



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS



ANNUAL REPORT 2023/24





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HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

**DEPARTMENT OF COGHSTA
PROVINCE OF LIMPOPO
VOTE NO. 11: ANNUAL REPORT
2023/2024 FINANCIAL YEAR**

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

| | | | |
|----------|---|----------|---|
| AC | Audit Committee | LDP | Limpopo Development Plan |
| AFS | Annual Financial Statements | LED | Local Economic Development |
| AGSA | Auditor General South Africa | LGSF | Local Government Support Fund |
| AO | Accounting Officer | LPT | Limpopo Provincial Treasury |
| APP | Annual Performance Plan | LPHTKL | Limpopo Province House of Traditional, Khoi-San Leaders |
| B2B | Back to Basics | LUS | Land Use Scheme |
| BAS | Basic Accounting System | MEC | Member of Executive Council |
| B-BBEE | Broad Based Black Economic Empowerment | MFMA | Municipal Financial Management Act |
| BNG | Breaking New Ground | MIG | Municipal Infrastructure Grant |
| CA | Chartered Accountant | MI | Material Irregularity |
| CAC | Central Audit Committee | MISA | Municipal Infrastructure Support Agency |
| CDW | Community Development Workers | MOU | Memorandum of Understanding |
| CD | Chief Director | MPAC | Municipal Public Accounts Committee |
| CFO | Chief Financial Officer | MPRA | Municipal Property Rates Act |
| CIPC | Companies and Intellectual Property Commission | MSA | Municipal Systems/Structures Act |
| CoE | Compensation of Employees | MPT | Municipal Planning Tribunal |
| CoGHSTA | Cooperative Governance, Human Settlements and Traditional affairs | MTEF | Medium Term Expenditure Framework |
| CoGTA | Cooperative Governance and Traditional Affairs | MTSF | Medium Term Strategic Framework |
| Covid-19 | Corona Virus Disease 19 | MYHDP | Multiyear Human Settlement Development Plan |
| CPD | Continued Professional Development | NDP | National Development Plan |
| CPM | Certified Project Managers | NPO | Non-Profit Organisation |
| CRU | Community Residential Unit | NSP | National Strategic Plan |
| CSD | Central Supply Database | NT | National Treasury |
| CWP | Community Work Programme | NHBRC | National Home Builders Registration Council |
| D | Director | OTP | Office of the Premier |
| DARDLR | Department of Agriculture, Land Reform and Rural Development | OHS | Occupational Health and Safety |
| DBSA | Development Bank of Southern Africa | PAIA | Promotion of Access to Information Act |
| DPCI | Directorate for Priority Crime Investigation | PDA | Priority Development Areas |
| DDG | Deputy Director General | POPIA | Protection of Personal Information Act |
| DDM | District Development Model | PFMA | Public Finance Management Act |
| DMPT | District Municipal Planning Tribunal | PHS&PHDA | Provincial Human Settlements and Priority Housing Development Areas |

| | | | |
|----------|---|--------|---|
| DPWRI | Department of Public Works, Roads and Infrastructure | PMS | Performance Management System |
| DPME | Department of Monitoring and Evaluation | QPRs | Quarterly Performance Reports |
| DTI | Department of Trade and Industry | PAG | Provincial Accountant General |
| DWS | Department of Water and Sanitation | PDMP | Provincial Disaster Management Plan |
| EAP | Employee Assistance Programme | PSIRA | Private Security Industry Regulatory Authority |
| EEDBS | Enhanced Extended Discount Benefit Scheme | RMC | Risk Management Committee |
| EEP | Employee Equity Plan | SAPS | South African Police Services |
| EPWP | Expanded Public Works Programme | SEZ | Special Economic Zone |
| EXCO | Provincial Executive Council | SETA | Sector Education and Training Authority |
| FBE | Free Basic Electricity | SDIP | Service Delivery Improvement Plan |
| FLISP | Financial Linked Individual Subsidy Programme | SMS | Senior Management Services |
| FMB | Financial Misconduct Board | SDF | Spatial Development Framework |
| GBVF | Gender Based Violence and Femicide | SCM | Supply Chain Management |
| GCCN | Government Common Core Network | SALGA | South African Local Government Association |
| GDPR | General Data Protection Regulation | SIU | Special Investigating Unit |
| GEMS | Government Employee Medical Scheme | SP | Strategic Plan |
| GITO | Government Information Technology Office | STATSA | Statistics South Africa |
| HDA | Housing Development Agency | SCOPA | Standing Committee on Public Accounts |
| HH | Household | SLA | Service Level Agreement |
| HOD | Head of Department | SPLUMA | Spatial Planning and Land Use Management Act |
| HR | Human Resource | SIAS | Shared Internal Audit Services |
| HSDG | Human Settlements Development Grant | SITA | State Information Technology Agency |
| HSS | Housing Subsidy System | SANDEF | South African Defence Force |
| ICT | Information Communication Technology | SOP | Standard Operating Procedure |
| IDP | Integrated Development Plan | TC | Traditional Councils |
| IGR | Intergovernmental Relations | TKLA | Traditional and Khoisan Leadership Act |
| IIASA | Institute of Internal Auditors South Africa | UIF&We | Unauthorised, Irregular, Fruitless and Wasteful Expenditure |
| INEP | Integrated National Energy Programme | VAT | Value Added Tax |
| IRPD | Integrated Residential and Development Programme | VBS | Venda Building Society |
| ISHS | Integrated Sustainable Human Settlements | WSP | Workplace Skills Plan |
| ISUPG | Informal Settlement Upgrading Programme Grant | WSA | Water Services Authority |
| PHS&PDAs | Provincial Human Settlements and Priority Development Areas | WSDP | Water Service Development Plan |

| | | | |
|-------|--|------|-----------------------------|
| PICC | Provincial Initiation Coordinating Committee | WWTW | Waste Water Treatment Works |
| PRS | Public Service Regulations | | |
| RWOPS | Remunerative Work Outside of Public Service | | |
| RM | Records Management | | |

3. FOREWORD BY THE MEC



Member of Executive Council: CoGHSTA

Reflecting on the remarkable journey the department has undertaken in the 6th administration, it is worth noting that it resonates deeply with collective experience. The department was grappling with the following formidable challenges:

- Targets were not being achieved particularly in Human Settlements and bleeding resources to other provinces.

- The spark that once defined this department as multi-award-winning was fading, and staff morale was at an all-time low.

In this year, the spirit of working together has been restored, even reclaiming unspent funds from other Provinces. It serves as a narrative of the recovery journey and sets the stage for future progress and development. There is significant stability in the management of the department with 3 out of 5 executive managers posts filled. The strides made during the 2023/24 financial year provide a compelling story of resilience and growth, which will serve as a guiding light for the new administration. Below are some of the department's rides during 2023/24 financial year:

- Asbestos roofs: A total of 1 500 asbestos roofs were removed and replaced (Phase 1 in Seshego). Phase 2: Through HDA as implementing agent, contractors have been appointed and they have taken sites for 755 houses. Phase 3: Enumeration and auditing of 10 500 asbestos roofs across the province has been successfully completed. The final assessment report will be completed and its implementation will commence afterwards.
- Military Veterans Housing projects have been delayed by the process of allocation of sites by some municipalities, the servicing of sites for beneficiaries without sites especially in urban areas and some untraceable beneficiaries. The Military Veterans Housing Provincial Steering Committee is continuously addressing the challenge of untraceable beneficiaries with the assistance of Department of Military Veterans, while the department and municipality are continuously implementing the programme for servicing of sites in identified townships.

We are all rest assured that municipalities provide immediate intervention in terms of provision of services because it is at coal phase of our communities. We know it well that none of us acting alone can be successful. Therefore, in the best interest for all sectors to ensure that collaboration and coordination is strengthened as envisaged by the District Development Model (DDM), support and monitoring of catalytic projects is in progress. One of the huddles that needs to be resolved, is funding of these projects in the current fiscus constraint. Therefore, continuous communication and feedback to communities will ensure accountability and cooperation by all stakeholders involved in the development plans. All government spheres and sectors should continue to entrench and ensure participation in the DDM implementation for improved integrated planning, budgeting, delivery of services, monitoring, and evaluation in each district space.

The municipal audit outcomes have improved significantly, including departmental audit results. Out of the 27 municipalities 18 auditees have received unqualified audit opinion with matters of emphasis, 08 auditees received qualified audit opinion and 1 auditee received an adverse opinion. Material misstatements of financial statements

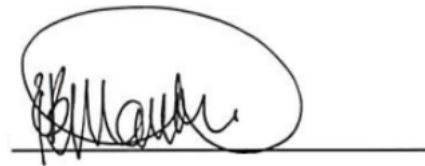
remain a challenge which resulted in poor quality of submitted Annual Financial Statements (AFS). It calls on the municipalities to finalize the annual financial statements in time to allow for detailed review of the AFS with the supporting documents.

The intensity of disasters has increased, requiring the Province and Municipalities to build the capacity to mitigate and respond to disasters. This requires all stakeholders to work together to prevent disasters, and to further respond on time. Traditional leaders and Municipalities must strengthen land use management and ensure that households are not located on riverbanks or areas which are prone to floods. Furthermore, municipalities must mainstream disaster risk reduction in planning, development and infrastructure provisioning processes. It is important to acknowledge and appreciate various private sector partners, NPOs and civil society that continue to offer relief to households during disasters.

Another notable success within our mandate has been in Traditional Affairs. Limited casualty during initiation seasons has been achieved as per provincial norm, a testament to the commitment to ensuring safety and well-being of the youth during these important cultural practices. Additionally, substantial support has been provided to traditional leaders, including establishing new offices and refurbishing existing ones with modern furniture and fittings. This investment in infrastructure underscores the

respect for the role and heritage of traditional leadership in our society. What remains to ensure the sector is even more productive is the urgent need for standardized support mechanisms applicable to all provinces. The establishment of norms and standards will ensure equitable support for traditional leaders nationwide, acknowledging their invaluable contributions to our cultural heritage and governance.

In conclusion, I thank you all for your warm welcome and unwavering support throughout our journey together. May our successes inspire us to greater heights and may our resilience in the face of adversity serve as a testament to what we can achieve when we stand united.

A handwritten signature in black ink, enclosed within a large, hand-drawn oval. The signature is stylized and appears to be the name of the official.

MEC OF THE DEPARTMENT OF CoGHSTA
31 JULY 2024

4. REPORT OF THE ACCOUNTING OFFICER



Dr M.M. Malahlela
Head of Department

The department is entrusted with policy implementation on human settlements, co-operative governance and traditional institutional development. Mandates include amongst others the following:

- ❖ To facilitate the provision of adequate housing in the province within the framework of national housing policy,
- ❖ Supporting and capacitating local government and;

- ❖ Provide for the recognition of traditional communities, establishment and recognition of traditional councils as well as providing for a statutory framework for leadership positions within institutions of traditional leadership and establish mechanisms, processes and procedures in terms of section 155 (6) of the Constitution.

The reviewed organisational structure as approved by the Executing Authority during 2021 is geared towards maximising available resources and realigning the mandate of the department. The total number of posts abolished is 957 which translate to 32.59% on the previously approved organizational structure and total number of posts created is 118 on the approved organizational structure. The ratio of post allocation is 1701 posts (80.81%) CORE Functions and 404 posts (19.19%) support functions. To date, 93,4% of the vacant funded posts are filled, however there is shortage of personnel as 22% of the compensation of employees is allocated to cover allowances for traditional leaders. Governance structures are established and functional to support internal control system and implement mitigating strategies in case of short falls. Most of new fraud and corruption activities identified in the department are received from the national hotline. The cases are investigated, and feedback provided to the complainant.

The human settlements sector is tasked to ensure provision of housing development, access to adequate accommodation in relevant well-located areas, access to basic services and access to social infrastructure and economic opportunities. Provision of these services is implemented through conditional grants and the key expenditure drivers are the Integrated Residential Development Programme (IRDP) and the Urban & Rural Programme which is made up of the housing units and serviced sites.

The adjusted Human Settlements Development Grant is R1, 2 billion, Upgrading Partnership Grant (ISUPG) is R388,9 million and EPWP R1,8 million. Only the ISUPG has recorded underspending at the end of March 2024, this is attributed to delay in purchase of land. In support of designated groups, the department allocated over 158% of the conditional grants work to designated groups (Female, Youth, People living with disabilities and Military Veterans) against the set-aside target of 40%.

As part of improving forward-planning, the department advertised bids for the planning, design and preparation of tender documentation to ensure a pipeline of multi-year bulk infrastructure projects. Unfortunately, most of these new projects

started later in the year due to a high volume of bids received and further that the department had to re-advertise some of the non-responsive bids. Considering that the early stages of planning require consultations with affected municipalities and water service authorities, as well as approval of designs, this resulted in delays with most engineers registering significant process late in the financial year.

