (PRF).

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**PROGRAMME 4 – Traditional institutional management**

- The Programme spent 98,7% of the allocated budget of R 377,070 million recording an underspending of R 4,889 million. The unexpended funds will be surrendered to the Provincial Revenue Fund (PRF).

**1.Compensation of employees (COE):**

- The Programme has spent 99.5% of the final appropriation of COE with a deviation that is less than 2% for variance explanation.

**2.Goods and services:**

- The Programme has spent 87.8% of the final appropriation of goods and services with a deviation of 12.2% and this is due to:

**(a) Bursaries: Employees: –**

- This is mainly attributable to closure of an institution of higher learning (Damelin) in East London and this resulted in the department being unable to timeously procure and provide bursaries support to Traditional Leaders in the current financial year as anticipated.
- Fifteen traditional leaders were awarded the bursary by the department and 5 were registered at Damelin college.

**(b) Catering: Departmental activities and Travel and subsistence: –**

- This is mainly due to some Kingships that could not hold their sittings due to non-availability of stakeholders amongst other reasons.

**(c) Property payments: –**

- This is attributable to quotations for maintenance of traditional councils that came lower than the estimates of Department of Public Works and Infrastructure (DPW&I) as well as delays experienced with the responsiveness of service providers in submitting quotations.
- The unspent funds will be surrendered to the PRF.

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

**3. Transfers and subsidies:**

- The Programme has spent 100% of the final appropriation of transfers and subsidies.

**4. Expenditure for capital assets (CAPEX):**

- The Programme has spent 52.7% of the final appropriation of CAPEX with a deviation of 47.3% and this is due to: infrastructure procurement for Mqhekezweni Traditional Council that had to be cancelled on the request of the appointed service provider.
- The unspent funds will be surrendered to the Provincial Revenue Fund (PRF).

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**PROGRAMME 5 – House of traditional leaders**

- The Programme spent 98,6% of the allocated budget of R 35,324 million recording an underspending of R 502 thousand. The unexpended funds will be surrendered to the Provincial Revenue Fund (PRF).

**1. Compensation of employees:**

- The Programme has spent 98.1% of the final appropriation with a deviation that is less than 2% for variance explanation.

**2. Goods and services:**

- The Programme has spent 99.8% of the final appropriation with a deviation that is less than 2% for variance explanation.

**3. Expenditure for capital assets (CAPEX):**

- The Programme has spent 70.9% of the final appropriation with a deviation of 29.1% and this is due to savings derived from the procurement of Audio Visual (camera and recorder) used for capturing of the activities of the Provincial House of Traditional Leaders.
- The unspent funds will be surrendered to the Provincial Revenue Fund (PRF).

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

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

**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>1,071,251</b>	<b>1,063,434</b>	<b>7,817</b>	<b>0,7%</b>
Compensation of employees	945,015	941,427	3,588	0,4%
Goods and services	126,236	122,007	4,229	3,4%
<b>Transfers and subsidies</b>	<b>9,216</b>	<b>9,197</b>	<b>19</b>	<b>0,2%</b>
Provinces and municipalities	64	58	6	9,4%
Households	9,152	9,139	13	0,1%
<b>Payments for capital assets</b>	<b>20,495</b>	<b>17,141</b>	<b>3,354</b>	<b>16,4%</b>
Buildings and other fixed structures	723	381	342	47,3%
Machinery and equipment	19,772	16,760	3,012	15,2%
<b>Total</b>	<b>1,100,962</b>	<b>1,089,772</b>	<b>11,190</b>	<b>1,0%</b>

The department has spent 99,0% of the final appropriation of R 1,101 billion for the year under review, recording an under expenditure of R 11,190 million which equates to 1,0%. The deviation for under expenditure is 1% which is below 2% Treasury threshold.

Below are the variances per economic classification and explanation thereof where such deviation is above 2%: -

**1. Compensation of Employees:**

- The department has spent 99.6% of the final appropriation with a deviation that is less than 2% for variance explanation.

**2. Goods and Services:**

- The department has spent 96.7% of the final appropriation with a deviation of 3.3% and this is due to:

**(a) Bursaries: Employees –**

- This is mainly attributable to closure of an institution of higher learning (Damelin) and this resulted in the department being unable to timeously procure and provide bursaries support to Traditional Leaders in the current financial year as anticipated.
- Fifteen traditional leaders were awarded the bursary by the department and 5 were registered at Damelin college.

**(b) Catering: Departmental activities and Travel and subsistence –**

- This is mainly due to some Kingships that could not hold their sittings due to non-availability of stakeholders amongst other reasons.

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**NOTES TO THE APPROPRIATION STATEMENT  
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**(c) Property payments -**

- This is attributable to quotations for maintenance of traditional councils that came lower than the estimates of DPW&I as well as delays experienced with the responsiveness of service providers in submitting in submitting quotations.

**(d) Agency and support / outsourced services -**

- The delivery of disaster relief material that could not be made by the service provider before the last payment run in March 2025. The department has submitted a rollover request amounting to R749 thousand to PT.
- The balance of the unspent funds will be surrendered to the PRF.

**3. Transfers and subsidies:**

- The Programme has spent 99.8% of the final appropriation with a deviation that is less than 2% for variance explanation. The balance of the unspent funds will be surrendered to the PRF.

**4.Expenditure for Capital Asset:**

- The Programme has spent 83.6% of the final appropriation with a deviation of 16.4% and this is due to:

**(a) Non-responsive bid: -**

- The bid for the procurement of Audio-Visual Equipment project for the PDMC implemented through SITA and the bid was cancelled due to non responsiveness.

**(b) Infrastructure procurement: -**

- Mqhekezweni Traditional Council construction that had to be cancelled on the request of the appointed service provider.

**(c) Savings derived from the procurement of Audio Visual (camera and recorder): -**

- The audio visual which is used for capturing of the activities of the Provincial House of Traditional Leaders.
- The unspent funds will be surrendered to the PRF.

**4.3 Per conditional grant**

	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
Conditional grant	R'000	R'000	R'000	%
Expanded public works programme (EPWP)	2,000	2,000	-	-
<b>Total</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>

The conditional grant relating to EPWP had been fully spent for the 2024/25 financial year.

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(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7

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

4.4 Per Statutory Appropriation

Statutory Appropriation	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Member of the Executive Council (MEC) (Members remuneration)	2,278	2,275	3	0,1
Total	2,278	2,275	3	0,1

- The department spent 99,9% of the statutory appropriation budgeted for the member of the executive council (MEC) for the 2024/25 financial year, The surplus amount of R 3 thousand will be surrendered to the provincial revenue fund.

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7****STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2025**

		2024/25	2023/24
	Note	R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	1,098,684	1,070,818
Statutory appropriation	2	2,278	2,144
Departmental revenue	3	1,388	1,769
<b>TOTAL REVENUE</b>		<b>1,102,350</b>	<b>1,074,731</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	941,427	887,458
Goods and services	5	122,007	124,766
Interest and rent on land	6	-	4
<b>Total current expenditure</b>		<b>1,063,434</b>	<b>1,012,228</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	9,197	20,509
<b>Total transfers and subsidies</b>		<b>9,197</b>	<b>20,509</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	17,141	25,716
<b>Total expenditure for capital assets</b>		<b>17,141</b>	<b>25,716</b>
<b>Payments for financial assets</b>	7	-	158
<b>TOTAL EXPENDITURE</b>		<b>1,089,772</b>	<b>1,058,611</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>12,578</b>	<b>16,120</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>11,190</b>	<b>14,351</b>
Annual appropriation		11,187	14,351
Statutory appropriation		3	-
Departmental revenue and NRF receipts	15	1,388	1,769
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>12,578</b>	<b>16,120</b>

AFS CoGTA-EC for the year ended 31 March 2025

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7****STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2025**

	Note	2024/25 R'000	2023/24 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>13,501</b>	<b>16,050</b>
Cash and cash equivalents	10	13,426	15,881
Prepayments and advances	11	29	63
Receivables	12	46	106
<b>Non-current assets</b>		<b>950</b>	<b>430</b>
Receivables	12	950	430
<b>TOTAL ASSETS</b>		<b>14,451</b>	<b>16,480</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>13,766</b>	<b>16,351</b>
Voted funds to be surrendered to the Revenue Fund	13	11,187	14,351
Statutory Appropriation to be surrendered to the Revenue Fund	14	3	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	1,744	1,505
Payables	16	832	495
<b>TOTAL LIABILITIES</b>		<b>13,766</b>	<b>16,351</b>
<b>NET ASSETS</b>		<b>685</b>	<b>129</b>
	Note	2024/25 R'000	2023/24 R'000
<b>Represented by:</b>			
Recoverable revenue		685	129
<b>TOTAL</b>		<b>685</b>	<b>129</b>

AFS CoGTA-EC for the year ended 31 March 2025

(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7

STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
Recoverable revenue			
Opening balance		129	22
Transfers:		556	107
Debts revised		556	107
Closing balance		685	129
TOTAL		685	129

AFS CoGTA-EC for the year ended 31 March 2025



**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7****CASH FLOW STATEMENT  
for the year ended 31 March 2025**

	Note	2024/25 R'000	2023/24 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>1,104,352</b>	<b>1,076,648</b>
Annual appropriation funds received	1.1	1,098,684	1,070,818
Statutory appropriation funds received	2	2,278	2,144
Departmental revenue received	3	3,366	3,677
Interest received	3.2	24	9
Net (increase)/decrease in net working capital	12	(89)	39
Surrendered to Revenue Fund		(17,502)	(40,445)
Current payments		(1,063,434)	(1,012,224)
Interest paid	6	-	(4)
Payments for financial assets		-	(158)
Transfers and subsidies paid		(9,197)	(20,509)
<b>Net cash flow available from operating activities</b>	17	<b>14,130</b>	<b>3,347</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(17,141)	(25,716)
<b>Net cash flow available from investing activities</b>		<b>(17,141)</b>	<b>(25,716)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		556	107
<b>Net cash flows from financing activities</b>		<b>556</b>	<b>107</b>
Net increase/(decrease) in cash and cash equivalents		(2,455)	(22,262)
Cash and cash equivalents at beginning of period		15,881	38,143
<b>Cash and cash equivalents at end of period</b>	18	<b>13,426</b>	<b>15,881</b>

AFS CoGTA-EC for the year ended 31 March 2025

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

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

**PART A: ACCOUNTING POLICIES**

**Summary of significant accounting policies**

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

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

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

<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 prepared 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 are recognised in the statement of financial performance on the date the adjustments become effective.

AFS CoGTA-EC for the year ended 31 March 2025

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

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

	<p>Appropriated funds are measured at the amounts 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>	<b>Expenditure</b>
<b>7.1</b>	<b>Compensation of employees</b>
<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>

AFS CoGTA-EC for the year ended 31 March 2025

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025**

<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>At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:</p> <ul style="list-style-type: none"> <li>the fair value of the leased asset; or if lower,</li> <li>the present value of the minimum lease payments.</li> </ul> <p>Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.</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>Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.</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>

AFS CoGTA-EC for the year ended 31 March 2025



**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
VOTE 7****NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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<b>11.</b>	<b>Financial assets</b>
<b>11.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <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>	<b>Capital assets</b>
<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>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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<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> <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>	<b>Provisions and contingents</b>
<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>

AFS CoGTA-EC for the year ended 31 March 2025

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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<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> <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 expenditure incurred in the current year.</li> </ul>
<b>16.</b>	<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>
<b>17.</b>	<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>

AFS CoGTA-EC for the year ended 31 March 2025

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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<b>18.</b>	<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>
<b>19.</b>	<p><b>Events after the reporting date</b></p> <p>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.</p>
<b>20.</b>	<p><b>Departures from the MCS requirements</b></p> <p>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 has not departed from MCS requirement to achieve fair presentation</p>
<b>21.</b>	<p><b>Recoverable revenue</b></p> <p>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.</p>
<b>22.</b>	<p><b>Related party transactions</b></p> <p>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.</p> <p>The full compensation of key management personnel is recorded in the notes to the financial statements.</p>
<b>23.</b>	<p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
<b>24.</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p>

AFS CoGTA-EC for the year ended 31 March 2025



(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	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.	<p><b>Transfer of functions</b></p> <p>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.</p> <p>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.</p>
26.	<p><b>Foreign currency translation</b></p> <p>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.</p>

**(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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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:

2024/25				2023/24			
Final Budget		Actual Funds Received	Funds not requested / not received	Final Budget		Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	276,888	276,888	-	286,166	286,166	-	-
Local Governance	292,722	292,722	-	267,962	267,962	-	-
Development & Plan	116,680	116,680	-	113,685	113,685	-	-
Traditional Inst. Man	377,070	377,070	-	368,413	368,413	-	-
House of Trad. Lead	35,324	35,324	-	34,592	34,592	-	-
Total	1,098,684	1,098,684	-	1,070,818	1,070,818	-	-

- The department requested and received all its appropriated funds from Provincial Treasury amounting to R 1,101 billion which includes conditional grants of R 2,000 million for the year ended 31 March 2025.
- The amount reflected in note 1.1 above exclude the Member of the Executive Council's (members remuneration) budget for statutory appropriation as a direct charge to the vote amounting to R 2,278 million as it is reflected separately in the note 2 below.

**1.2. Conditional grants**

	Note	2024/25 R'000	2023/24 R'000
Total grants received	31	2,000	2,040
Provincial grants included in total grants received		2,000	2,040

- 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 of 31 March 2025.

AFS CoGTA-EC for the year ended 31 March 2025

(COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)  
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## 2. Statutory Appropriation

	Note	2024/25 R'000	2023/24 R'000
Members' remuneration		2,278	2,144
<b>Total</b>		<b>2,278</b>	<b>2,144</b>
Actual Statutory Appropriation received		2,278	2,144
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.
- The department received all its statutory appropriation from Provincial Treasury for the year.

## 3. Departmental revenue

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services other than capital assets	3.1	1,204	1,169
Interest, dividends and rent on land	3.2	24	9
Transaction in financial assets and liabilities	3.3	2,162	2,508
<b>Total revenue collected</b>		<b>3,390</b>	<b>3,686</b>
Less: Own revenue included in appropriation	15	(2,002)	(1,917)
<b>Total</b>		<b>1,388</b>	<b>1,769</b>

- The department collected revenue amounting to R 3,390 million as of 31 March 2025 (compared to R 3,686 million in 2023/24 financial year).
- The revenue collected is more than own revenue included in appropriation (budgeted for) of R 2,002 million (compared to R 1,917 million which was collected in 2023/24 financial year which was also more than own revenue included in appropriation).
- There is an over-collection of revenue amounting to R 1,388 million as of 31 March 2025 (compared to R1,769 million over-collected in 2023/24 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 auction of executive vehicles.

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

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Sales of goods and services produced by the department		<b>1,204</b>	<b>1,169</b>
Other sales		1,204	1,169
<b>Total</b>	<b>3</b>	<b>1,204</b>	<b>1,169</b>

- The revenue collection from sale of goods and services other than capital assets emanates from commission insurance from third parties.

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

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Interest		24	9
<b>Total</b>	<b>3</b>	<b>24</b>	<b>9</b>

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

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Other receipts including recoverable revenue		2,162	2,508
<b>Total</b>	<b>3</b>	<b>2,162</b>	<b>2,508</b>

- The transactions in financial assets and liabilities relates to revenue collected from previous year's revenue for debts, 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.
- The department will request back the insurance proceeds from Provincial Treasury to purchase the vehicle for the King/s (as and when a car is needed).

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**4. Compensation of employees**

**4.1. Analysis of balance**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Basic salary		734,408	693,974
Service based		610	429
Compensative/circumstantial		26,295	24,396
Other non-pensionable allowances		66,196	62,950
<b>Total</b>		<b>827,509</b>	<b>781,749</b>

- The overall increase in compensation of employees is due to cost-of-living salary adjustments. Also grade progression paid to employees who occupy posts graded on salary level 4,5,6 or 7 respectively and who have completed 15 years of continuous service on the same salary level on which the post is graded, and who have obtained at least commendable rating in their recent performance assessment.

**4.2. Social contributions**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
<b>Employer contributions</b>			
Pension		66,884	62,526
Medical		46,872	43,026
Bargaining council		162	157
<b>Total</b>		<b>113,918</b>	<b>105,709</b>
 <b>Total compensation of employees</b>		 <b>941,427</b>	 <b>887,458</b>
 <b>Average number of employees</b>		 <b>2 597</b>	 <b>2 615</b>

**Social contributions: -**

- There is an increase in social contributions by R 8,209 million in 2024/25 financial year compared to R 6,180 million in 2023/24 financial year.
- The increase in social contributions is due to the increase in social contribution rates for medical aid and pension. There were some employees appointed during the year who contributed to pension and medical aid.

**Average number of employees: -**

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- 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 the review.
- The net decrease of employees and traditional leaders relate to terminations because of resignations, retirements, death and contract expiry.

## 5. Goods and services

		2024/25 R'000	2023/24 R'000
	Note		
Administrative fees		171	-
Advertising		1,059	1,161
Minor assets	5.1	1,098	575
Bursaries (employees)		692	608
Catering		5,201	5,024
Communication		17,092	15,077
Computer services	5.2	1,498	3,330
Consultants: Business and advisory services		5,076	4,875
Science and technology services		1,254	-
Legal services		3,955	10,535
Contractors		2,279	2,270
Agency and support / outsourced services		718	720
Entertainment		154	182
Audit cost - external	5.3	6,368	6,257
Fleet services		8,703	8,426
Inventories	5.4	515	20
Consumables	5.5	2,631	2,934
Operating leases		4,702	4,311
Property payments	5.6	3,795	2,149
Rental and hiring		1,718	1,802
Travel and subsistence	5.7	41,197	41,882
Venues and facilities		6,669	6,082
Training and development		684	1,915
Other operating expenditure	5.8	4,778	4,631
<b>Total</b>		<b>122,007</b>	<b>124,766</b>

## 1. Overall goods and services: -

- The goods and services as of 31 March 2025 amounted to R 122,007 million in 2024/25 financial year (compared to R124,766 million in 2023/24 financial year).
- A decrease of R 2,759 million for overall goods and services in 2024/25 (compared to an increase of R 23,314 million in 2023/24 financial year).