To mitigate the risk of poor workmanship, joint inspections are conducted with NHBRC after the review of the memorandum of understanding. Projects are constantly experiencing stoppages due to the demands from local business forums. A collaborative effort with municipality has been established to intensify stakeholder engagements and encourage contractors to report criminal activities.

According to StatsSA Census 2022, service delivery increased in the following areas between 2011 and 2022:

- Access to electricity increased by 8.2% between 2011 and 2022 from 87.3% to 95.5%.
- Refuse removal increased by 10.2% between 2011 and 2022 from 21.8% to 32.0%.
- Households with access to sanitation increased by 19.7% between 2011 and 2022 from 38% to 57.7%.
- The provision of water has, however decreased by 6.5% from 86% to 79.5%. This decline is mainly caused by ageing infrastructure and population growth affecting sustainable and reliable water supply. Therefore, water services authorities have to put more resources in the repairs and refurbishments of water services infrastructure.

The spending on MIG is gradually increasing from the decline in 2022\23. As at end of March 2024, out of the provincial allocation for 2023/2024 of R3,284 billion, R 2.251 billion was spent, translating to 68%. This expenditure is higher than the 2022/2023 financial year for the same period which was 50%.

Some municipalities have been allocated disaster recovery funding mainly due to destruction during rainy seasons. Monitoring of this restoration of important infrastructure is on course, with few municipalities still behind in finalising some of the supply chain management processes. Community awareness programmes are implemented to educate and caution them on disaster risks and reduction as well as mitigations where necessary.

On prevention and restoration of social fabric, the Limpopo Provincial House of Traditional Leadership partnered with various interested organisations, SAPS, SALGA, SANTACO and NACOSA to implement Anti GBVF Intervention/campaigns in communities. Traditional Leadership disputes continue to increase in royal families and in some instances lead to litigation where government is required to act, this increases the risk of contingency cost as a result. Although, the province had a good record on management of initiation programme in 2023, there was an increase of illegal initiation schools. Together with the PICC, SAPS and other stakeholders, work has commenced to ensure successful 2024 initiation season.

Overview of the financial results of the department:

Departmental receipts

| Departmental receipts | 2022/2023 | | | 2023/2024 | | |
|---|--------------|-------------------------|-------------------------|--------------|-------------------------|-------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sale of goods and services other than capital assets | 1,559 | 1,089 | 470 | 1,278 | 1,271 | 7 |
| Interest, dividends and rent on land | 1,386 | 887 | 499 | 640 | 552 | 88 |
| Sale of capital assets | 1,144 | 0 | 1,144 | 984 | 984 | 0 |
| Financial transactions in assets and liabilities | 1,702 | 371 | 1,331 | 872 | 1,265 | (393) |
| Total | 5,791 | 2,347 | 3,444 | 3,774 | 4,072 | (298) |

The revenue budget estimate was R3.8 million (2023: R5.8 million) and actual collection amounted to R4.1 million (2023: R2,3 million) resulting in an over collection by R298 thousand (2023: R3.4 million-under collection).

The department made use of transversal tariffs as determined and approved by the Provincial Treasury. There were no fee services rendered by the department that would have yielded significant revenue.

A total amount of R1,2 million (2023: R1.1 million) was written off as irrecoverable during the year under review. The debts were written off in terms of the transversal debt management policy by the Provincial Treasury.

Programme Expenditure

| Programme Name | 2022/2023 | | | 2023/2024 | | |
|---------------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 338,880 | 306,365 | 32,515 | 374,901 | 345,138 | 29,763 |
| Human Settlements | 1,456,762 | 1,310,523 | 146,239 | 1,715,745 | 1,651,037 | 64,708 |
| Co-operative Governance | 288,625 | 279,033 | 9,592 | 298,408 | 293,465 | 4,943 |
| Traditional institutional Development | 531,505 | 476,131 | 55,374 | 631,661 | 558,963 | 72,698 |
| Total | 2,615,772 | 2,372,052 | 243,720 | 3,020,715 | 2,848,603 | 172,112 |

The Department had an adjusted appropriation of R3.0 billion (2023: R2.6 billion) during the year and the total expenditure was R2.8 billion (2023: R2.3 billion) resulting in underspending of R172 million (2022: R243 million). Adjustment budget was due to approved rollover budget of R144 million and an additional increase of R250 million from National Department of Human Settlements to cover high performance of HSDG grants.

The under spending on the appropriation is a result of delays in filling vacant posts caused by changes in the organisational structure, retirement of staff and resignations, poor performance by some contractors due to unavailability of sites for provision of serviced sites and delayed negotiation on land acquisition under Informal Settlement Upgrading Partnership Grant (ISUPG). In addition, the challenges in

construction of traditional council's offices, which was delayed by availability of land as well as delays in spending on tools of trade of the traditional leaders.

Virements/roll overs

- Provincial Treasury approved virements submitted to address writing-off of debts.
- An amount of R144 million on conditional grants was received as roll over. During the period under review, no amount was incurred as unauthorised.

Strategic focus over the short to medium term period

- Limpopo socio-economic status propels provision of basic services to be prioritised as a matter of urgency. To change the trajectory, the Department has resolved to prioritise the provision of bulk services as provided for by the Informal Settlement Upgrading Partnership Grant. This will be implemented through working with various water services authorities, identifying and prioritising multi-year bulk water and sewer projects. Deliberate focus has been made to ensure alignment between the Departmental budget and the Water Services Development Plans in line with the Integrated Development Planning principles.
- The outcomes on basic service indicate that the Province has a long way in ensuring that basic needs of citizens are met especially as about 56% of the people are living in poverty. There are persistent issues in conditional grants management and improving basic services through targeted support to municipalities.
- In order to effectively discharge their mandate, municipalities should build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels.
- Construction & refurbishment of traditional councils remains one of the cornerstones of the provincial government. The programme is continuing despite the challenges experienced due to land disputes in some traditional communities. In collaboration with the Department of Agriculture, Land Reform and Rural Development, these matters are dealt with to unlock hindrances.

Public Private Partnerships

- None

Discontinued key activities / activities to be discontinued

- None

New or proposed key activities

The new activity implemented in the year under review was the procurement of vehicles for Senior Traditional Leaders. This activity was last implemented in 2016\17 financial year and the vehicles life span/operability has since been reached. To support the institutions of traditional leadership involves a wide range of activities such as provision of offices, office furniture, vehicles, staff compliment as well as many other tools of trade which enable them to provide services to their communities.

The effect on the operations of the department included the development of a policy to ensure compliance with relevant legislative frameworks. This activity was allocated a total of R 93,5 million.

Supply chain management

The Department did not have unsolicited bids for the year under review. The following control measures were put in place to assist in detection and prevention of non-compliance to SCM transcripts.

- Bid Committee members are trained on their roles and responsibilities.
- Utilisation of transversal checklist by provincial treasury
- Developed the SCM Delegation of authority
- Departmental SOP's for Demand and Acquisition Management were developed
- Probity audit – to give assurance that procurement processes are compliant.

The main challenges experienced was on vacancy at Director level and the Contract Management unit which is managed by one official.

Gifts and Donations received in kind from non related parties

- None

Exemptions and deviations received from the National Treasury

There were no exemptions and deviations received from the National Treasury

Events after the reporting date

- None

Other

- None

Acknowledgement

This report reflects the efforts made by various branches in improving the department's performance and ensuring that its mandate is fulfilled. The tide has turned in human settlements planning and implementation to change the lives of the most vulnerable in our communities. The systems implemented and maintained by the Department will ensure continuous improvement in operations. Indeed, teamwork is the cornerstone of achieving desired results.



DR. M.M. MALAHLELA
ACCOUNTING OFFICER
DEPARTMENT OF CoGHSTA
31 MAY 2024

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

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

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

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

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

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

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

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable

assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

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

Yours faithfully



ACCOUNTING OFFICER

DR. M.M. MALAHLELA

31 MAY 2024

6. STRATEGIC OVERVIEW

6.2. Vision

Integrated Sustainable Human settlements.

6.1. Mission

To be an effective agent of change that delivers quality services to citizens of Limpopo through:

- Promoting developmental local governance,
- Supporting municipalities and Traditional Leadership Institutions, and
- Optimally deliver integrated and sustainable human settlements.

6.2. Values

Our values are underpinned by the Batho Pele Principles.

Service Excellence:

We shall strive to attain recognised standards of service quality and maintain continuous improvement in service delivery.

Innovation:

We shall toil in the pursuit of excellence and innovation on the use of information and communication technology to enhance public service delivery.

Integrity:

We shall conduct our business with integrity at all times to inculcate a culture of honesty and accountability among all our employees.

Prudence:

We shall exercise prudence and economy in running the business of the department and in pursuance of its goals and the objectives of government.

Transparency:

We shall always ensure transparency in everything we do to build trust and confidence with all our stakeholders.

Fairness and consistency:

We shall treat all our beneficiaries, suppliers and employees with fairness and equity at all times.

Professionalism

We shall ensure that employees demonstrate high level of professionalism when interacting with all stakeholders.

Ethical

We shall strive for high standard of professional ethics and conduct

7. LEGISLATIVE AND OTHER MANDATES

Constitutional mandate

| Section of the Constitution | Direct responsibility in ensuring compliance |
|-----------------------------|---|
| Chapter 2, section 26 | This section puts direct responsibility on the department in ensuring that everyone has access to adequate housing, a responsibility carried out through the ISHS sub-Department. |
| Chapter 6, Section 139 | The MEC as per the directives of the Provincial Executives (EXCO) may intervene in the affairs of a municipality |
| Chapter 7, section 154 | This section directs the provincial government to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. |
| Chapter 12, Section 212 | 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 customs of communities observing a system of customary law by the establishment of houses of traditional leaders. |

Legislature and policy mandates

| Relevant Act | Key Responsibilities |
|---|---|
| A. Public Service Act of 1994 (as amended) and Regulations | To provide for the organization and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service. |
| B. Public Finance Management Act 1 of 1999 (as amended) and Regulations | To regulate financial management in the national government and provincial government, to ensure all revenue, expenditure, assets and liabilities of the government are managed efficiently. |
| C. Municipal Finance Management Act of 2003 (as amended) | To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government. |
| D. Division of Revenue Act of 2012 (as amended). | Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national |

| Relevant Act | Key Responsibilities |
|--|---|
| | government, the nine provinces and 278 municipalities. This budget process takes into account the powers and functions assigned to each sphere of government. The division of revenue process fosters transparency and is at the heart of constitutional cooperative governance. |
| E. Housing Act of 1997 | The Department in consultation with provincial organization must do everything in its power to promote and facilitate the provision of adequate housing in its province within the framework of the national housing policy. |
| F. Local Government Municipal Structures Act of 1998 | The MEC for local government in a province, by notice in the Provincial Gazette must establish a municipality in each municipal area which the Demarcation Board demarcates in terms of the Demarcation Act. |
| G. Local Government Municipal Systems Act of 2000 | The MEC for local government in the province may, subject to any other law regulating provincial supervision of local government, assist a municipality with the planning, drafting, and adoption of mid review of its 5 year integrated development plan. |
| H. Disaster Management Act 2002 | To provide for- an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery; <ul style="list-style-type: none"> the establishment of national, provincial and municipal disaster management centres; disaster management volunteers; and Matters incidental thereto. |
| I. Development Facilitation Act of 1995 | To facilitate and speed up the implementation of reconstruction and development programmes and projects in relation to land; and in so doing, to lay down general principles governing land development throughout the Republic. |
| J. Local Government Municipal Property Rates Act No. 6 of 2004 | The MEC to support municipalities with the process to impose rates on property; to assist municipalities to make provision to implement a transparent and fair system of exemptions, reductions and rebates through their rating |

| Relevant Act | Key Responsibilities |
|--|--|
| | policies; to make provision for an objections and appeals process and to provide for matters connected therewith. |
| K. Spatial Planning and Land Use Management Act, 2013 | To provide a framework for spatial planning and land use management in the Republic; and to specify the relationship between the spatial planning and the land use management system and other kinds of planning. |
| L. Intergovernmental Relations Framework Act No.13 of 2005 | The Act requires the department to acknowledge the framework for the three spheres of government, namely national, provincial and local government, to promote and facilitate intergovernmental relations between the three spheres of government, which are distinctive, interdependent and interrelated; to provide mechanisms and procedures to facilitate the settlement on intergovernmental disputes and matters incidental thereto. |
| M. Traditional and Khoi-San Leadership Act, 3 of 2019 (TKLA) | 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 the recognition, establishment, functions, roles and administration of kingship or queenship councils, principal traditional councils, traditional councils, Khoi-San councils and traditional sub-councils, as well as the support to such councils; to provide for the establishment, composition and functioning of the National House of Traditional and Khoi-San Leaders; to provide for the establishment of provincial houses of traditional and Khoi-San leaders; to provide for the establishment and composition of local houses of traditional and Khoi-San leaders; to provide for the establishment and operation of the Commission on Khoi-San Matters; to provide for a code of conduct for members of the National House, provincial houses, local houses and all traditional and Khoi-San councils; to provide for regulatory powers of the Minister and Premiers; to provide for transitional arrangements; to amend certain Acts; to provide for the repeal of legislation; and to provide for matters connected therewith. |