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

**(a) Communication: -**

- The increase is due to the department incurring expenditure related to communication activities such as payment – Vodacom for cell phones and 3G's mainly for airtime and data.
- The expenditure made in 2024/25 financial year for communication amounted to R 17,092 million (compared to R 15,077 million incurred in 2023/24 financial year). An increase of R 2,015 million is due to procurement of cell phones for traditional leaders and an upgrade for CDW.

**(b) Legal services: -**

- The decrease by R 6,580 million in legal service fees is due to reduction of claims against the department on legal matters being handled by the Department of Justice and Constitutional Development.
- The amount spent by the department in 2024/25 financial year amounted to R 3,955 million (compared to 2023/24 financial year R 10,535 million).
- The high volume of invoices that was paid in 2023/24 financial year by the department related to previous financial years. This was due to delays in submitting the invoices by the Department of Justice and Constitutional Development citing billing system challenges.

**(a) Training and Development: -**

- In 2023/24 financial year the department trained employees and traditional leaders, whilst in 2024/25 financial year only employees were trained, hence the decrease.
- The expenditure made in 2024/25 financial year for training and development amounted to R 684 thousand (compared to R 1,915 million incurred in 2023/24 financial year).

**(b) Science and Technology Services**

- The expenditure on science and technology relates to the Disaster Management Risk Assessment conducted by the Department. The risk assessment was necessitated by constant threats due to hazards of both natural and technological origins in the province. The amount paid as of 31 March 2025 is R 1,254 million.

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**5.1. Minor assets**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
<b>Tangible capital assets</b>			
Machinery and equipment		1,098	575
<b>Total</b>	<b>5</b>	<b>1,098</b>	<b>575</b>

- The department bought minor assets relating to office furniture for employees and chairs for traditional councils during the year.
- The amount paid for minor assets was R 1,098 million in 2024/25 financial year compared to R 575 thousand paid in 2023/24 financial year.

**5.2. Computer services**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
SITA computer services		755	879
External computer service providers		743	2,451
<b>Total</b>	<b>5</b>	<b>1,498</b>	<b>3,330</b>

- The significant decrease in external computer service provider is due to less procurement on computer accessories in 2024/25 financial year compared to 2023/24 financial year.
- The computer services paid in 2024/25 amounted to R 1,498 million compared to R 3,330 million paid in 2023/24 financial year.

**5.3. Audit cost - external**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Regularity audits		6,368	6,257
<b>Total</b>	<b>5</b>	<b>6,368</b>	<b>6,257</b>

- The expenditure relates to audit work performed by the Auditor General of South Africa (AGSA) for 2023/24 audit year as well as planning of the audit for 2024/25 financial year.

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## 5.4. Inventory

	Note	2024/25 R'000	2023/24 R'000
Other supplies	5.4.1	515	20
<b>Total</b>	5	<b>515</b>	<b>20</b>

- The department purchased veld firefighting equipment that will be used by municipalities during veld fire disaster.
- The department provides material and non-material support to augment the capacity of municipal disaster centres, its responsible for coordination of all severe weather events which threatens to occur in the province.
- An amount of R 515 thousand was utilised to purchase these veld firefighting items in 2024/25 financial year (compared to R 20 thousand in 2023/24 financial year).

## 5.4.1. Other supplies

	Note	2024/25 R'000	2023/24 R'000
Assets for distribution			
Other assets for distribution		515	20
<b>Total</b>	6.4	<b>515</b>	<b>20</b>

- The equipment will be distributed to various affected areas for veld firefighting during veld fire disaster.

## 5.5. Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies		<b>1,515</b>	<b>1,434</b>
Uniform and clothing		402	247
Household supplies		329	625
Building materials and supplies		4	-
Communication accessories		-	134
IT consumables		38	268
Other consumables		742	160
Stationery, printing, and office supplies		1,116	1,500
<b>Total</b>	5	<b>2,631</b>	<b>2,934</b>

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- **The Other" consumables items:** - disclosed in sub-note 5.5 above relates to the following breakdown:
  - Gifts and awards R 59 thousand
  - Bags and accessories R 8 thousand
  - Audio visual cons R 19 thousand
  - Electric spares R650 thousand
  - Medical Kit R 5 thousand, and
  - Supp Hardware R 1 thousand
- The other consumables purchased in 2024/25 financial year was R 742 thousand compared to R 160 thousand paid in 2024/25 financial year.
- The consumable items purchased in 2024/25 amounted to R 2,631 million compared to R 2,934 million in 2023/24 financial year. There is a decrease in spending of R303 thousand as compared to 2023/24 financial year.

**5.6. Property payments**

	Note	2024/25 R'000	2023/24 R'000
Property maintenance and repairs		3,795	2,149
<b>Total</b>	<b>5</b>	<b>3,795</b>	<b>2,149</b>

**5.7. Travel and subsistence**

	Note	2024/25 R'000	2023/24 R'000
Local		41,197	41,882
<b>Total</b>	<b>5</b>	<b>41,197</b>	<b>41,882</b>

**5.8. Other operating expenditure**

	Note	2024/25 R'000	2023/24 R'000
Professional bodies, membership, and subscription fees		143	149
Resettlement costs		1,575	1,203
Other		3,060	3,279
<b>Total</b>	<b>5</b>	<b>4,778</b>	<b>4,631</b>

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- **The Other operating expenditure (other line item):** - disclosed in sub-note 5.8 above relates to the following breakdown:
  - Non-life insurance premium (for executive vehicles) R 1,689 million.
  - Subscriptions, printing, and publication services R 1,185 million and,
  - Warranties and guarantees R 186 thousand.
- The amount paid for other operating expenditure (other line item) in 2024/25 amounted to R 3,060 million (compared to R 3,279 million in 2023/24 financial year).
- The other operating expenditure paid in 2024/25 financial year amounted to R 4,778 million, compared to R 4,631 million in 2023/24 financial year

**6. Interest and rent on land**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Interest paid		-	4
<b>Total</b>		<b>-</b>	<b>4</b>

**7. Payments for financial assets**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Debts written off	7.1	-	158
<b>Total</b>		<b>-</b>	<b>158</b>

- The department did not write off irrecoverable debts against equitable share (departmental savings) at year end, compared to R 158 thousand which was written off in 2023/24 financial year (against savings).
- The department wrote off irrecoverable debts amounting to R313 thousand against GEMS employer contribution refund (refund relates to previous years contribution).
- These debts could not be recovered after all the recovery processes were followed and were written off (net off) in line with the debt management, recovery and write off policy.

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## 7.1. Debts written off

Nature of debts written off	Note	2024/25 R'000	2023/24 R'000
Staff debts written off		-	158
<b>Total</b>		<b>-</b>	<b>158</b>
<b>Total debt written off</b>	7	<b>-</b>	<b>158</b>

## 8. Transfers and subsidies

	Note	2024/25 R'000	2023/24 R'000
Provinces and municipalities	36	58	149
Households	Annex 1G	9,139	20,360
<b>Total</b>		<b>9,197</b>	<b>20,509</b>

**Provinces and municipalities: -**

- The department paid licencing fees to the Government Fleet Management Services (GFMS) for the licencing of executive fleet to the Buffalo City Metro Municipality (BCMM).
- An amount of R 58 thousand paid in 2024/25 financial year compared to R 149 thousand paid in 2023/24 financial year. The reduction is due to lesser vehicles for renewal of licence fees.

**Households: -****Transfers to households:**

- The department paid an amount R 9,139 million in 2024/25 financial year (compared to R 20,360 million paid in 2023/24 financial year) for households as follows (see annexure 1 G): -
  - Post retirement benefit R 213 thousand.
  - Leave gratuity for employees and gratuity for exited traditional leaders respectively amounted to R 8,919 million.
  - Injury on duty R 7 thousand
- The significant decrease in households was due to lesser amount claimed for leave gratuity as compared to previous financial year. There was no pension liability claimed for early retirement during the year under review.



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## 9. Expenditure for capital assets

	Note	2024/25 R'000	2023/24 R'000
<b>Tangible capital assets</b>		<b>17,141</b>	<b>25,716</b>
Buildings and other fixed structures		381	641
Machinery and equipment		16,760	25,075
<b>Total</b>		<b>17,141</b>	<b>25,716</b>

**Expenditure for capital assets: -**

- The machinery and equipment include the finance leases relating to the rental of white fleet that have been capitalised amounting to R 9,033 million as of 31 March 2025 (compared to R 8,004 million in 2023/24 financial year).
- The overall expenditure for capital assets decreased from R 25,716 million in 2023/24 to R 17,141 million in 2024/25 financial year. A decrease of R 8,575 million due to late cancellation of Audio-Visual tender by SITA which resulted to under expenditure during the year under review. Moreover, the budget allocated was less than the previous year.

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

	2024/25		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
<b>Tangible capital assets</b>	<b>17,141</b>	<b>-</b>	<b>17,141</b>
Buildings and other fixed structures	381	-	381
Machinery and equipment	16,760	-	16,760
<b>Total</b>	<b>17,141</b>	<b>-</b>	<b>17,141</b>

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

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
<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>

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

	Note	2024/25 R'000	2023/24 R'000
<b>Tangible capital assets</b>			
Machinery and equipment		9,033	8,004
<b>Total</b>		<b>9,033</b>	<b>8,004</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 lease register is in place.
- The total amount paid is R 9,033 million for the period ended 31 March 2025 (Compared to R 8,004 million in 2023/24 financial year). An increase of R 1,029 million is due to additional lease vehicles received as well as increase in rate card from GFMS.