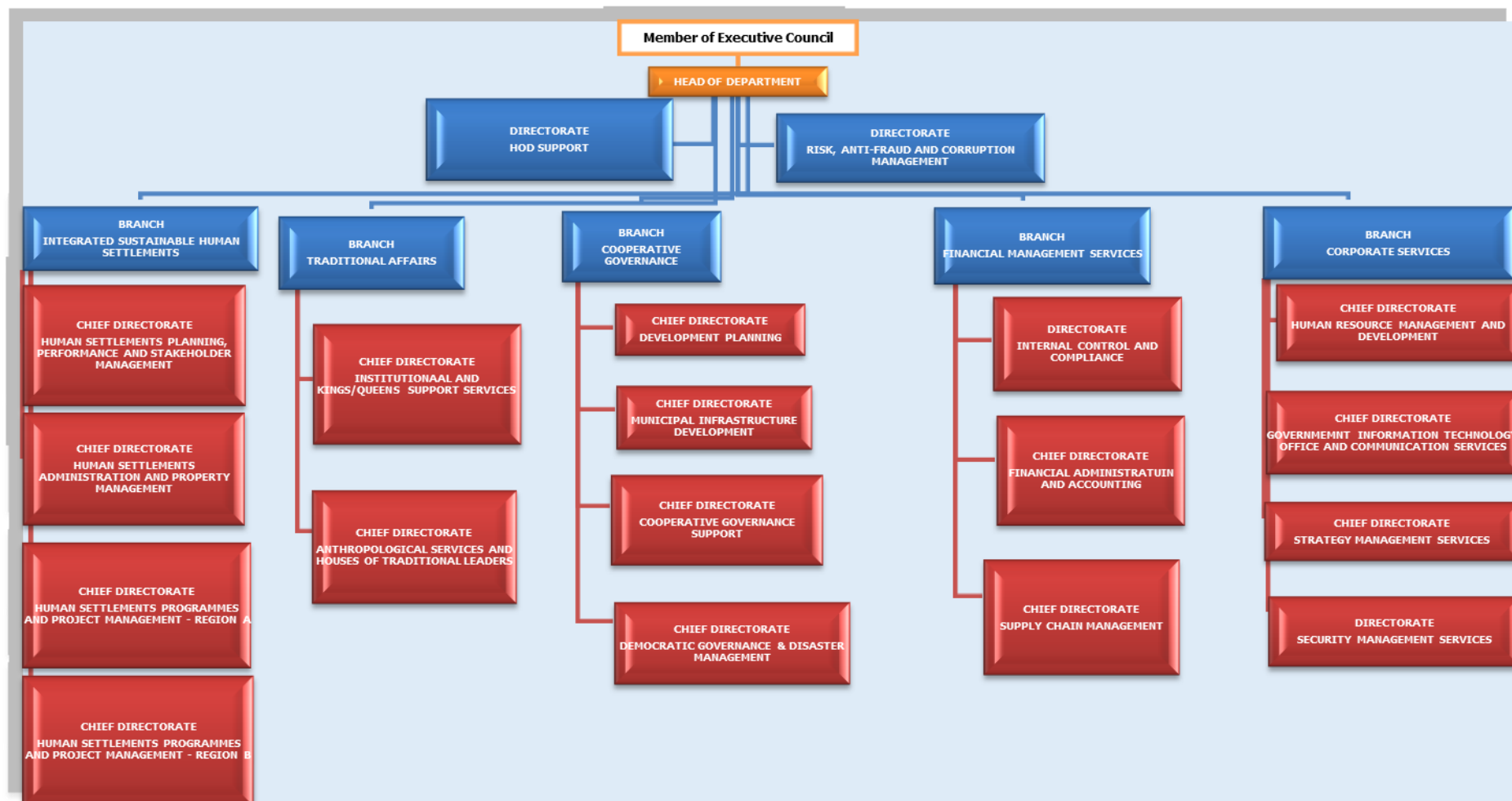
| Relevant Act | Key Responsibilities |
|---|---|
| N. The Customary Initiation Act 2 of 2021 | To provide for the effective regulation of customary initiation practices; to provide for the establishment of a National Initiation Oversight Committee and Provincial Initiation Coordinating Committees and their functions; to provide for the responsibilities, roles and functions of the various role-players involved in initiation practices as such or in the governance aspects thereof; to provide for the effective regulation of initiation schools; to provide for regulatory powers of the Minister and Premiers; to provide for the monitoring of the implementation of this Act; to provide for provincial peculiarities; and to provide for matters connected therewith. |

| Policy | Key Responsibility |
|---------------------------------------|---|
| 1. National Development Plan | The NDP, which outlines a plan to address issues in the country, provides a road map to where government would like South Africa to be in 2030. |
| 2. Community Residential Units Policy | Building and management of residential units for the beneficiaries of income up to R3500 per month. Mostly targets all hostels, old buildings and green field sites. |
| 3. Housing Code | To provide an easy – to- understand overview of the various housing subsidy instruments available to assist low-income households to access adequate housing. The detailed description of the policy principles, guidelines, qualification criteria and norms and standards are available in the National Housing Code. |
| 3. Breaking New Ground | The state gives subsidy housing to qualifying beneficiaries to bring dignity to them. The policy emphasizes on the need to achieve a non-racial integrated society through the development of sustainable settlements and quality housing. |
| 4. Provincial LED Strategy | Planned actions aimed at creating an impetus and a critical mass in the local economic environment in order to generate momentum in the economy. |
| 5. Local Government Strategic Agenda | Roadmap that outlines what needs to be done by local government during the term 2006-2011, The roadmap outlines priority actions and proposes intervention to be |

| Policy | Key Responsibility |
|--|--|
| | implemented by critical stakeholders-municipalities, SALGA, traditional leaders etc. |
| 6. Multi-year Housing Development Plan | To provide a strategic context for the implementation of housing development plan over the next five years. The plan is aimed at ensuring that the council's enabling role and its forward development programme help deliver against core council and housing priorities. |

| Policy | Key Responsibility |
|---|---|
| 7. Integrated Development Plan | This is a plan which indicates how the municipality will spend its money for the next five years. It is a plan to help set budget priorities. |
| 8. Provincial Growth Point Plan of Action | Identify economic growth points in all the district municipalities. |

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MINISTER/MEC

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

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|----------------------------------|---|---|---|
| Housing Development Agency (HDA) | Housing Development Agency Act 23 of 2008 | Services rendered are paid by the Department | To address land acquisition and assembly, provide project management support and housing development services |
| Limpopo Rental Housing Tribunal | Rental Housing Act No. 50 of 1999 | Appointed by the MEC and paid by the Department | Advice MEC on rental related matters |
| The MEC Advisory Panel | Housing Act No 2 of 2006 | Appointed by the MEC and paid by the Department | Advice the MEC on housing related matters |

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 160 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Slow economic growth which undoubtedly has undesired effect on development initiatives to improve the lives of most South Africans is still persistent. On a positive note, the Department partnered with the Department of Public Service Administration (DPSA) on business modernization process project, with implementation of prioritized functional areas expected from 2024/2025 onwards.

2.1.1 Human Settlements

The programmes's performance improved in the year under review, particularly on bulk service projects and investment of conditional grants in Provincial Human Settlements and Priority Housing Development Areas (PHS&PHDA's) which was affected by inadequate integrated planning.

The rental tribunal managed to resolve 86% of the 188 cases for the year under review on rental disputes between landlords and tenants. In addition of all the cases concluded, there was no case referred to High Court for review. To promote this cost-effective method of contractual disputes as established by Rental Housing Act of 1999 and its amendments, communication has been strengthened by the department in collaboration with municipalities and the Rental Tribunal.

The population density in Limpopo is also influenced by urbanization. The province is becoming increasingly urbanized mostly in Capricorn and Mopani districts, with 72.7% and 68.6% respectively of the population living in urban areas, respectively. This implies that there is a great need for accessible basic services from relevant local authorities for human settlement to implement adequate programmes. There is a challenge of bulk services, particularly on projects identified by municipalities. As a result, bulk infrastructure pipeline has been developed across the five districts in order to unlock the servicing of sites.

The first home finance previously known as FLISP has had slow uptake because of the applicants with adverse credit records and lack of awareness of the programme. The department is implementing the programme marketing strategy with RISIMA which includes media road shows and other marketing mediums to raise awareness to the communities of Limpopo.

Like other provinces, Limpopo has experienced projects that are constantly being stopped during implementation by local business forums demanding contracts in the local areas. A collaborative effort with municipalities to intensify stakeholder engagements and encourage contractors to report criminal activities has been established.

Housing as one of the priority needs of communities, it is important that consultation takes place continuously to ensure government respond in accordance with the needs by implementing relevant type of programmes and to the right people. From the departmental call centre, Housing Advisory Panel, Human Settlements Forum and other stakeholder

engagement activities, it is clear that variety of communication initiatives are imperative. To this end, the department has adopted the 5-year communication plan that is centred on improving public understanding of CoGHSTA's mandate, enhancing stakeholder engagement, promoting effective internal communication, and increasing awareness of departmental initiatives. The plan provides a path for the department to engage Limpopo citizens to realize the Department's vision.

2.1.2 Cooperative Governance

Support provided on infrastructure projects shows signs of recovery from previous financial years, based on expenditure analysis reports. The Provincial MIG allocation for 2023\24 was adjusted downwards by R235 million from R3, 600 billion to R3, 284 billion during DoRA adjustment. As at the end of March 2024, R2, 251 billion was spent, translating to 68% of the total allocation. This expenditure is below the straight-line projection of 75%. However, the expenditure is higher as compared to the same period in 2023.

At the same period, 16 municipalities spent above the straight-line projection, while 4 municipalities are of concern i.e. Vhembe District (60%), Sekhukhune (43%), Lepelle Nkumpi (34%) and Thabazimbi (21%). As a result, a close monitoring approach will be applied in the 2024\25 implementation plans and progress. In totality support provided through the district and one on one meetings, MISA has allocated engineers for direct support to Lephalale, Mogalakwena, Mopani, Fetakgomo Tubatse and Sekhukhune municipalities hence improved performance in these municipalities.

In the province, all 22 local municipalities provide free basic services to their respective communities in line with their indigent policy. Indigent registers are updated regularly as households' economic situations change in line with the policy. The province has 447 459 households registered as indigent which represent 25% of the total number of households according to Census 2022. The main challenge with access to basic services is water supply as water sources have problem.

A total of 18 auditees obtained an Unqualified audit opinion, 08 auditees received a Qualified audit opinion, and 01 auditee received an Adverse audit outcome. On the other hand, 04 of the auditees improved from Qualified to Unqualified. Mopani improved from a Disclaimer to a Qualified audit opinion. AGSA has issued 32 Material Irregularities (MI) in 14 municipalities. AGSA indicated that 08 MIs are resolved and that there is appropriate action for the remaining 24 MI's. The cost for the use of consultants for financial reporting increased from R263 million in 2021\22 to R278 million in 2022\23, translating to a 7% increase. Summary of municipal audit results is as follows:

| Audit outcome | MOVEMENT – Provincial outcomes | | |
|---|---|--|--|
| | Improved | Unchanged | Regressed |
| Unqualified with no findings = 0 | | | |
| Unqualified with findings = 18 | <ul style="list-style-type: none"> Ephraim Mogale Musina Fetakgomo Tubatse Lepelle Nkumpi | <ul style="list-style-type: none"> Collins Chabane Greater Giyani Greater Letaba Greater Tzaneen Makhado Makhuduthamaga Maruleng Lephalale Thulamela Molemole Polokwane Elias Motsoaledi | <ul style="list-style-type: none"> Capricorn District Waterberg District |
| Qualified with findings = 8 | <ul style="list-style-type: none"> Mopani District | <ul style="list-style-type: none"> Thabazimbi Ba-Phalaborwa Bela-Bela Vhembe District Sekhukhune District Mogalakwena | <ul style="list-style-type: none"> Blouberg |
| Adverse =1 | | | <ul style="list-style-type: none"> Modimolle-Mookgophong |

The department targeted to support Mopani, Vhembe, Sekhukhune, Mogalakwena and Lepelle Nkumpi municipalities to reduce their unauthorized, irregular, fruitless and wasteful expenditures (UIF&W). After the release of the 2022\23 audit reports, the targeted municipalities showed both increases and decreases. Although through the established Provincial MPAC Forum monitoring is done for all municipalities, the department has observed inconsistencies in reporting the figures and there is generally slow progress in finalisation of investigation to clear UIF&F expenditures. As an intervention there is continuous monitoring and support to municipalities to strengthen their capacity to manage these expenditures. MPAC EXCO resolved to have one on one with identified municipalities.

Public Participation

Service delivery cases handled and referred to relevant departments by community development workers (CDW) amounted to 6 261, the distribution per district is: Capricorn 2 060, Sekhukhune 1 144, Mopani 1 183, Vhembe 1 080 and Waterberg 794. These cases are at various stages of resolution depending on the issue raised and the department monitor continuously to enable feedback to community members. The top five type of cases by priority are: Electricity, social grants, ID's and birth certificates, housing and water. The main challenges in resolving reported cases, is mainly turnaround time and these normally result in community protests. The province has recently reported 8 protest which

have been increasing during the year. These may also be exacerbated by those municipalities that fail to hold ward committees accountable on community meetings or participation. Critically to deal with community unrest, Office Speakers and Council must demand accountability while the department provide progressive training on problematic areas.

Municipal Development Planning

All twenty-two (22) local municipalities are implementing the Community Work Programme with a monthly targeted participation rate of 29 400 and the actual participation amounted to 30 986 participants as at end of March 2024. This target was exceeded because CoGTA provided 10% extra allowance. All municipalities have convened IDP Representative Forums to allow for public inputs in the various phases of planning.

In implementation of SPLUMA, three District Municipal Planning Tribunals (DMPTs) (Mopani, Sekhukhune, and Waterberg) are established and operational. Ten Independent Municipal Planning Tribunals (MPTs) (viz. Makhado, Musina, Greater Tzaneen, Greater Giyani, Lephalale, Thulamela, Collins Chabane, Thabazimbi, Molemole and Polokwane) are established and operational. Two municipalities (Lepelle-Nkumpi and Blouberg) are currently in the process of establishing respective independent MPTs after the DMPT term of office lapsed. In terms of SPLUMA By-laws and SDF implementation, all municipalities in the province have adopted and gazetted appropriate regulations. On Land Use Schemes (LUS), Nineteen (19) municipalities have developed and adopted SPLUMA aligned Land Use Schemes (LUSs), while the remaining three (03) municipalities (Musina, Mogalakwena and Thabazimbi Local Municipalities are currently in various stages of development/review of respective LUSs.

2.1.3 Traditional Affairs

Traditional councils (TCs) are provided with support in the form of offices, support staff to assist with administration, Senior Traditional Leaders are provided with vehicles and other tools of trade. The increase in the number of traditional councils and subsequently traditional leaders is putting more pressure on the financial resources, especially provision of tools of trade such as offices, support staff and vehicles.

At the end of March 2024, 163 vehicles were procured and to date 95 vehicles were handed over to the Senior Traditional Leaders with others in the government garage to be handed over. All furniture for 2023/24 financial year was delivered (Boardroom furniture for 10 traditional councils and full office furniture for 24 traditional councils.

Construction of Traditional Council Offices: Four traditional council offices (Bakone Ba Matlala, Bakwena Ba Matsepe, Majeje and Davhana) have advanced in terms of physical progress and are at practical completion. Two traditional council offices (Manoke and Majeje) are at between 76% - 99%. The remaining one traditional council (Bakone) is trailing at 30% progress. Contractor for Bakone terminated and replacement contractor in the process of being approved.

Initiations Programme: In the 2023 initiation season, 68145 initiates were admitted in various initiation schools. The province unfortunately recorded 03 deaths during the season. The challenge faced was the increase of illegal initiations school. For the 2024 winter initiation season, 696 applications, comprising of 430 male and 266 females have been adjudicated during the period 25 – 28 March 2024. The Department is busy with mobilisation of SAPS and other stakeholders in support of PICC for a safer season.

Traditional Leadership disputes continue to increase in royal families and in some instances lead to litigation where government is required to act. This has resulted in contingent liabilities of the Department rising higher over the years. Most of these claims are claims by traditional leaders who are not recognised by government but identified by their respective royal families and are claiming payment from date of identification and breach of contract.

2.2 Service Delivery Improvement Plan

The department is in the process of updating the service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

| Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|--|--|--|--|---|
| To provide Human Settlement Planning | Local municipalities | Provide 100% Human Settlement Planning to Limpopo local municipalities in line with SPLUMA, National Housing Code | 100% Human Settlement Planning to Limpopo local municipalities in line with SPLUMA, National Housing Code | Approved development areas for municipalities, upgraded informal settlements, developed integrated implementations programmes for priority development areas completed for 11 municipalities in the PDA's |
| Secure individual ownership of public housing stock through (EEDBS) Enhanced Extended Discount Benefit Scheme | Beneficiaries/ tenants already occupying such properties | Identified beneficiaries secure individual ownership of public housing stock through EEDBS in line with EEDBS policy for 22 municipalities | All outstanding stock registered to beneficiaries | 3 out of 30 targeted properties registered |
| Resolve disputes between landlords and tenants | Landlords and tenants | 80% cases resolved on all residential rented premises in Limpopo province within 90 days' time in line with Rental Housing Act. | 100% cases resolved on all residential rented premises in Limpopo province within 90 days' time in line with Rental Housing Act. | 86% cases resolved |
| Approve Housing subsidies | Beneficiaries' earning (R3500.00 or less) in 22 local municipalities | 4000 approved beneficiaries | Process all received claims in 4 days within the unit for all appointed service providers | 8 824 Subsidies approved |
| Houses delivered through programmes in the housing code | Approved qualifying beneficiaries | All approved development areas by MEC in all 22 municipalities | 7291BNG houses delivered in all approved development areas for approved beneficiaries within 12 months in line with NHBRC Standards. | 7 023 houses delivered |

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

| Current/actual arrangements | Desired arrangements | Actual achievements |
|---|---|--|
| Front-line office with dedicated complaints officials | A toll-free number, free SMS number or WhatsApp | Front-line staff operational 7H30-16H30 weekdays |
| Departmental website has a email link | | Queries received via email resolved |

Service delivery information tool

| Current/actual information tools | Desired information tools | Actual achievements |
|---|---|--|
| ITMS in place to receive, investigate and resolve queries | WhatsApp, toll-free number, or short message system | Operational ITMS that tracks progress and resolution |
| Coghsta news | Brochures printed in different languages not one | Vutivi, Coghsta today/ news |

Complaints mechanism

| Current/actual complaints mechanism | Desired complaints mechanism | Actual achievements |
|--|---|--|
| Telephone | Free Short Message System | Queries received through these platforms have been resolved (1173) |
| Walk-in | Operational Departmental Toll-free number | |
| Mail | WhatsApp Based System | |
| Web based | Touch-keypad system | |
| Fax | | |
| e-mail: service@coghsta.limpopo.gov.za | | |
| Facebook: Limpopo Coghsta Official | | |
| Presidential Hotline | | |
| Premier Hotline | | |

2.3 Organisational environment

In order to improve internal control systems, 11 policies were reviewed in accordance with applicable legislative requirements. Internal Control unit is fully functional with commencing personnel appointed and will be completed in an incremental manner. There is also stability in management, as 8 SMS posts were filled and other scarce skills posts.

Some of the mitigations identified to reduce negative impact of risks in achievement of targets has made progress, however there are still challenges with OHS and employment equity. OHS Plan has been developed to intervene and ensure safety of employees and improve work environment to maximise productivity. The Department has appointed Health and Safety Representatives and trained them on SHE Reps, Basic firefighting and basic first aid to enable them assist in addressing Health and Safety issues in the department. In addition, the department has procured first AID refills, stretchers, and wheelchairs to ensure that employees are assisted in case of emergencies. Isolation rooms are in operation to keep employees who might experience health difficulties while still waiting for emergency personnel or ambulance.

ICT as a strategic operation has been bolstered with ICT Switches to enable configuration when load shedding affects availability of network, intervention such as virtual platform network are being utilised. The ICT Governance Framework and disaster recovery plan was reviewed and approved. In the year under review, the department implemented the ePERMIS system for management of individual performance instruments. The main aim of the system is to do away with the paper-based system to electronic which enables all employees to submit performance instruments online. Challenges were experienced especially for employees at districts in Traditional Affairs as there is limited access to connectivity. The department has commenced with procurement of the tools to ensure inclusive and efficient performance management system.

The department has just commenced with the implementation of Protection of Personal Information Act (POPIA) as per the guidelines; however, the ICT policies covers the protection of personal information stored electronically in the department. The process is anticipated to move slowly due to the human resources capacity and competency. The training and development programmes will be identified to empower the staff members and all those who will be involved in the implementation of both Promotion of Access to Information Act (PAIA) and POPIA,

All Departmental officials whose posts are still on the Organisational Structure are properly placed. However, there are 180 officials who are based in traditional councils whose posts were abolished and have not been placed due to unavailability of posts at their level. The biggest contributor to the number of unplaced officials is the 85 Traditional Council Police who are on salary level three and do not have available positions to be placed on the structure as their positions and salary levels have been abolished.

Contingent liabilities are still a challenge as litigations against the Provincial Government for headman/woman and disputes in royal families continue. Together with the office of the state attorney, work is underway to address these matters.

The department, through Labour Relations, conducts advocacy/awareness workshops every year to ensure ethical issues (Code of Conduct, RWOPS and financial disclosures) are complied with by employees.

The Department has a functional Ethics Committee established in terms of Regulation 23(2) of the Public Service Regulations 2016 (PSR). The committee is entrusted with the responsibility to oversee ethics management and implement ethical policy and strategy. There is currently a draft policy on ethics management, and it will be implemented through an ethics strategy and implementation plan. There are ethics officers designated by the MEC in terms of Regulation 23(1) of the PSR. Their core responsibility is to manage ethical behaviour and conduct in the department. There are trainings earmarked for employees on ethical issues relating to financial disclosures, RWOPS and Code of Conduct.

2.4 Key policy developments and legislative changes

There were no major changes to relevant policies or legislation that may have affected operations during the period under.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

In measuring institutional performance as mandated by the 2019-2024 MTSF, the department has aligned itself with the following impact statements; Capable, Ethical and Developmental Department, spatially transformed sustainable human settlements in cities and in productive rural regions by 2025, improved quality of life for the people of the

province and a diverse, socially cohesive society with a common identity. The aforementioned impact statements will be realized through the following set of outcomes which the department will be embarking on achieving until the 2024 calendar year:

- (i) Professional, Meritocratic and Ethical Department
- (ii) Improved governance and efficient financial management systems
- (iii) Spatial transformation through multi-priority development areas
- (iv) Adequate housing and improved quality living environments,
- (v) Security of tenure
- (vi) Improved capacity to deliver basic services, quality infrastructure to increase household access to basic services,
- (vii) Improved support and oversight in all municipalities,
- (viii) Improved perception (Community based) on governance in municipalities, and
- (ix) Developmental Traditional Institutions.

THE FOLLOWING MAJOR ACHIEVEMENTS WERE RECORDED DURING 2023/24 FINANCIAL YEAR.

Capable, Ethical and Developmental Department

- In terms of the total appropriated budget, 56% of bids awarded to blacks, youths, and women owned SMMEs was achieved against the national target of 40%
- Resolved 100% queries and complaints logged through Presidential, Premier and Departmental Hotline.
- 41% of female's representation at SMS level was recorded, a decline as compared to same period in 2023.
- Filled 35 vacant positions and vacancy rate is at 7% of the funded vacant posts.
- Commenced with implementation of ePERMIS for individual's performance management system.

Spatially transformed sustainable Human Settlements in cities and in productive rural regions by 2025

The performance of human settlements has improved as compared to the previous years. The programme for servicing of sites in the preceding year and the year under review were delayed mainly due to community protests and inadequate bulk infrastructure which resulted in projects being relocated.

The Department in the MTSF has prioritised the provision of bulk services through Informal Settlements Upgrading Partnership Grant (ISUPG), by working with various water service authorities, identifying and prioritising multi-year bulk water and sewer projects. Deliberate focus has been made to ensure alignment between the Departmental budget and the Water Services Development Plans in line with the Integrated Development Planning principles. Below is details on progress on achieving the five years targets:

| Outcome | Outcome Indicator | 2019/20 Baseline | 2020-2025 Target | Actual achievement to date | Improvements required for the remainder of the planning period |
|--|--|---|---|--|---|
| 2.1. Spatial Transformation through multi-priority development areas | Number of priority development areas invested in. | N/A | 9 | 11 | None |
| 2.2. Adequate Housing and Improved quality living environments | Number of Housing opportunities created through various housing programmes | 66,000 housing opportunities | 39 884 housing opportunities created | 42 853 | None |
| | Number of informal settlements upgraded to phase 3 of IUSPG | Two settlements (Nkambako and Steenbok Pan) formalised to Phase 1 | 83 | 5 informal settlements upgraded to Phase 3 | Implementation of priority development areas plans for identified municipalities to ensure formalisation of settlements |
| 2.3. Security of tenure | Number of Title deeds transferred to beneficiaries | 11 160 Title deeds transferred to beneficiaries | 17 682 Title deeds transferred to beneficiaries | 7 797 | To conduct regular engagements with municipalities to speed up signing the documents for registration & issuing of title deeds. |

Improved quality of life for the people of the province.