## 10. Cash and cash equivalents

	Note	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General Account		13,426	15,881
<b>Total</b>		<b>13,426</b>	<b>15,881</b>

The PMG account had a favourable balance amounting to R 13,426 million as at 31 March 2025 compared to R 15,881 million for 2023/24 financial year.

## 11. Prepayments and advances

	Note	2024/25 R'000	2023/24 R'000
Advances paid (Not expensed)	11.1	29	63
<b>Total</b>		<b>29</b>	<b>63</b>

**Analysis of Total Prepayments and advances**

Current Prepayments and advances	29	63
<b>Total</b>	<b>29</b>	<b>63</b>

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- The advances paid and not expensed relates to material for National School of Government (NSG) amounting to R 29 thousand. The material was not delivered as of 31 March 2025.

**11.1. Advances paid (Not expensed)**

		2024/25				
		Amount as at 1 April 2024	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2025
	Note	R'000	R'000	R'000	R'000	R'000
Public entities (National School of Government- NSG)		63	(63)	-	29	29
<b>Total</b>	11	<b>63</b>	<b>(63)</b>	<b>-</b>	<b>29</b>	<b>29</b>

- The advances paid and not expensed relates to material for National School of Government (NSG) amounting to R 29 thousand. The material not delivered as of 31 March 2025.  
The R 63 thousand for advance payment for NSG relating to 2023/24 financial year was expensed in 2024/25 during the year when services rendered, and/or goods delivered.

		2023/24				
		Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Public entities- (National School of Government- NSG)		182	(182)	-	63	63
<b>Total</b>	11	<b>182</b>	<b>(182)</b>	<b>-</b>	<b>63</b>	<b>63</b>

- The advance paid (not expensed) of R 63 thousand related to advance payment to a public entity (National School of Government-NSG) as of 31 March 2023. It was for training and development of employees and traditional leaders.

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## 12. Receivables

	Note	2024/25			2023/24		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Staff debt	12.1	28	807	835	1	428	429
Other receivables	12.2	18	143	161	105	2	107
<b>Total</b>		<b>46</b>	<b>950</b>	<b>996</b>	<b>106</b>	<b>430</b>	<b>536</b>

**Staff debt: -**

- The significant increase in debt account was due to debt taken on relating to an absconded employee amounting to R 685 thousand. There were also some debts that were recovered during the year 2024/25.

**Other receivables: -**

- The significant increase in other receivables disclosed in No.12 above and 12.2 below relates to fruitless and wasteful expenditure (nature) which forms part of the debt account for no show up at the hotel, salary over payment and fuel card misuse for white fleet.

## 12.1. Staff debt

	Note	2024/25 R'000	2023/24 R'000
Current and ex-employees (staff debts)		835	429
<b>Total</b>	12	<b>835</b>	<b>429</b>

- The net increase relates to staff debts for current and ex-employees/traditional leaders.
- The significant increase is as a results of the absconded employee debt amounting to R 685 thousand.

## 12.2. Other receivables

	Note	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure		143	107
SAL: Tax debt: CA		1	-
SAL: Reversal control: CA		17	-
<b>Total</b>	12	<b>161</b>	<b>107</b>

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• **Fruitless and wasteful:**

- Relates to the amounts included in the debt account for no show up at the hotels and fuel card misuse for white fleet.

**12.3. Impairment of receivables**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Estimate of impairment of receivables		-	158
<b>Total</b>		<b>-</b>	<b>158</b>

**Estimate of impairment (staff receivable): -**

- The department did not write off irrecoverable debts against equitable share (departmental savings) at year end, compared to R 158 thousand which was written off in 2023/24 financial year (against savings).
- The department wrote off irrecoverable debts amounting to R313 thousand against Government Employee Medical Aid Scheme (GEMS) employer contribution refund (refund relates to previous years contribution).
- The estimate of impairment of receivable amounts to R nil thousand in 2024/25 financial year (compared to R 158 thousand in 2023/24 financial year).

**13. Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Opening balance		14,351	37,481
Transferred from statement of financial performance (as restated)		11,187	14,351
Paid during the year		(14,351)	(37,481)
<b>Closing balance</b>		<b>11,187</b>	<b>14,351</b>

**Surrender of unused (un-expended) voted funds: -**

- The department will surrender R 11,187 million as voted funds not utilised by the department for 2024/25 financial year. The amount is reflected in the exchequer grant account (equitable share) as under expenditure for 2024/25 financial year. This amount excludes the statutory appropriation to be surrendered.

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- In 2024/25 financial year the department surrendered R 14,351 million to the Provincial Treasury revenue fund (PRF) relating to 2023/24 financial year as voted funds not utilised.

## 13.1. Reconciliation on unspent conditional grants

	Note	2024/25 R'000	2023/24 R'000
Total conditional grants received	1.2	2,000	2,040
Total conditional grants spent		(2,000)	(2,040)
Unspent conditional grants to be surrendered		-	-
<b>Due by the Provincial Revenue Fund</b>		<b>-</b>	<b>-</b>

- No unspent conditional grant due by the Provincial Revenue Fund (PRF) as the department utilised all its grants for Expanded Public Works Programme (EPWP) as at 31 March 2025.

## 14. Statutory Appropriation to be surrendered to the Revenue Fund

	Note	2024/25 R'000	2023/24 R'000
Opening balance		-	6
<b>As restated</b>		<b>-</b>	<b>6</b>
Transferred from statement of financial performance (as restated)		3	-
Paid during the year		-	(6)
<b>Closing balance</b>		<b>3</b>	<b>-</b>

- The department will surrender R 3 thousand as statutory appropriation not utilised as at 31 March 2025 to the Provincial Revenue Fund in terms of DoRA.
- An amount of R 6 thousand related to statutory appropriation surplus not spent as of 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>2024/25 R'000</b>	<b>2023/24 R'000</b>
Opening balance		1,505	777
Transferred from statement of financial performance (as restated)		1,388	1,769
Own revenue included in appropriation		2,002	1,917
Paid during the year		(3,151)	(2,958)
<b>Closing balance</b>		<b>1,744</b>	<b>1,505</b>

- **Revenue accrual: -**

- The revenue funds collected specifically for the month of March 2025 and to be surrendered to provincial revenue funds amounted to R 1,744 million.

- **Revenue budgeted for and collected: -**

- The total amount included in appropriation (budgeted for) for revenue amounted to R 2,002 million (as per budget book) and the department collected a revenue amounting to R 3,390 million as of 31 March 2025.
- There is an over collection of revenue amounting to R1,388 million in 2024/25 financial year (compared to over-collection of R 1,769 million in 2023/24 financial year)

- **Revenue paid over during the year (including previous year revenue accrual): -**

- An amount of R 1,646 million relating to revenue collected from 1 April 2024 up to 28 February 2025 was paid over to provincial revenue fund in 2024/25 financial year.
- The opening balance of R 1,505 million on the 1<sup>st</sup> of April 2024 relates to revenue accrual as of 31 March 2024, this also forms part of the revenue paid over in April 2024.

**16. Payables - current**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Other payables	16.1	832	495
<b>Total</b>		<b>832</b>	<b>495</b>

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## 16.1. Other payables

Description	Note	2024/25 R'000	2023/24 R'000
Sal: Income Tax: CL		622	199
Sal: GEHS		187	14
Sal: Pension Fund		1	26
Sal: ACB Recall		22	256
<b>Total</b>	16	<b>832</b>	<b>495</b>

- The other payables disclosed in note 16.1 above relate to: -
  - Salary income tax:** - It relates to taxation not interfaced and paid over to SARS as of 31 March 2025 (R 622 thousand)
  - GEHS:** - It relates to Government Employee Housing Scheme amount not claimed by employee at year end (R 187 thousand)
  - Pension fund:** - It relates to pension fund not interfaced at year end (R 1 thousand).
  - Salary ACB recall:** - It relates to an amount rejected by the bank due to item limit. (R 22 thousand)
- The other payable for 2024/25 financial year amounted to R 832 thousand, compared to R 495 thousand for R 2023/24 financial year.

## 17. Net cash flow available from operating activities

	Note	2024/25 R'000	2023/24 R'000
Net surplus/(deficit) as per Statement of Financial Performance		12,578	16,120
Add back non-cash/cash movements not deemed operating activities		1,552	(12,773)
(Increase)/decrease in receivables		(460)	(139)
(Increase)/decrease in prepayments and advances		34	119
Increase/(decrease) in payables - current		337	59
Expenditure on capital assets		17,141	25,716
Surrenders to Revenue Fund		(17,502)	(40,445)
Statutory Appropriation not requested/not received		-	-
Own revenue included in appropriation		2,002	1,917
<b>Net cash flow generated by operating activities</b>		<b>14,130</b>	<b>3,347</b>

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- The National Treasury changed the formular to be in line with Modified Cash Standard (MCS) where the non-current receivables item under cash flow from investing activities are moved to cash flow from operating activities under net working capital item if they meet the principles of MCS.
- The department move the non-current receivable to net working capital under cash flow from operating activities as it meets the principles of MCS.
- The change has been applied retrospectively (i.e by adjusting the prior year amount for comparative purposes)

**18. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Consolidated Paymaster General account		13,426	15,881
<b>Total</b>		<b>13,426</b>	<b>15,881</b>

- The PMG account at year end for 2024/25 had an amount of R 13,426 million as of 31 March 2025 compared to R 15,881 million for 2023/24 financial year.