Municipalities were supported in preparation of AFS, guided through implementation of Municipal Property Rates Act and maintaining functionality of District IGR Structures. All municipalities were supported in developing legally compliant IDP's. District municipalities were supported to maintain functional disaster management centers. All local municipalities were supported in the implementation of service programmes to improve access to basic service by households. Implementation of Community Works Programme (CWP) is in progress. Below is details on progress on achieving the five years targets:

| Outcome | Outcome Indicator | 2019/20 Baseline | 2020-2025 Target | Actual achievement to date |
|--|--|---|--|--|
| 3.1 Improved Capacity to Deliver Basic Services, Quality Infrastructure to increase household access to basic services | Number of Support Programs on Infrastructure Delivery Projects | Water 74.1% Electricity 92.7% Sanitation 58.9% Refuse 22.9% | Water 95% Electricity 100% Sanitation 90% Refuse removal 50% | Water – 95.5% Sanitation -57.5% Electricity - 96.9% Refuse Removal - 32% |

| Outcome | Outcome Indicator | 2019/20 Baseline | 2020-2025 Target | Actual achievement to date |
|--|---|---|--|---|
| 3.2. Improved Support and Oversight in all municipalities | Number of Support and oversight reports produced | Section 47 Municipal Systems Act (MSA) and MFMA Section 131 | Section 47 (MSA) Section 131 (MFMA) | 5 Section 47 reports compiled as per requirements of MSA Annually review MFMA Section 131 report to support municipalities to improved audit outcomes |
| | Number of Capacity Building programs implemented in all municipalities | N/A | 20 Programs implemented (Councilors and Municipal Officials) | 7 Capacity building interventions implemented |
| 3.3. Improved Perception (Community based) on governance in municipalities | Public Participation program implemented by Local Municipalities | N/A | Annually monitor the functionality of ward committees, IDP representative forum, Community Feedback and Community Development Programs | <ul style="list-style-type: none"> 27 municipalities assisted to develop legally compliant IDP's. 27 municipalities supported to respond to community concerns. 20 reports compiled on functionality of 5 District IGR Structures. |
| 3.4. Improved Support, Oversight and intergovernmental planning | Number of municipalities supported to improve governance, oversight and intergovernmental coordination. (MPAC, Intergovernmental Relations) | 27 | 27 | 27 Municipalities supported to improve governance, oversight and intergovernmental coordination |

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose of the programme: Capable, Ethical and Developmental Department

4.1.1 Sub-Programmes:

Corporate Services: To provide professional support services to the department.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

In the year under review the department implemented e-PERMISS for employees to submit performance agreements, midyear and annual assessment reports electronically. The main purpose being to reduce the costs for buying printing paper and toners, time spent on compilation of reports and move towards the National Development Plan, Vision 2030 regarding the Fourth Industrial Revolution. There were lessons learnt and gradual adaptation is on-going to fully utilise this resource.

The total number of filled positions at Senior Management Services is 41 of which 17 are females translating to 41% of representation. The challenge is that there were no members that are youth and with disabilities. Vacancy rate of the funded positions is at 7% while 35 vacant posts were filled.

Generally, ICT network infrastructure availability was at 98%, mainly the project of configuration switches which will be finalised by the end of first quarter 2024\25 to enable the department function uninterrupted during load shedding and that infrastructure is up to date. Mitigation measure have been implemented to manage risk associated with ICT security. Communication with internal and external stakeholders has been achieved with various technologies and mediums utilised for effective information about the programmes of the department in line with its mandate. All of the above have been implemented to ensure that business process is effective and efficient and support the core businesses of the department.

| Programme: Administration | | | | | | | | |
|--|---|--|---|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Sub-programme: Corporate Services | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 1.1. Professional, Meritocratic and Ethical Department | Professional and ethical conduct by employees | 1.1.1 Compliance to Batho Pele principles in provision of services | Directorates are compliant to Batho Pele principles in provisioning of services | 4 | 4 | 4 | None | N/A |
| | Service delivery cases resolved | 1.1.2 Percentage of service delivery cases resolved | 100% Resolved queries and complaints | 100% | 100% | 100% | None | N/A |

| Programme: Administration Sub-programme: Corporate Services | | | | | | | | |
|--|-------------------------------------|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | Employees appointed | 1.1.3 Number of employees appointed. | 0 | 24 | 30 | 35 | 5 | The target set for the current year was met in quarter 3 and there was also some progress made from the previous year that contributed to this achievement. |
| | Resourced Organisational structure | 1.1.4 Percentage of vacancies on organisational structure | New indicator | New indicator | 10% | 6.6% | 3.4% | Filled extra five posts against the target while turnover was at 9% |
| | Employees trained | 1.1.5 Number of employees trained as per WSP | 115 | 574 | 500 | 1 722 | 1 222 | Additional training sessions with no financial implications |
| | Attended to Employee Wellness cases | 1.1.6 Percentage of employee wellness cases attended | 100% | 100% | 100% | 100% | None | N/A |
| | Equity targets attained | 1.1.7 Percentage of women in SMS represented | 46% | 42% | 49% | 41% | 8% | Female candidates considered during recruitment, however not meeting requirements |
| | | 1.1.8 Percentage of people with disabilities represented | 0.9% | 0.9% | 1.0% | 1% | None | N/A |

| Programme: Administration Sub-programme: Corporate Services | | | | | | | | |
|--|--|--|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | Promoted awareness on Corruption practices in the department | 1.1.9 Number of Anti-Fraud and Corruption awareness workshops conducted within the department. | 8 | 8 | 4 | 4 | None | N/A |
| | Functional ICT Steering Committee | 1.1.10 Number of ICT Steering Committee meeting held | New indicator | New indicator | 4 | 4 | None | N/A |

***Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan*

4.1.1 Sub programme: Financial Management

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The department has in 2023/24 spent R2,848 billion of R3,021 billion (94%) of the allocated voted funds. Improved expenditure is attributed to conditional grants spending at 96% in 2024 compared to 89% in 2023. The department adopted a new approach of planning and implementation of Human Settlements projects.

Allocated over 158% of work in the human settlements conditional grants to designated groups (Female, Youth, People living with disabilities and Military Veterans) against the set-aside target of 40%.

The decline in percentage point for payment of claims within 30 days, resulted from pressure in the HSDG. Additional funds were received in the fourth quarter from DHS.

| Programme: Administration Sub-programme: Financial Management | | | | | | | | |
|--|--|--|--|--|---|--|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 1.2 Improved governance and efficient financial management systems | All undisputed invoices paid within 30 days | 1.2.1 Percentage of undisputed invoices paid within 30 days | 99.6% | 100% | 100% | 93.6% | 6.4% | Pressure on HSDG resulted in the inability to pay housing claims time. |
| | Bids awarded to women owned companies | 1.2.2 Percentage of bids awarded to women owned companies | 52.7% | 59% | 40% | 56% | 16% | Women contractors awarded more bids during the financial year under review |
| | Cumulative expenditure as a percentage of the budget (Actual expenditure/ Adjusted budget) | 1.2.3 Percentage cumulative expenditure achieved (Actual expenditure/ adjusted budget) | 80% | 91% | 100% | 94% | 6% | Underspending of 6% due to delays in the purchase of land for ISUPG, departmental furniture, and laptops. Additionally, there was underspending on the installation of network switches and the delivery of vehicles for Senior Traditional Leaders. There was also non-spending on Vhavenda and Bapedi Kingship projects. |
| | No significant reservation in respect of compliance and/or predetermined objectives | 1.2.4 Type of audit opinion achieved | Unqualified audit opinion with matters of emphasis | Unqualified audit opinion with matters of emphasis | Unqualified audit opinion without matters of emphasis | Unqualified audit opinion with matters of emphasis | Material findings | Material findings |

| Programme: Administration Sub-programme: Financial Management | | | | | | | | |
|--|------------------------------|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | Zero material audit findings | 1.2.5 Percentage of AG audit findings resolved. | New Indicator | New Indicator | 100% | 72% | 28% | The remaining findings were partially resolved and awaiting confirmation. |

***Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan*

Linking performance with budgets

The programme spent 93% of the adjusted allocation compared to 90% in 2022\23 financial year, with Corporate Services and Financial Management contributing a significant under expenditure. Overall underspending is due to delays in maintenance of office building, communication (cell phone and data) as well as on installation of network switches. However, there is progress made, maintenance plan for office building is approved and implementation is in progress. Cell phone allocation committee has been established and processing applications, while network switches are delivered and installation is in progress.

Sub-programme expenditure

| Sub- Programme Name | 2022/2023 | | | 2023/2024 | | |
|----------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Corporate Services | 192,020 | 170,615 | 21,405 | 264,500 | 245,837 | 18,663 |
| Office of the MEC | 6,887 | 6,214 | 673 | 8,420 | 6,350 | 2,070 |
| Office of the HOD | 13,150 | 8,457 | 4,693 | 11,674 | 10,928 | 746 |
| Financial management | 124,727 | 118,983 | 5,744 | 88,148 | 79,864 | 8,284 |
| Total | 336,784 | 304,269 | 32,515 | 372,742 | 342,979 | 29,763 |

Strategy to overcome areas of underperformance.

- i The department requested additional funds from the National Department of Human Settlements. The R250 million was received in the fourth quarter when some invoices had already exceeded the 30 days limit.
- ii Roll over application to be made on all committed funds.

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

Not Applicable

4.2 Programme 2: Human Settlements

Purpose: To ensure the provision of housing development, access to adequate accommodation in relevant well-located areas, access to basic services and access to social infrastructure and economic opportunities.

The programme is mainly responsible for upgrading informal settlements and facilitates a process that provides equitable access to adequate housing in an integrated and sustainable manner. To achieve the above mention objectives, the program is divided into three sub-programmes:

- Housing Needs, Research and Planning
- Housing Development, Implementation Planning and Targets
- Housing Assets Management and property Managements

4.2.1 Sub-Programme: Housing Needs, Research and Planning

Purpose: To manage human settlements programmes' performance and provide technical services

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

To ensure spatial transformation, a Multiyear Human Settlements Development Plan was reviewed to emphasise commitment to priority development areas as identified during the strategic focus of the current electoral cycle. The review has been completed to respond to the development pressures facing the Province and to demonstrate the Province's commitment to achieving its Medium-Term Strategic Framework (MTSF) targets, based on past performance of the department. The main objective of the plan is to analyse key housing development needs and propose interventions within the available programmes and resources over a period.

| Programme: Human Settlements | | | | | | | | |
|--|--|---|---|---|---|--|---|------------------------|
| Sub-programme: Housing Development, Implementation and Planning | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Performance 2021/2022 | Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 2.1. Spatial transformation through multi-priority development areas | Multiyear Human Settlements Development Plan available | 2.1.1 Reviewed Multiyear human settlements development plan | Multiyear human settlements development plan reviewed | Reviewed Multiyear human settlements development plan | Reviewed Multiyear human settlements development plan | Multiyear human settlements development plan reviewed. | None | N/A |

***Actual achievement reported in relation to the performance information reflected in the originally tabled Annual Performance Plan*

4.2.2 Sub-Programme: Housing Development, Implementation Planning and Targets

Purpose: To render human settlements development services in all districts

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Provision of adequate housing has been implemented through construction of housing units in the following programmes as per the Housing Code:

- Acquisition of strategically located land for human settlements developments
- Construction of Breaking New Ground - full subsidies (Rural and Urban Housing, Military Veterans and disaster housing)
- Upgrading of informal settlements: Phase 1-3
- Community Residential Units programme
- Servicing of sites for residential purpose

An Implementation Protocol has been concluded with Polokwane Municipality as part of accrediting the municipality level 2 in terms of Section 10 of the Housing Act, which implies that it will be able to plan, manage and administer housing programmes. As required by the National Accreditation Framework, the department will continue to capacitate the municipality in project planning and implementation.

After receiving additional R250 million of the programmes conditional grants, the department was able to invest up to 50% of it in the PHS&PHDA's. This investment goes a long way in ensuring spatial transformation by implementing varying types of programmes in the targeted areas and subsequently contribution to economic development and improved livelihoods.

Significant progress has been achieved in servicing of sites for human settlement development in formalized townships, however, the issue of bulk service is still a challenge particularly water sources. The partnership established with water service authorities is one of the interventions to ensure progressive delivery of bulk services.

| Programme: Human Settlements | | | | | | | | |
|--|------------------------------------|--|---|---|--|--|--|-------------------------------|
| Sub-programme: Housing Development, Implementation and Planning | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 2.2 Adequate housing and | Supported Municipalities for human | 2.2.1 Number of municipalities supported for | 0 | 0 | 2 Municipalities Supported on | 2 Municipalities supported: Lephalale on level | None | N/A |

| Programme: Human Settlements Sub-programme: Housing Development, Implementation and Planning | | | | | | | | |
|---|---|---|--------------------------------------|--------------------------------------|---|--------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| improved quality living environments | settlements accreditation | human settlements accreditation | | | Level 1 and 2 accreditations | 1 and Polokwane on level 2 | | |
| | Land acquired | 2.2.2 Hectares of land acquired | 0 | 12.7394 ha | 20 ha | 0 | 20 ha | Protracted process due to price negotiations and valuation by HDA |
| | Integrated Implementation Programmes for priority development areas | 2.2.3 Number of integrated implementations programmes for priority development areas completed per year | New Indicator | 11 | 2 | 0 | 2 | Targeted priority development areas were completed during the 2022/23 financial year. |
| | Housing beneficiaries workshopped on Human Settlements programmes | 2.2.4 Number of workshops on Human Settlements programmes for housing beneficiaries | N/A | N/A | 20 | 23 | 03 | Dichoeung Traditional Council and Greater Giyani municipality requested consumer education workshops |
| | Investment of the total Human Settlements in PDAs | 2.2.5 Percentage of investment of the total Human Settlements allocation in PDAs | New Indicator | 27% | 30% | 50.3% | 20.3% | There was an additional allocation of R250 million received from DHS |
| | Informal Settlements upgraded | 2.2.6 Number of informal settlements upgraded to Phase 3 of the Informal Settlements | New Indicator | 0 | 5 informal settlement upgraded to phase 3 | 2 informal settlement upgraded | 3 | Project completion of two projects were impeded by the lack of readily available bulk infrastructure. |

| Programme: Human Settlements Sub-programme: Housing Development, Implementation and Planning | | | | | | | | |
|---|--|--|--|--|--|--|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | | Upgrading Programme (ISUP) | | | | | | Project timelines were impacted due to ongoing bulk infrastructure construction. |
| | Informal settlements with approved layouts | 2.2.7 Number of informal settlements with approved layouts | 4 informal settlements with approved layouts | 3 informal settlements with approved layouts | 4 informal settlements with approved layouts | 4 informal settlements with approved layouts | None | N/A |
| | Breaking New Ground (BNG) houses | 2.2.8 Number of Breaking New Grounds (BNG) houses delivered. | 4 272 | 5 066 | 7 291 | 7 023 | 268 | Underperformance by some contractors |
| | Serviced Sites | 2.2.9 Number of serviced sites delivered | 2 525 | 379 | 1 639 | 2 525 | 886 | The target has been exceeded due to rollover projects. |
| | Community Residential Units delivered | 2.2.10 Number of community residential units (CRU) delivered | New Indicator | 0 | 514 | 0 | 514 | Poor performance, of the Principal Agent (PA) and disputes on the payment certificate. |
| | Job opportunities created | 2.2.11 Number of job opportunities created through construction of houses and servicing of sites | 916 | 1 284 | 3 150 | 1 460 | 1 690 | Underreporting of jobs by some of the service providers. |

***Actual achievement reported in relation to the performance information reflected in the originally tabled Annual Performance Plan*

4.2.3 Sub-Programme: Housing Asset Management and Property Management

Purpose: To manage and administer housing properties and assets

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Registration of title deeds to promote security of tenure for 1 676 households has been achieved against the target of 1 500. As part of improved planning, over 4 000 housing subsidies have been approved for construction in the 2024\25 financial year. Unproclaimed townships still hampering ramp up effort to register title deeds. The uptake on Financed Linked Individual Subsidy Programme (FLISP) has been lower over the years. As an intervention, in collaboration with stakeholders, media road shows and other marketing mediums are utilised to raise awareness to the communities for these housing opportunities.

| Programme: Human Settlements | | | | | | | | |
|--|--|--|---|---|--|---------------------------------------|--|---|
| Sub-programme: Housing Asset Management and Property management | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 2.3 Security of Tenure | Title deeds registered pre-1994 | 2.3.1 Number of pre-1994 title deeds registered | New Indicator | 52 | 30 | 3 | 27 | Late appointment of conveyancers |
| | Title deeds registered 1994 to 2014 | 2.3.2 Number of post-1994 title deeds registered | New indicator | 1 009 | 100 | 291 | 191 | Target was exceeded due to relocation of properties from unworkable areas under new title deeds category |
| | Title deeds registered post 2014 to 2019 | 2.3.3 Number of post 2014 title deeds registered | New indicator | 753 | 400 | 1 | 399 | Previously some houses were built on unproclaimed townships and the Service providers are appointed to finalise the |

| Programme: Human Settlements Sub-programme: Housing Asset Management and Property management | | | | | | | | |
|---|---|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | | | | | | | | opening of Township register. |
| | New Title deeds registered | 2.3.4 Number of new title deeds registered | New indicator | 111 | 970 | 1 381 | 411 | Target was exceeded due to additional properties which were implemented through HDA |
| | Reports compiled by Rental Disputes Tribunal and Housing Advisory Panel | 2.3.5 Number of reports compiled by Rental Disputes Tribunal and Housing Advisory Panel | 1 | 1 | 1 | 1 | None | N/A |
| | Approved beneficiary Subsidy Applications | 2.3.6 Number of Housing Subsidy Applications approved through Housing Subsidy System | 2 829 | 5 331 | 4 000 | 8 824 | 4 824 | More housing subsidies were allocated to municipalities to reduce the backlog. |
| | Households that received subsidies through FLISP | 2.3.7 Number of households that received subsidies through FLISP. | 35 | 76 | 50 | 53 | 3 | Improved market strategy which created awareness to the potential beneficiaries. |

***Actual achievement reported in relation to the performance information reflected in the originally tabled Annual Performance Plan*

Linking performance with budgets

Programmes overall spending amounted to 96% of the revised allocation compared to 89% in 2022\23. Accelerated expenditure due to milestones carried over from previous financial year (Rural Housing and Title Deeds restoration) as well as contractor good performance on IRDP. The Department was allocated additional funding amounting to R250 million. The ISUPG underspent due to projects stoppage by business forums/ construction mafias in Elias Motsoaledi and Mogalakwena Municipalities and delay in finalization of land acquisition process by HDA.

Sub-programme expenditure

| Sub- Programme Name | 2022/2023 | | | 2023/2024 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Housing Needs, Research and planning | 119,648 | 118,301 | 1,347 | 28,945 | 27,625 | 1,320 |
| Housing Development, Implementation and Targets | 1,283,441 | 1,138,703 | 144,738 | 1,640,793 | 1,578,075 | 62,718 |
| Housing Asset Management and Property Management | 53,673 | 53,519 | 154 | 46,007 | 45,337 | 670 |
| Total | 1,456,762 | 1,310,523 | 146,239 | 1,715,745 | 1,651,037 | 64,708 |

Strategy to overcome areas of under performance

- i Submission made to Provincial Treasury during February 2024 for concurrence for Portion 16 of Farm Vogelenzag No. 3 in Musina as identified for procurement.
- ii Penalty clause was invoked by reduction of scope and termination for poor performing contractors.
- iii The service provider and the Department have reached consensus on the matter. Work will resume on-site on Marapong CRU.
- iv SLA enhanced to make jobs created report part of payment certificate by service providers.
- v Service providers appointment to finalise the opening of Township register. Municipality has been directed to apply for a lost copy to enable registration of title deeds.

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

Human Settlements approved standardised outputs and output indicators that must be reflected in the Annual Performance Plan and reported on in the annual report. The department has agreed to implement several standardised outputs and output indicators except for the following that have not been incorporated in the Annual Performance Plans and therefore not implemented and reported on in the Annual Report:

- **Percentage of land acquired during 2014-2019 within the PDA's rezoned:** The target has already been achieved in prior years of standardisation.
- **Number of rental social units delivered:** There are no approved restructuring zones in municipalities except Polokwane and there is no Accredited Social Housing Institution in other municipalities.

4.3 Programme 3: Cooperative Governance

Purpose of programme: The Programme aims to provide technical and oversight support to municipalities in terms of implementing their mandates. This is pursued through the following sub-programmes:

- Municipal Infrastructure Development,
- Co-operative Governance Support
- Democratic Governance and Disaster Management
- Development Planning

4.3.1 Sub Programme: Municipal Infrastructure Development

Purpose: To coordinate municipal infrastructure development

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Provincial MIG allocation for 2023/2024 was adjusted downwards by R235.417 million from R3,519,856,000 to R3,284,439,000 during DoRA adjustment (Medium Term Budget Policy Statement – 1 November 2023). This downward adjustment was effected to all MIG receiving municipalities in all the provinces. During the stopping and re-allocation in March 2024, the provincial MIG allocation was adjusted upwards by R50 million from R3,284,439,000 to R3,334,439,000 as follows:

- R143 million was stopped from two municipalities.
- R193 million was reallocated to 8 municipalities.

As at end of March 2024, R2.251 billion has been spent, translating to 67.5% of the total allocation. This expenditure is below the straight-line projection of 75% by 7.5%. However, the expenditure is higher than March 2023 which was at 49.8%.

| Programme: Co-operative Governance Sub-programme: Municipal Infrastructure Development | | | | | | | | |
|---|--|--|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 3.1. Improved capacity to deliver basic services, quality | Additional households provided with basic services | 3.1.1. Number of reports on additional households provided with basic services | 1 | 1 | 1 | 1 | None | N/A |

| Programme: Co-operative Governance Sub-programme: Municipal Infrastructure Development | | | | | | | | |
|---|--|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| Infrastructure to increase household access to basic services | Municipalities monitored on the implementation of indigent policies | 3.1.2. Number of municipalities monitored on the implementation of indigent policies | 22 | 22 | 22 | 22 | None | N/A |
| | Municipalities monitored and supported with the implementation of infrastructure service delivery programmes | 3.1.3. Number of municipalities monitored on the implementation of infrastructure delivery programs | 25 | 25 | 25 | 25 | None | N/A |
| | Districts monitored on the spending of conditional grants | 3.1.4. Number of Districts monitored on the spending of National Grants | 4 | 4 | 4 | 4 | None | N/A |

***Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan*

4.3.2 Sub-programme – Cooperative Governance Support

Purpose: To monitor and evaluate performance of municipalities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Monitored implementation of Back-to-Basics action plans, appointment of Section 57 managers of the MSA as well as performance management institutionalisation. All municipalities have established Municipal Public Account Committees (MPAC). The Provincial MPAC Forum meets quarterly. MPAC considers progress reports on UIF&We cases referred to the Committee by Council for investigation. During 2022\23 external audit process, municipalities incurred additional UIF&We, particularly on the targeted 10 municipalities. One of the challenges in oversight is inconsistent reporting which hampers tracking of interventions implemented.

| Programme: Co-operative Governance | | | | | | | | |
|--|---|---|---|---|--|---------------------------------------|--|-------------------------------|
| Sub-programme: Co-operative Governance Support | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 3.2 Improved support and oversight in all municipalities | Section 47 reports compiled as prescribed by the MSA | 3.2.1. Number of Section 47 reports compiled as prescribed by the MSA (<i>Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5)</i> | 1 | 1 | 1 | 1 | None | N/A |
| | Back to Basics action plans implemented by all municipalities | 3.2.2. Number of reports on the implementation of Back-to-Basics action plans by municipalities | 4 | 4 | 4 | 4 | | N/A |

| Programme: Co-operative Governance | | | | | | | | |
|--|--|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Sub-programme: Co-operative Governance Support | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | Municipalities guided to comply with the MPRA | 3.2.3. Number of municipalities guided to comply with the MPRA (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 4) | 22 | 22 | 22 | 22 | None | N/A |
| | Municipalities supported with compilation of annual financial statements for submission to Office of the Auditor-General | 3.2.4. Number of municipalities supported with compilation of annual financial statements for submission to Office of the Auditor-General | 27 | 27 | 27 | 27 | None | N/A |
| | Capacity building interventions conducted in municipalities | 3.2.5. Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5) | 2 | 1 | 1 | 1 | None | N/A |
| | Municipalities supported to | 3.2.6. Number of municipalities | 27 | 27 | 27 | 27 | None | N/A |

| Programme: Co-operative Governance | | | | | | | | |
|--|--|--|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Sub-programme: Co-operative Governance Support | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | comply with MSA Regulations on the appointment of senior managers | supported to comply with MSA Regulations on the appointment of senior managers (Linked to MTSF 2019 – 2024, Priority 1) | | | | | | |
| | Municipalities supported to institutionalize the performance management system | 3.2.7. Number of municipalities supported to institutionalize the performance management system (PMS) (Linked to MTSF 2019 – 2024, Priority 1) | 27 | 27 | 27 | 27 | None | N/A |
| | Municipalities supported to reduce unauthorized, irregular, fruitless and wasteful expenditure | 3.2.8. Number of municipalities supported to reduce Unauthorized, Irregular, Fruitless and Wasteful expenditure (Linked to MTSF 2019 – 2024, Priority 1) | 5 | 2 | 5 | 5 | None | N/A |

| Programme: Co-operative Governance | | | | | | | | |
|--|---|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Sub-programme: Co-operative Governance Support | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | Municipalities monitored on the extent to which anticorruption measures are implemented | 3.2.9. Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Linked to MTSP 2019 – 2024, Priority 1) | 5 | 27 | 27 | 27 | None | N/A |

***Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan*

4.3.3 Sub-programme: Democratic Governance and Disaster Management

Purpose: To coordinate Intergovernmental Relations, Public Participation and Governance

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

On governance, municipalities were assessed on engaging communities through established ward committees. Community development programme has been implemented in all 22 local municipalities, although there is a challenge of sufficient personnel in the programme. Mopani and Vhembe recorded high vacancies on community development workers. Ward profiles have been developed and being monitored on a quarterly basis. In responding to issues raised by communities to all sectors of government, electricity, social grants, housing and water remain top concerns by communities.