**19. Contingent liabilities and contingent assets**

**19.1. Contingent liabilities**

<b>Liable to</b>	<b>Nature</b>	<i>Note</i>	<b>2024/25 R'000</b>	<b>2023/24 R'000</b>
Claims against the department		<i>Annex 3B</i>	1,038	2,426
Intergovernmental payables(unconfirmed)		<i>Annex 5</i>	4,619	5,702
<b>Total</b>			<b>5,657</b>	<b>8,128</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: -**

- The department received claims that are handled by the different state attorneys in the office of Department of Justice and Constitutional Development. The opening balance as of 1 April 2024

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amounted to R 2,426 million and the department did not receive or incur a contingent liability as of 31 March 2025.

- ii. There is a reduction of R1,388 million in contingent liability relating to matters that are dormant in terms of the litigation policy of the department.
- 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 of 31 March 2025 amounted to R 1,038 million.

**(b) Nature and uncertainty**

- v. The nature and uncertainty of claims against the department relates to different categories and are still pending listed as follows: -
- vi. **Opening balance-1 April 2024 (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 1,140 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.
  - **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 ECCoGTA. The department is cited as 3<sup>rd</sup> respondent and is

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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 claim received during the year under review.

**(b) Reduction in claims against the department: -**

- There is a reduction of R 1,388 million in contingent liability relating to: -
  - Different matters that are dormant and are archived in terms of the litigation policy of the Department.

**2. Intergovernmental payables (unconfirmed): -**

**(a) Government Fleet Management Services: -**

- 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 and the R 9 thousand that relates to penalties for not collecting the new vehicle that replaces the NCVs. This R 9 thousand is the adjusting subsequent event as it relates to an event that existed prior to reporting date and the department received the confirmation from GFMS after submission of financial statements. The total for unconfirmed inter-departmental balance amounted to R 49 thousand for GFMS.

**(b) Department of Justice and Constitutional Development: -**

- The other inter-departmental balance relates to unconfirmed balance for Department of Justice and Constitutional Development for invoices amounting to R 4,570 million. The reasons for disputing the amounts are as follows: -
  - ✓ The invoices that do not belong to CoGTA EC on legal claims
  - ✓ The invoices that were not received but included in the Department of Justice and constitutional Development (DoJ & CD) statement as of 31 March 2025

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✓	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
✓	The invoices paid by CoGTA but not reflecting on DoJ & CD statement as of 31 March 2025
✓	There are also credit notes that are due to COGTA.
•	The inter-departmental unconfirmed balance amounts to R 4,619 million in 2024/25 financial year compared to R 5,702 million in 2023/24 financial year.
•	The total contingent liabilities amounted to R 5,567 million in 2024/25 financial year as compared to R 8,128 million in 2023/24 financial year with a decrease of R 2,471 million.
•	The decrease is due to claim against the department as they some cases have been archived as well as reduction in unconfirmed balance for department of Justice and constitutional development.

**20. Capital commitments**

	<b>2024/25</b>	<b>2023/24</b>
<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Buildings and other fixed structures	2,510	203
Machinery and equipment	-	75
<b>Total</b>	<b>2,510</b>	<b>278</b>

**Capital commitments per class: -**

- The capital commitments consist of LOGIS orders, and contracts awarded amounted to R 2,510 million as of 31 March 2025 (compared to R 278 thousand for 2023/24 financial year).
- The breakdown per class is made up of namely: -
  - (a) Buildings and other fixed structures: -**
    - Relates to buildings and other fixed structures for the construction of Mvumelwano Traditional Council, Port St Johns by Twizza Civils and Buildings CC with a contract amount of R 2,855 million. An amount of R 344 thousand paid for services rendered on the project in 2024/25 financial year.

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**21. Accruals and payables not recognised.**

**21.1. Accruals**

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
<b>Listed by economic classification</b>	<i>Note</i>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services		3,306	23	3,329	3,373
Transfers and subsidies		72	-	72	408
Capital assets		-	-	-	37
Other		267	-	267	18
<b>Total</b>		<b>3,645</b>	<b>23</b>	<b>3,668</b>	<b>3,836</b>

		2024/25	2023/24
<b>Listed by programme level</b>	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Administration		2,999	3,511
Local Government		168	94
Development and Planning		158	89
Traditional Institution Management		315	117
House of Traditional Leaders		28	25
<b>Total</b>		<b>3,668</b>	<b>3,836</b>

**21.2. Payables not recognised.**

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
<b>Listed by economic classification</b>	<i>Note</i>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services		412	47	459	190
Interest and rent on land		-	-	-	-
Transfers and subsidies		47	-	47	256
Capital assets		-	-	-	-
Other		24	-	24	85
<b>Total</b>		<b>483</b>	<b>47</b>	<b>530</b>	<b>531</b>

		2024/25	2023/24
<b>Listed by programme level</b>	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Administration		374	97
Local Government		82	273
Development and Planning		71	51
Traditional Institution Management		3	110
House of Traditional Leaders		-	-
<b>Total</b>		<b>530</b>	<b>531</b>

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		<b>2024/25</b>	<b>2023/24</b>
	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	<i>Annex 5</i>	574	-
Confirmed balances with other government entities	<i>Annex 5</i>	719	316
<b>Total</b>		<b>1,293</b>	<b>316</b>

**Accruals not recognised "Other".**

- The other accruals disclosed in note 21.1 amounting to R 267 thousand relates to compensation of employees' categories as follows: -
  - Grade progression R 11 thousand
  - Pro-rata bonus R 8 thousand
  - Acting allowance R 39 thousand
  - Salary back pay R 187 thousand
  - Salary rejection R 22 thousand
- The item "other" disclosed in note 21.1 amounted to R18 thousand in 2023/24 financial year.

**Payables not recognised "Other"**

- The other payables disclosed in note 21.2 amounting to R 24 thousand relates to compensation of employees' categories as follows: -
  - Pro-rata service bonus R 24 thousand

The item "other" disclosed in note 21.2 amounted to R 85 thousand in 2023/24 financial year.

**22. Employee benefits**

	<i>Note</i>	<b>2024/25</b>	<b>2023/24</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		54,514	50,228
Service bonus		21,345	20,701
Performance awards		-	20
Capped leave		10,811	12,901
Other (Long service awards)		886	661
<b>Total</b>		<b>87,556</b>	<b>84,511</b>

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The employee benefits increased from R 84,511 million in 2023/24 financial year to R 87,556 million in 2024/25 financial year. An increase of R 3,045 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 of March 2025.
- The decrease in capped leave by R 2,090 million in 2024/25 (compared to 2023/24 financial year) was due to employees that left the department during the year. An amount of R 10,811 million relates to 2024/25 financial year compared to 2023/24 financial year amounting R 12,901 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.
- Performance bonus is no longer paid in government and the one that was paid in 2023/24 financial year relates to 2021/22 assessment, hence there is no performance bonus paid during the year under review.

**3.Leave entitlement**

**3.1 Nature and amount of negative leave entitlement balance: -**

- The negative leave entitlement relates to leave for current employees as of 31 March 2025. 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 72 thousand as of 31 March 2025 as per PERSAL report relating to current year leave entitlement.

**3.2 Movement in leave entitlement: -**

- The leave entitlement as of 31 March 2025 amounted to R 54,514 million compared to R 50,228 million as of 31 March 2024. An increase of R 4,286 million in 2024/25 financial year.

**4.Service bonus liability**

- Relates to service bonus payable to employees and that has accrued up to 31 March 2025.
- The service bonus liability as of 31 March 2025 amounted to R 21,345 million compared to R 20,701 million as of 31 March 2024. An increase of R 644 thousand in 2024/25 financial year.

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

**23. Lease commitments****23.1 Operating leases**

2024/25					
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3,968	3,968
Later than 1 year and not later than 5 years	-	-	-	100	100
<b>Total lease commitments</b>	-	-	-	<b>4,068</b>	<b>4,068</b>
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>7,926</b>	<b>7,926</b>

**Operating lease commitments: -**

- The department participated in the National Treasury RT3-2022 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 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 rates utilised are as per the RT3-2022 contract.

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- The department appointed Metro Computer Services (for small machines) to render the printing services, and a participating lease agreement was signed in June 2023. The rates utilised are as per the RT3-2022 contract.
- The amount relating to operating leases for small machines amounts to R386 thousand and big machines R3,682 million.

**23.2 Finance leases**

2024/25					
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	13,710	13,710
Later than 1 year and not later than 5 years	-	-	-	13,737	13,737
<b>Total lease commitments</b>	-	-	-	<b>27,447</b>	<b>27,447</b>

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	-	-	-	11,767	11,767
Later than 1 year and not later than 5 years	-	-	-	9,829	9,829
<b>Total lease commitments</b>	-	-	-	<b>21,596</b>	<b>21,596</b>

**1. 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.
- There is a change in rate card as of 31 March 2025 which affect the future lease commitments. The rate card utilised for the 2024/25 financial year was received in April 2024 which was utilised for the whole financial year and is currently active.

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- The total of the finance leases relating to GFMS (Vehicles) is R 17,310 million in 2024/25 financial year (compared to R 15,288 million in 2023/24 financial year).

**1.1 Accident motor vehicles (white fleet): -**

There were six (6) motor vehicles involved in accidents.

- All six (6) accidents occurred during the year under review (2024/25 financial year).
- Five (5) of these vehicles have been repaired and are operational.
- One (1) is still awaiting parts at the merchant, the accident occurred on the 07 March 2025.

**1.2 Hijacked and stolen motor vehicles (white fleet):-**

Two (2) motor vehicles were stolen and hijacked and none has been recovered.

- One (1) vehicle was hijacked in Mthatha on the 12 February 2025.
- One (1) was stolen in the head office premises on the 27 February 2025.

**1.3 Loan vehicles:**

- During the year under review, the department has loaned five (5) vehicles on an ad-hoc basis from GFMS for a period of 6 months. The aim was to curb the high demand of vehicles to ensure service delivery is achieved. On average, R94 thousand has been paid for rental over 6 months whilst on average, R20 thousand has been paid for fuel over 6 months.

**2.3G's and Cell phones**

- The department entered into an agreement with Vodacom for provision of cell phones, and 3G's to the department.
- 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 10,137 million in 2024/25 (compared to R 6,308 million in 2023/24 financial year). The increase is due to cell phones that were procured for traditional leaders and upgrade for CDW's.
- The rates/subscription of Vodacom effective 1<sup>st</sup> June 2023 to 31 March 2026 changed on the cell phones and 3Gs.

The finance leases for 2024/25 financial year amounted to R 27,447 million (compared to R 21,596 million in 2023/24 financial year).

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**24 Unauthorised, Irregular and Fruitless and wasteful expenditure**

	<b>2024/25</b>	<b>2023/24</b>
<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Irregular expenditure - current year	-	664
Fruitless and wasteful expenditure - current year	1,087	388
<b>Total</b>	<b>1,087</b>	<b>1,052</b>

**Irregular expenditure: -**

- The department did not incur irregular expenditure during the year under review.

**Fruitless and wasteful expenditure: -**

- The total confirmed balance for fruitless and wasteful expenditure amounts to R 1,087 million related to the following: -
  - ✓ No show up at the hotels/ B & B's/Guest Houses R 107 thousand
  - ✓ Non-cancellation of venues and facilities R 15 thousand
  - ✓ Repairs of damaged hired vehicles R 1 thousand
  - ✓ Salary overpayment R 892 thousand
  - ✓ Non-cancellation of air tickets R 72 thousand

**25 Related party transactions**

- The Department occupies buildings that are owned by / under the custodianship of / leased by the Department of Public Works and Infrastructure.
- These buildings are occupied for no consideration 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.

**26 Key management personnel**

	<b>2024/25</b>	<b>2023/24</b>
	<b>R'000</b>	<b>R'000</b>
<b>Political office bearers: -</b>		
Hon Member of the Executive Council	2,275	2,120
<b>Officials:</b>		
Level 15 to 16	13,779	12,807
Level 14	13,756	14,930
<b>Total</b>	<b>29,810</b>	<b>29,857</b>

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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 employees who are on level 13 but acting for level 14 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 and were not decision makers at CoGTA.
- 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.

Non-adjusting events after reporting date

Nature of the event	Note	2024/25
		R'000
It relates Intelligent Incident Management Portal (IIMP) software that has supported the Eastern Cape’s Disaster Management Integrated Information System (DMIIS). The software has reached the end of life due to underlying global technology changes and was no longer supported by Zutari beyond 31 March 2025.		7,207
Total		7,207

- The Intelligent Incident Management Port (IMMP) software supported DMISS up to end of March 2025, however beyond that Zutari will not be supporting the Department on the software due to underlying global technology changes.



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## 27 Movable Tangible Capital Assets

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

	2024/25				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>108,602</b>		<b>7,727</b>	<b>(14,593)</b>	<b>101,736</b>
Transport assets	26,241		2,544	(4,285)	24,500
Computer equipment	45,519		3,410	(8,928)	40,001
Furniture and office equipment	26,019		953	(1,173)	25,799
Other machinery and equipment	10,823		820	(207)	11,436
<b>FINANCE LEASE ASSETS</b>	<b>11,358</b>		<b>3,864</b>	<b>(5,887)</b>	<b>9,335</b>
Finance lease assets	11,358		3,864	(5,887)	9,335
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>119,960</b>		<b>11,591</b>	<b>(20,480)</b>	<b>111,071</b>

## Disposal column disclosure: -

## Motor vehicles sold in auction and involved in an accident:

- The department removed seven vehicles from its asset register (with two at a cost of R1,692 million not yet auctioned) during the year under review amounting to R4,285 million of which four were sold by auction through GFMS and one vehicle was involved in an accident
- A claim was submitted to the insurance company (AIG) for the vehicle involved in an accident and an amount of R634 thousand was paid to the department.
- Proceeds amounting to R934 thousand through auction were received from GFMS,
- The proceeds relating to auction proceeds and insurance proceeds have been surrendered to Provincial Treasury in April 2025 in terms of Division of Revenue Act (DoRA).

## Computer equipment: -

## Lost laptop: -

- There are eight (8) employees who lost laptops amounting to R198 thousand during the year under review.
- The investigation was still pending as of 31 March 2025, and these lost laptops relates to previous financial years.
- These eight (8) laptops have been removed from asset register to loss control register until the investigation is completed. The investigation outcome will determine the next process to be followed.

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- The department disposed computer equipment in 2024/25 financial year in line with the asset management policy to the value of R 8,730 million. The disposed assets have been taken out of the asset register.

**Furniture and office equipment: -**

- The department disposed furniture and office equipment in 2024/25 financial year in line with the asset management policy to the value of R 1,173 million. The disposed assets have been taken out of the asset register.

**Other machinery and equipment: -**

- The department disposed other machinery and equipment in 2024/25 financial year in line with the asset management policy to the value of R194 thousand. The disposed assets were taken out of the asset register.
- Camera:** -An employee lost a departmental camera in May 2024, and the investigation is still pending. The value of the camera is R13 thousand.
- The camera was removed from the asset register to loss control register until the investigation is complete.

**Reconciliation of Disclosure column: - R'000**

**Motor vehicle: - R 4,285**

Sold in auction	R 3,492
Vehicle in accident	R 793

**Computer equipment: - R 8,928**

Eight laptops lost by employees	R 198
Disposed computer assets	R 8,730

**Other machinery and equipment R 207**

Camera	R 13
Disposed other material and machinery item	R 194

**Furniture and office equipment R 1,173**

Disposed furniture and equipment	R 1,173
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**Total R 14,593**

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**Finance Lease Assets: -**

- With effect from 1 April 2024, the Department implemented a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term.

**Opening balance column: -**

- The change in accounting policy is applied retrospectively by restating the opening balance relating to finance lease for cell phones and white fleet amounting to R11,358 million.

**Additions column: -**

- This relates to the cell phones and white fleet vehicles acquired during the 2024/25 financial year and are included at the lower of cost (fair value) or the present value in the asset register. The amount of additions is R 3, 864 million which includes both cell phones and white fleet
- The amount for additions is R 3,864 million for cell phones and white fleet vehicle.

**Disposal column: -**

- The finance leases relating to cell phones and white fleet vehicles that have reach its life span or where a finance lease contract has expired are de-recognised from the asset register at cost. The total amount for the assets that are de-recognised are R 5,887 million for both cell phones and white fleet vehicles

The total finance leases amounted to R 9,335 million in 2024/25 financial year, compared to R 11,358 million for 2023/24. The change in accounting policy relating to new MCS finance lease is applied retrospectively.

**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		9	211
<b>Total</b>		<b>9</b>	<b>211</b>

**Major assets under investigation and action taken to resolve the matters: -**

**Machinery and equipment: -**

**Computer equipment: -**

- There are eight (8) laptops lost by employees in 2024/25 financial year. These laptops were purchased in previous financial years and their value amounted to R 198 thousand,

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- The status is pending, and the matters are in the loss control register. They are still under investigation by departmental security management and anti-corruption.

**Other machinery and equipment: -**

- There is an employee who lost a camera in 2024/25 financial year. It was purchased in previous financial year, and the value amount to R 13 thousand,
- The status is pending, and the matter is in the loss control register. It is still under investigation by departmental security management and anti-corruption.

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

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<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>FINANCE LEASE ASSETS</b>	<b>9,649</b>	<b>-</b>	<b>1,709</b>	<b>-</b>	<b>11,358</b>
Finance lease assets	9,649	-	1,709	-	11,358
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>105,473</b>	<b>-</b>	<b>18,779</b>	<b>(4,292)</b>	<b>119,960</b>

- The change in accounting policy is applied retrospectively by restating the opening balance relating to finance lease for cell phones and white fleet amounting to R11,358 million.
- The assets relating to cell phones and white fleet vehicles acquired prior to 2023/24 financial year amount to R 9,649 million and the additions for 2023/24 financial year amount to R 1,709 million.