Vhembe, Waterberg, Mopani District Disaster Management Centers and Lephalale Local Disaster Management Centre have existing infrastructure. The remaining two Districts (Sekhukhune and Capricorn) as well as twenty-one local disaster management centers have not yet been established. Lack of site and budget are attributed for non-establishment for Sekhukhune and Capricorn Districts. The project to review the Provincial Disaster Management Plan (PDMP) will commence in 2024/25 financial year.

An amount of R113 613 000.00 has been allocated and transferred to municipalities and is expected to be spent within six (06) months from February 2024 to July 2024 for the repair of damaged access streets and bridges.

| Programme: Co-operative Governance | | | | | | | | |
|---|---|---|---|---|--|---------------------------------------|--|-------------------------------|
| Sub-programme: Democratic Governance and Disaster Management | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 3.3 Improved governance, oversight and intergovernmental Planning | Functional District IGR Structures | 3.3.1 Number of reports compiled on the functionality of 5 District IGR Structures | 4 | 4 | 4 | 4 | None | N/A |
| | Municipalities supported to maintain functional Disaster Management Centres | 3.3.2 Number of municipalities supported to maintain functional Disaster Management Centres | 5 | 5 | 5 | 5 | None | N/A |
| | Municipalities supported to maintain functional ward committees | 3.3.3 Number of municipalities supported to maintain functional ward committees (<i>MTSF 2019 – 2024, Priority 1</i>) | 22 | 22 | 22 | 22 | None | N/A |
| | Reports on functionality of disaster management advisory forum | 3.3.4 Number of reports compiled on functionality of disaster management advisory forum | 4 | 4 | 4 | 4 | None | N/A |
| | Municipalities supported to respond to community concerns. | 3.3.5 Number of municipalities supported to resolve community concerns (Outcome-9: | 27 | 27 | 22 | 22 | None | N/A |

| Programme: Co-operative Governance | | | | | | | | |
|--|--------|-------------------------------|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Sub-programme: Democratic Governance and Disaster Management | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | | Sub-Outcome 2) (B2B Pillar 1) | | | | | | |

***Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan*

4.3.4 Sub-Programme: Development Planning

Purpose: To provide and facilitate provincial development and planning

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

All municipalities have convened their IDP Representative Forums to allow for public inputs in the various phases of the IDP. All twenty-two (22) local municipalities are implementing the Community Work Programme and in the year under review additional 1 586 work opportunities were achieved. Compliance with Spatial Planning and Land Use Management Act has been monitored and support provided where there are gaps, particularly to unlock development initiatives that have significant economic impact.

| Programme: Co-operative Governance | | | | | | | | |
|--|--|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Sub-programme: Development Planning | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 3.4 Improved governance, oversight an intergovernmental Planning | Municipalities supported on Local Economic Development (LED) | 3.4.1 Number of LED initiatives / interventions implemented in municipalities | 5 | 5 | 6 | 6 | None | N/A |
| | Municipalities supported with development of | 3.4.2 Number of municipalities with | 27 | 27 | 27 | 27 | None | N/A |

| Programme: Co-operative Governance Sub-programme: Development Planning | | | | | | | | |
|---|---|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|------------------------|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | credible and implementable IDPs | legally compliant IDPs | | | | | | |
| | Municipalities supported with implementation of SDF | 3.4.3 Number of municipalities supported with implementation of SDFs in line with SPLUMA | 27 | 27 | 27 | 27 | None | N/A |
| | Municipalities supported with demarcation of sites | 3.4.4 Number of municipalities supported with demarcation of sites | 22 | 22 | 22 | 22 | None | N/A |
| | Municipalities supported to implement LUS in line with guidelines | 3.4.5 Number of municipalities supported with implementation of LUS | 22 | 22 | 22 | 22 | None | N/A |
| | Municipalities supported with the readiness to implement SPLUMA | 3.4.6 Number of municipalities supported with Implementation of SPLUMA | 22 | 22 | 22 | 22 | None | N/A |
| | District Municipalities supported to implement One Plan | 3.4.7 Number of Districts monitored on the implementation of One Plans (MTSF 2019 – 2024, | 5 | 5 | 5 | 5 | None | N/A |

| Programme: Co-operative Governance Sub-programme: Development Planning | | | | | | | | |
|---|---|---|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | | Priority 5: Spatial integration, human settlements, and local government) | | | | | | |
| | Work opportunities reported through Community Works Programme (CWP) | 3.4.8 Number of work opportunities reported through Community Work Programme (CWP) (MTSF 2019-2024, Priority 2) | New indicator | New indicator | 29 400 | 30 986 | 1 586 | The Department of Co-operative Governance has granted an additional 10% allowance to exceed the target |

***Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan*

Linking performance with budgets

Actual expenditure of the adjusted appropriation for 2023\24 is at 98% one percentage point higher from 2022\23 financial year. Overall underspending is attributed to items in goods and service. The items are, review of outdated township establishment (Molemole Municipality) and Municipal capacity building intervention. There is progress on underspending items - Appointed service provider for township establishment is implementing the project and the database for capacity building programme has been established.

Sub-programme expenditure

| Sub- Programme Name | 2022/2023 | | | 2023/2024 | | |
|---------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Local Governance | 235,827 | 230,570 | 5,257 | 247,802 | 245,434 | 2,368 |

| Sub- Programme Name | 2022/2023 | | | 2023/2024 | | |
|----------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Development Planning | 52,798 | 48,463 | 4,335 | 50,606 | 48,031 | 2,575 |
| Total | 288,625 | 279,033 | 9,592 | 298,408 | 293,465 | 4,943 |

Strategy to overcome areas of under performance

- i Continuous monitoring and support to municipalities to strengthen their capacity to management these expenditures.
- ii MPAC EXCO resolved to have one on one with identified municipalities.

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

The sector did not standardize the output indicators for the financial year as denoted in footnote 1 of the official standardized outputs from the DPME.

4.4 Programme 4: Traditional Affairs

Purpose: The Programme aims to support institution of Traditional Leadership to operate within the context of Co-operative Governance. This is pursued through the following sub-programmes:

Sub-Programme : Traditional Institutional Administration and Administration of Houses of Traditional Leaders

Purpose : To promote the affairs of Traditional Leadership and institutions Traditional Institutional Development Outcomes

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Traditional Councils have been supported with administratively and by provision of tools of trade, of significance this year the sector managed to implement Anti GBVF Intervention/campaigns in partnership with stakeholders. Management of disputes in traditional leadership has been enhanced with appointment of investigative committee in line with the requirement of the TKLA.

| Programme: Traditional Affairs | | | | | | | | |
|---|--|--|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|---|
| Sub-programme: Traditional Institutional Administration and Administration of Houses of Traditional Leaders | | | | | | | | |
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| 4.1 Developmental Traditional Institutions | Traditional council which can perform their functions. | 4.1.1 Number of traditional councils supported to perform their functions. | 185 | 201 | 203 | 203 | None | N/A |
| | | 4.1.1.a) Number of Senior Traditional Leaders Provided with a vehicle | New indicator | New indicator | 90 | 163 | 73 | The Provincial Treasury has provided extra funding to facilitate the acquisition of additional vehicles during the adjustment period. |
| | | 4.1.1.b) Number of Traditional councils | New indicator | New indicator | 30 | 34 | 4 | Additional Traditional councils from rollover |

| Programme: Traditional Affairs Sub-programme: Traditional Institutional Administration and Administration of Houses of Traditional Leaders | | | | | | | | |
|---|---|--|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2021/2022 | Audited Actual Performance 2022/2023 | Planned Annual Target 2023/2024 | **Actual Achievement 2023/2024 | Deviation from planned target to Actual Achievement 2023/2024 | Reasons for deviations |
| | | Provided with furniture | | | | | | approved from 2022\23 |
| | Sittings of the Provincial House of Traditional Leaders. | 4.1.2 Number of reports for the sittings of the Provincial House of Traditional Leaders. | 2 | 2 | 4 | 3 | 1 | The 3 rd quarter sitting was not approved by the Premier due to Legislature recess period |
| | Traditional leadership disputes referred to the house by the Premier processed. | 4.1.3 Percentage of Traditional leadership succession disputes processed | 44% | 100% | 100% | 0 | 100% | Cases are at different stages of being processed |
| | Anti-GBVF Intervention/campaigns facilitated for traditional leadership | 4.1.4 Number of Anti GBVF Intervention/campaigns for traditional leadership (Pillar 2: Prevention and Restoration of Social Fabric of the NSP) | 3 | 2 | 4 | 6 | 2 | More campaigns were conducted during the fourth quarter |
| | Initiation schools facilitated and held in areas of Traditional and Khoi-San Leadership | 4.1.5 Number of reports on initiation schools | New indicator | New indicator | 4 | 4 | None | N/A |

***Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan*

Linking performance with budgets

The programme has spent 88% of the adjusted allocation compared to 90% in 2022\23 financial year. Overall underspending is attributed to delays on delivery of Senior Traditional Leaders vehicles, delivery of furniture for Traditional Council offices and as well as non-spending on Vhavenda and Bapedi Kingship projects. The progress made is as follows: Furniture is being delivered. Procurement of vehicles have been concluded for all qualifying Traditional Councils and 95 handed over to Senior Traditional Leaders.

Sub-programme expenditure

| Sub- Programme Name | 2022/2023 | | | 2023/2024 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Traditional Institutional Admin | 513,936 | 463,804 | 50,132 | 584,038 | 511,750 | 72,288 |
| Administration of House of Traditional Leaders | 17,569 | 12,327 | 5,242 | 47,623 | 47,213 | 410 |
| Total | 531,505 | 476,131 | 55,374 | 631,661 | 558,963 | 72,698 |

Strategy to overcome areas of under performance

- i Proper alignment of the LPHTKL and the Limpopo Legislature programme.
- ii Royal families to be encouraged not to resolve disputes through courts.

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

The sector did not standardize the output indicators for the financial year as denoted in footnote 1 of the official standardized outputs from the DPME.

1. TRANSFER PAYMENTS

5.1. Transfer 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 |
|----------------------------|---|---|-----------------------------------|--|
| Housing Development Agency | Land facilitated for acquisition & release of 50 hectares of land for human settlements development | R 66, 991, 000 | R 66, 991, 000 | <ul style="list-style-type: none"> Portion 42 of the Farm Vogelenzang 3 MT. A recommendation letter for the acquisition compiled and submitted on 30 January 2024. Portion 2, 8 and 18 of the Farm Kirkvorschfontein 57 JS. On the 13th of March 2024, a meeting was held with Elias Motsoaledi Local Municipality, CoGHSTA, the three families owning properties namely; Portion 2, 8 and 18 of the Farm Kirkvorschfontein 57 JS, as well as affected community members. It was resolved that further engagements be held with the families to finalise the proposed acquisition. Three (3) Property Valuation Reports completed for Louis Trichardt Extension 8, negotiations with the Landowner to follow. |
| | Project preparation and implementation support for informal settlements upgrading programme. | | | The Service provider was appointed on 02 February 2024. The Service Level Agreement (SLA) was signed on the 27 February 2024 |
| | Title deeds Registered. | | | 33 title deeds registered |
| | Medium Term Human Settlements Project Programme and plan | | | Drafted the MYHSDP |
| | Asbestos roof replacement/removal and audit | | | 1000 roofs replaced Stage 1 (Inception) –Completed in all 22 municipalities. Stage 2 (Pre-Assessment) – 10 571 houses assessed in various municipalities Stage 3 (Assessed Structures) – 12 048 houses assessed in various municipalities within the Limpopo province, Stage 3 reports are underway |

5.2. Transfer payments to all organisations other than public entities

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

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|--------------------|----------------------|---------------------------------------|--|----------------------------|----------------------------|---|
| None | | | | | | |

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

| Name of transferee | Purpose for which the funds were to be used | Amount budgeted for (R'000) | Amount transferred (R'000) | Reasons why funds were not transferred |
|--------------------|---|-----------------------------|----------------------------|--|
| None | | | | |

2. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

Not Applicable

6.2. Conditional grants and earmarked funds received

The department received three conditional grants during the year under review as follows:

- Human Settlement Development Grant to address various housing needs in accordance with the Housing Act and its applicable frameworks.
- Informal Settlements Upgrading Partnership Grant, specifically to address challenges of informal settlements in the province from planning to actual construction of housing properties.
- Extended Public Works Programme, to contribute to reduction of unemployment and providing experience to participants

| ALL ECONOMIC CLASSIFICATION | BUDGET R'000 | ACTUAL EXPENDITURE R'000 | BALANCE R'000 | % SPENT |
|--|------------------|--------------------------|---------------|---------------|
| CONDITIONAL GRANTS | | | | |
| Human Settlement Development Grant | 1,200,766 | 1,199,962 | 804 | 99.9% |
| Informal Settlements Upgrading Partnership Grant | 388,942 | 329,204 | 59,738 | 84.6% |
| Extended Public Works Programme | 1,769 | 1,769 | - | 100.0% |
| Total | 1,591,477 | 1,530,935 | 60,542 | 96.20% |

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2023 to 31 March 2024.