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## 27.2 Minor assets

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

	2024/25						
	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	5	-	20,963	-	1,819	22,787
Value adjustments							-
Additions	-	-	-	1,098	-	3,379	4,477
Disposals	-	-	-	(966)	-	(231)	(1,197)
<b>Total Minor assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>21,095</b>	<b>-</b>	<b>4,967</b>	<b>26,067</b>

	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of minor assets at cost	-	-	-	2009	-	2223	4232
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2009</b>	<b>-</b>	<b>2223</b>	<b>4232</b>

## Minor capital assets under investigation

	Number	Value R'000
<i>Note</i>		
Included in the above total of the minor capital assets per the asset register that are under investigation:		
Machinery and equipment	1	5

## Minor assets under investigation and action taken to resolve the matters: -

## Machinery and equipment: - Other machinery and equipment: -

## Data projector:

- The employee lost a departmental data projector in April 2024, and the investigation is still pending.
- The value of the data projector is R5 thousand.
- The data projector was removed from the asset register to loss control register until the investigation is complete.

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31 MARCH 2024

	2023/24						
	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	5	-	20,137	-	235	20,377
Additions	-	-	-	831	-	1,584	2,415
Disposals	-	-	-	(5)	-	-	(5)
<b>Total Minor assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>20,963</b>	<b>-</b>	<b>1,819</b>	<b>22,787</b>

	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
Number of minor assets at cost	-	-	-	862	-	422	1284
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>862</b>	<b>-</b>	<b>422</b>	<b>1284</b>

## 27.3 Movable capital assets written off

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

	2024/25						
	Specialis ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	793	-	-	793
<b>Total movable assets written off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>793</b>	<b>-</b>	<b>-</b>	<b>793</b>

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

	2023/24					
	Speciali sed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
<b>Total movable assets written off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Movable tangible capital assets written off (2024/25 financial year): -**

- The department written off one vehicle which was involved in an accident.
- The vehicle was removed from the asset register after receiving a confirmation from AIG that it will be written off as damaged.
- The cost of the vehicle was R 793 thousand and the insurance proceeds received from AIG amounted to R 634 thousand in March 2025.
- The proceeds relating to insurance have been surrendered to Provincial Treasury in April 2025 in terms of Division of Revenue Act (DoRA).
- No movable tangible capital assets written off in 2023/24 financial year (compared to 2024/25: R 793 thousand)

**28 Intangible Capital Assets**

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

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<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>

The significant intangible asset relates to Disaster Management Software (DMISS) amounting to R 7,207 million.

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## 28.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	7,368	-	-	-	7,368
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>7,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,368</b>

## 29 Immovable Tangible Capital Assets

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

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Dwellings	7,919	1,657	-	9,576
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>7,919</b>	<b>1,657</b>	<b>-</b>	<b>9,576</b>

- The department has completed the construction of AmaGqunukhwebe Traditional Council and are ready for use. The building is included in the asset register as completed.
- It will be transferred to the Department of Public Works and Infrastructure (DPW & I) in terms of S42 of PFMA.
- The total amount for the construction of the AmaGqunukhwebe Traditional Council amounts to R 1,657 million.

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**29.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>9,578</b>	<b>-</b>	<b>-</b>	<b>(1,659)</b>	<b>7,919</b>
Dwellings	9,578	-	-	(1,659)	7,919
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>9,578</b>	<b>-</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 amounting to R 1,659 million.

**29.2 Immovable tangible capital assets: Capital Work-in-progress**

**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025**

	2024/25			
	Opening balance	Current	Ready for use	Closing balance
	1 April 2024	Year WIP	(Assets to the AR) / Contracts terminated	31 March 2025
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	1,620	381	(1,657)	344
<b>Total</b>	<b>1,620</b>	<b>381</b>	<b>(1,657)</b>	<b>344</b>

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**Asset ready for use: -**

- AmaGqunukhwebe Traditional Council is complete and ready for use. It has been capitalised and transferred to the asset register. The ready for use asset relating to construction of AmaGqunukhwebe amount to R 1,657 million.

**Current year work in progress: -**

- The department is currently constructing the Mvumelwano Traditional Council at Port St Johns.
- The awarded amount is R 2,854 million and an amount of R 344 thousand has been paid during the year under review.
- The work is still in progress.

**CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024**

2023/24					
	Opening balance 1 April 2023	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	979	-	641	-	1,620
<b>Total</b>	<b>979</b>	<b>-</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 as of 31 March 2024.

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**30 Changes in accounting estimates and Changes in accounting policies**

**30.1 Changes in accounting policies**

		2023/24			
		Opening balance before the change (1 Apr 2023)	Adjustments of opening balance	Restated opening balance after the change (1 Apr 2023)	Restated closing balance (31 Mar 2024)
Nature of change in accounting policy	Note	R'000	R'000	R'000	R'000
<b>Finance lease assets</b>					
Movable Tangible Capital Assets	27.1	-	9,649	9,649	11,358
Minor Assets	27.2	-	235	235	1,819

- With effect from 1 April 2024, the Department implemented a change in accounting policy made in terms of the MCS requirements whereby assets under finance lease are recorded by a department at the commencement of the lease term rather than at the end of the lease term.
- The change in accounting policy is applied retrospectively.
- The adjustment of opening balance relates to all existing finance lease assets as at 1 April 2024.
- The total effect of change in accounting policy relating to the new MCS finance lease as at 31 March 2024 amount to R 11,358 million for movable tangible capital assets, and for minor asset amount to R 1,819 million acquired prior 2024/25 financial year.
- The adjustments for 2023/24 relates to additions of cell phones acquired in 2023/24 financial year.

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31 Transfer of functions and mergers

31.1 Transfer of functions

Brief description of the function to be transferred and its impact thereof: -

- The transfer of function relates to the recognition and de-recognition of traditional leaders by the Premier as required by TKLA. The significant impact of the transfer over the MTEF will be on compensation of employees and goods & services in terms of the budget that have been transferred to the office of the Premier during budget adjustment and over the 2025 MTEF.

Status on transfer of function and its impact thereof: -

- The transfer of function has been completed, and funds have been transferred to the Office of the Premier in 2024/25 financial year during budget adjustment period to follow the function and warm bodies in respect of recognition/derecognition of traditional leaders on Compensation of Employees (COE) and for operating activities of seven (7) employees which affected goods and services in terms of economic classification.
- The department has completed the transfer of seven (7) employees to the Office of the Premier on PERSAL.
- An amount of R 1,341 million has been transferred from Compensation of Employees to the Office of the Premier (OTP) during the 2024/25 Adjustment Estimates with a further R 59 thousand transferred to OTP for operations for seven (7) employees which affected various items of goods and services (Breakdown:- Consumables(R 3 thousand), Travel and subsistence (R 11 thousand) and Operating payments(R 4 thousand). The financial impact over the 2025 MTEF will see the department's budget being further reduced by R 4,525 million for 2025/26, R 4,762 million in 2026/27 and R 5,017 million in the 2027/28 in respect of the function shift implemented. These amounts consist of COE and Goods and Services items transferred to OTP over the MTEF.
- No implications in terms of the statement of financial position i.e. receivables and liabilities as employees did not transfer with departmental assets. The employees did not have active liabilities (debtors or any other salary related debt owed) at the time of transfer of function to the office of the Premier.
- The implications of the transfer (before and after the function shift) is reflected as per table below for 2024/25:

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**The proclamation or declaration giving effect to the transfer of functions: -**

- Traditional and Khoi-San Leadership Act, 2019 was promulgated in November 2019 and came into effect in April 2021. Section 61 of the Act provides for the recognition of Traditional and Khoisan leaders, recognition of Traditional and Khoisan communities and withdrawal of recognitions of Traditional and Khoisan leadership communities.

**Description of roles, responsibilities and accountability arrangements at District/Regional Level: -**

- The royal family concerned must, within 90 days after the need arises for the position of a traditional leader to be filled, and with due regard to applicable customary law and customs identify a person who qualifies in terms of customary law and customs to assume the position.

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- COGTA Traditional Leadership Institutional Coordination at district/regional level guides the process to address any irregularities regarding the process which may give rise to traditional leadership claims or disputes.
- After the Royal Family identification meeting, COGTA at district/regional level, receives the resolution and checks the following:
  - a) Compliance confirmation (Minutes of the Royal Family Meeting, resolution, registration of Royal Family Members etc).
- The Premier recognises and de-recognises traditional leaders in terms of TKLA.

The revenue attributable to the transfer of functions subsequent to the transfer: -

- The impact of the transfer was in terms of budget which was transferred to the transferred to OTP in terms of TKLA as well as warm bodies and (affected employees) on PERSAL to the office of the premier to perform those functions.

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32 Statement of conditional grants received.

Name of grant	2024/25							SPENT				2023/24	
	GRANT ALLOCATION												
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments		Total Available	Amount received by department	Amount spent by department	Under- / (Overs pendin g)	% of available funds spent by department	Division of Revenue Act / Provincial grants	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 Program	2,000	-	-	-	-	2,000	2,000	2,000	100%	-	2,040	2,040	
TOTAL	2,000	-	-	-	-	2,000	2,000	2,000	100%	-	2,040	2,040	

- The departmental conditional grant relates to Expanded Public Works Programme (EPWP).
- The department spent all its allocated conditional grant of R 2,000 million as of 31 March 2025, compared to R 2,040 million spent in 2023/24 financial year.

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**33 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.

**34 Natural disaster or relief expenditure**

	Note	2024/25 R'000	2023/24 R'000
Goods and services (social care services item)		718	720
<b>Total</b>	<i>Annex 11</i>	<b>718</b>	<b>720</b>

- The department purchased disaster relief material for affected people who have been displaced by floods which damaged residential properties. This has resulted to the evacuation of people from their homes and placed in halls and community churches. The department also bought blankets for disaster management relief to assist the victims when the disaster occurred.
- The total amount for disaster management relief material amounted to R 718 thousand in 2024/25 financial year (compared to R 720 thousand utilised for disaster relief material in 2023/24 financial year).

**35 Statement of conditional grants and other transfers paid to municipalities.**

Name of municipality	2024/25							2023/24	
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocation by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
BCMM	100	-	(36)	64	58	-	-	149	149
<b>TOTAL</b>	<b>100</b>	<b>-</b>	<b>(36)</b>	<b>64</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>149</b>

- The amount paid by the department to Buffalo City Metropolitan Municipality relates to the licencing of executive motor vehicles in 2024/25 financial year.
- An amount of R 149 thousand was incurred by the Department in previous financial year 2023/24.
- A reduction is due to lesser executive vehicles that were acquired and existing vehicles that needed licencing.

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2024/25					2023/24	
	TRANSFER ALLOCATION			EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Leave gratuity	8,939	-	-	8,939	8,919	13,675	13,687
Pension liability	-	-	-	-	-	6,230	6,230
Post retirement benefit	213	-	-	213	213	498	440
Injury on duty	20	-	-	20	7	3	3
TOTAL	9,172	-	-	9,172	9,139	20,406	20,360

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Breach of contract agreement (different claims)	1,140	-	(1,066)	-	74
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>2,426</b>	<b>-</b>	<b>(1,388)</b>	<b>-</b>	<b>1,038</b>

- There is a reduction in claims against the department relating to a breach of contract matters, traditional leadership recognition claims and a claim relating to misappropriation of funds. The total amounts to R 1,388 million as disclosed in annexure 3B above. These matters are dormant and are removed in line with the litigation policy of the Department.
- The closing balance as of 31 March 2025 amounts to R 1,038 million (compared to R 2,426 million as of 31 March 2024).

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ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/245	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Justice and Constitutional	-	-	-	370	-	370	-	-
Office of the Premier (OTP)	-	-	-	47	-	47	-	-
Subtotal	-	-	-	417	-	417	-	-
TOTAL	-	-	-	417	-	417	-	-
<div><div></div><div>No inter-departmental claims recoverable for 2024/25 financial year.</div></div>								

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ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	574	-	4,570	5 662	5,144	5 662	-	-
Subtotal	574	-	4,570	5,662	5,144	5,662	-	-
Non-current								
Office of the Premier-Eastern Cape	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total Departments	574	-	4,570	5,662	5,144	5,662	-	-
OTHER GOVERNMENT ENTITIES								
Current								
SITA	14	98	-	-	14	98	-	-
AGSA	158	218	-	-	158	218	-	-
GFMS	547	-	49	40	596	40	-	-
Total other government entities	719	316	49	40	768	356	-	-
TOTAL INTERGOVERNMENT PAYABLES	1,293	316	4,619	5,702	5,912	6,018	-	-

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Subsequent event:- Interdepartmental payable for GFMS

- The department received a confirmation from GFMS (entity of Department of Transport) on the 30 May 2025 after the financial statements were submitted.
- This represent adjusting subsequent event as it relates to an event that existed before the reporting date but was known after the reporting date.
- The amount of R 9 thousand represent an unconfirmed balance as at 31 March 2025

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ANNEXURE 6  
INVENTORIES

Inventories for the year ended 31 March 2025	Veld firefighting	Total
	R'000	R'000
Opening balance	-	-
Add: Additions/Purchases - Cash	515	515
(Less): Disposal	-	-
Closing balance	515	515

- The department purchased veld firefighting equipment and material for disaster management relief. These will be distributed to various affected areas and or municipalities in times of disaster.
- The department provides material and non-material support to augment the capacity of municipal centres, its responsible for coordination of all sever weather events which threatens to or occur in the province.
- An amount of R 515 thousand was utilised to purchase these veld firefighting items in 2024/25 financial year (compared to R 20 thousand in 2023/24 financial year).

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ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2025

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Dwellings	1,620	381	(1,657)	344
TOTAL	1,620	381	(1,657)	344

Asset ready for use: -

- The completed assets and ready for use relate to the construction of AmaGqunukhwebe Traditional Council. The project is complete, and the asset is ready for use. It has been capitalised and transferred to the asset register. The ready for use asset relating to construction of AmaGqunukhwebe amount to R 1,657 million.

Current year work in progress: -

- The department is currently constructing the Mvumelwano Traditional Council at Port St Johns.
- The awarded amount is R 2,854 million and an amount of R 344 thousand has been paid as at 31 March 2025.
- The work is still in progress.

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Movement in capital work in progress for the year ended 31 March 2024

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<strong>BUILDINGS AND OTHER FIXED STRUCTURES</strong>					
Dwellings	979	-	641	-	1,620
	979	-	641	-	1,620
<strong>TOTAL</strong>	<strong>979</strong>	<strong>-</strong>	<strong>641</strong>	<strong>-</strong>	<strong>1,620</strong>

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ANNEXURE 11

NATURAL DISASTER OR RELIEF EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2024/25				2023/24	
	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	-	-	270	448	718	720
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	-	-	270	448	718	720

- The department purchased disaster relief material for affected people who have been displaced by floods which damaged residential properties. This has resulted to the evacuation of people from their homes and placed in halls and community churches. The department also bought blankets for disaster management relief to assist the victims when the disaster occurred.
- The total amount for disaster management relief material amounted to R 718 thousand in 2024/25 financial year (compared to R 720 thousand utilised for disaster relief material in 2023/24 financial year).

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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	Balance outstanding as at 31 March 2024	Total amount prepaid /advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less : Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
<b>Advances</b>									
NSG	Govern Entity	Learning material	Goods and Services	-	63	29	(63)	-	29
<b>Total advances</b>				-	63	29	(63)	-	29

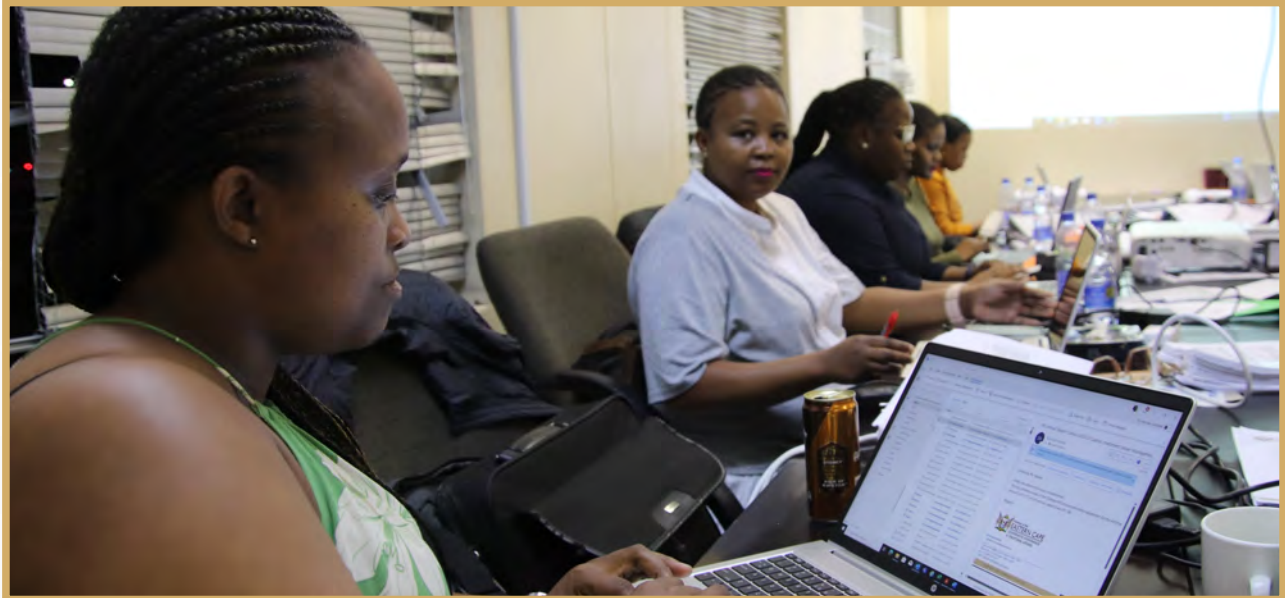
- The department made an advance payment to National School of Governance (NSG) in 2024/25 financial year amounting to R 29 thousand relating to CIP training material. The amount of R 63 thousand was expensed in the current financial year (2024/25 financial year).



AFS CoGTA-EC for the year ended 31 March 2025



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## Notes

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