Conditional Grant: Human Settlements Development Grant

| | |
|---|--|
| Department who transferred the grant | National Department of Human Settlements |
| Purpose of the grant | To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements. |

| | |
|---|---|
| Expected outputs of the grant | <ul style="list-style-type: none"> i. Number of residential units delivered in relevant housing programmes ii. Number of title deeds registered to beneficiaries iii. Hectares of well-located land acquired (and zoned) iv. Number of socio-economic amenities delivered in human settlements v. Number of integrated residential development projects planned, approved, funded and implemented vi. Number of township registers opened in respect of pre and post 1994 Title Deeds Backlog vii. Number of beneficiaries confirmed as legitimate in registered townships in respect of pre and post 1994 Title Deeds Backlog |
| Actual outputs achieved | <ul style="list-style-type: none"> • Supported two municipalities on accreditation • Four informal settlements with approved layouts • Reviewed multiyear human settlements development plan • 7 023 houses delivered through relevant housing programmes • 1 676 title deeds registered • Job opportunities created through construction projects |
| Amount per amended DORA | 1, 200, 766 |
| Amount received (R'000) | 1, 200, 766 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 1,199,962 |
| Reasons for the funds unspent by the entity | Late appointment of conveyancers for Pre -1994 title deeds and some of the houses were built on unproclaimed townships. |
| Reasons for deviations on performance | <ul style="list-style-type: none"> • Protracted process due to price negotiations and valuation by HDA • Under performance, incompetent Principal Agent (PA) and disputes on the payment certificate which led to termination of the PA's contract |
| Measures taken to improve performance | <p>Submission made to Provincial Treasury during February for concurrence for Portion 16 of Farm Vogelenzag No. 3 in Musina.</p> <p>The service provider for Marapong CRU and the Department have reached consensus on the matter of performance and management.</p> <p>Service providers appointed to finalise the opening of Township registers in Polokwane and Greater Tzaneen municipality.</p> |
| Monitoring mechanism by the receiving department | Quarterly performance reviews, monthly reports. |

Conditional Grant: Informal Settlement Upgrading Partnership Grant

| | |
|---|---|
| Department who transferred the grant | National Department of Human Settlements |
| Purpose of the grant | To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements informal settlements |
| Expected outputs of the grant | <ol style="list-style-type: none"> 1. Number of settlements provided with permanent municipal engineering services and/ or any other 2. Alternate engineering services 3. Number of serviced sites developed 4. Number of social & economic amenities. The specific types of amenities must only be provided in collaboration with municipality and the community 5. Number of sites transferred to end users 6. Number of households with secure tenure 7. Land Acquisition |
| Actual outputs achieved | <ul style="list-style-type: none"> • 2 525 Serviced sites • Engineering Infrastructure (Design of bulk sewer) |
| Amount per amended DORA | 388, 946 |
| Amount received (R'000) | 388, 946 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 329, 204 |
| Reasons for the funds unspent by the entity | Earmarked land for acquisition still under evaluation and approval by DPWR&I and Provincial Treasury as well as delayed appointment of bulk designs service providers |
| Reasons for deviations on performance | Incomplete bulk projects which were implemented simultaneously with servicing of sites delayed commissioning of projects |
| Measures taken to improve performance | <p>Bulk infrastructure pipeline has been developed with 25 projects across five districts in order to unlock the servicing of sites.</p> <p>Submission made to Provincial Treasury during February for concurrence for Portion 16 of Farm Vogelenzag No. 3 in Musina</p> |
| Monitoring mechanism by the receiving department | Quarterly performance reviews, monthly reports |

Conditional Grant: Extended Public Works Programme

| | |
|---|---|
| Department who transferred the grant | National Department of Public Works |
| Purpose of the grant | To incentivise provincial departments to expand work creation efforts through the use of labour-intensive delivery methods. |
| Expected outputs of the grant | Number of employment opportunities provided |
| Actual outputs achieved | 1 460 beneficiaries |
| Amount per amended DORA | R1, 769, 000 |
| Amount received (R'000) | 1, 769 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 1, 769 |
| Reasons for the funds unspent by the entity | N/A |
| Reasons for deviations on performance | Underreporting of jobs by some of the service providers. |
| Measures taken to improve performance | SLA enhanced to make jobs created report part of payment certificate |
| Monitoring mechanism by the receiving department | Quarterly performance reviews, monthly reports |

The department received four earmarked funds during the year under review as follows:

- Kingship funds to address various operational needs of the three kingships in the province.
- Construction of Traditional Councils funds to address the construction of traditional council offices.
- Purchase of Furniture and vehicles, to provide for the tools of trade for the Traditional leaders and furniture for new offices and replacement of those worn out

| ALL ECONOMIC CLASSIFICATION | BUDGET R'000 | ACTUAL EXPENDITURE R'000 | BALANCE R'000 | % SPENT |
|--|----------------|--------------------------|---------------|------------|
| Earmarked Funds | | | | |
| Kingship | 16,602 | 7,156 | 9,446 | 43% |
| Construction of Traditional Councils | 48,500 | 35,988 | 12,512 | 74% |
| Purchase of Furniture | 8,190 | 8,177 | 13 | 100% |
| Purchase of Traditional Leaders Vehicles | 93,500 | 48,792 | 44,708 | 52% |
| Total | 166,792 | 100,113 | 66,679 | 60% |

Performance on earmarked funding was affected by delays on purchase of Senior Traditional Leaders vehicles after receiving additional funding during adjustment, purchase of Traditional Council office furniture and as well as non-spending on Vhavenda and Bapedi Kingship projects where there are leadership disputes.

3. DONOR FUNDS

No donor funds were received

4. CAPITAL INVESTMENT

None

PART C: GOVERNANCE

1. INTRODUCTION

Governance structures provide overall guidance and direction for the functioning of the Department. It is envisaged that the management committees provide effective administrative support and efficiency of the department to facilitate decision making and promote accountability. The internal control system is designed to assist the department, senior management and Executive management, and provides reasonable assurance from a control perspective that the department is being operated consistently within the: Strategy and risk appetite set, agreed departmental objectives, agreed policies and processes and Laws and regulations.

2. RISK MANAGEMENT

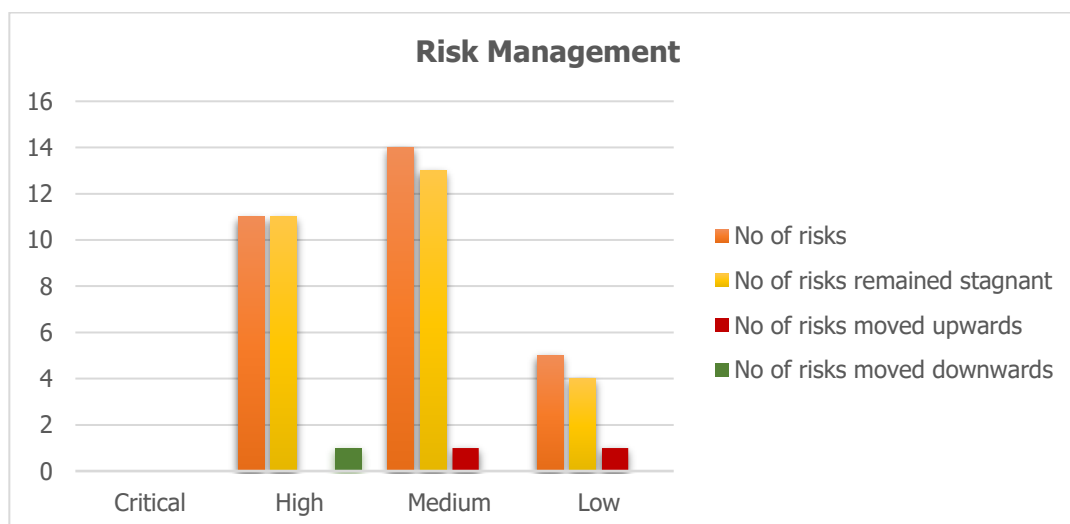
The risk management strategy was adopted by the Risk Management Committee and approved by the Head of Department. The departmental risk management policy is reviewed at the end of every three years. It is due for review by the end of September 2024.

Risk assessment is conducted on an annual basis to identify new and emerging risks and to set the tone for risk management activities. Risks are identified consistent with the mandate and outcomes of the Department to ensure relevance. Management developed risk mitigating measures to deal with the risks identified during risk assessment and the progress in mitigating the risks is reported on quarterly basis.

The department has a Risk Management Committee (RMC) appointed by the Accounting Officer and it is chaired by the independent RMC Chairperson with a responsibility to advice management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The RMC meets at least once per quarter to perform duties as stated in the Risk Management Committee Charter and consider progress made with regard to mitigation of significant risks towards achievement of Departmental Outcomes as well as the overall system of risk management. The RMC Chairperson submit a report to management together with recommendations for implementation in the areas of improvement.

The Audit Committee considers quarterly progress on implementation of mitigation measures to address the significant risks and advises the Department on risk management and independently monitors the effectiveness of the system of risk management. The Audit Committee further submit recommendations on issues that needs specific attention by the department.

The table below depicts the number of risks identified for the financial year under review and the movement thereof. During the financial year under review, one risk moved from high residual rating to medium and another one moved from medium to high. In essence there was no significant progress in the management of risks although there was a noticeable improvement in the department's overall performance.



In order to address this problem, the department in its risk assessment for financial year 2024-25, ensured that risk mitigations are enhanced and strengthened to address the real root causes. That has included the strategies to address service delivery targets achievement, financial management as well as project management activities. The other categories made significant progress i.e. Operational, ITC and Fraud and Corruptions risks.

3. FRAUD AND CORRUPTION

The Department has an Anti-Fraud and Corruption Strategy in place and the Anti-fraud and Corruption Implementation Plan which is founded on the principle of “zero tolerance” towards fraud and corruption. Furthermore, it is committed to the establishment of a culture of fair and just administration and transparency and accountability which is aimed at achieving the highest ethical behaviour amongst its employees.

A whistle blowing policy and over-arching strategies are available which enable officials and third parties to report fraud and corruption anonymously. Employees are, through these mechanisms, encouraged to report illegal practices to the Directorate, their managers, the Premier, the Presidency, National Anti-Corruption Hotline and other external government entities. During the year under review, the Department has managed to institute investigations of all cases reported.

The departmental Anti-Fraud unit further assists municipalities on various anti-fraud activities. Current challenges are shortage of investigators that result in some investigations taking longer than expected. As an intervention, the department will consider prioritising some additional investigators in the recruitment plan for 2024/25 financial year.

4. MINIMISING CONFLICT OF INTEREST

The Department, through the Labour Relations, conducted advocacy workshops (for officials on level 1-12) on matters relating to ethics management and conflict of interest. The workshops covered topics such as Code of Conduct for Public Servants, Financial disclosures, Remunerative Work Outside Public Service (RWOPS) and lifestyle audit. Workshops for the members of Senior Management Services (SMS) on similar topics are conducted by the Public Service Commission. The workshops assist in minimising conflict of interest as officials are alerted on various activities which have potential to pose conflict of interest, and how to react to such situations.

Furthermore, in accordance with the DPSA's directives, members of Senior Management Services, Middle Management Services (MMS) (level 11-12), Assistant Directors (Levels 9-10), Supply Chain Management and Finance are directed to disclose their financial interest. SMS members disclose from the 1-30 April and other designated members, from 1 June-31 July. The Department has achieved 100% compliance.

Section 30 of the Public Service Act makes it mandatory for employees to seek approval of the Executive Authority in instances where they decide to conduct remunerative work outside public service. All officials are therefore required to apply to the Executive Authority for approval before conducting such work/business.

In instances where conflict of interest is detected, an official is formally engaged to remove the conflict. For example, if it is detected that an official is a member or Director of a company, and such company is registered in the Treasury's Central Database of Suppliers (CSD), such official would be required to immediately resign from the company or remove the company from the CSD. In instances where conflict of interest has been breached, disciplinary action inquiry is conducted as such conduct is tantamount to contravention of code of conduct. The conduct includes conducting RWOPS without approval of the Executive Authority or conducting work with a state organ.

5. CODE OF CONDUCT

There is an approved Disciplinary Code and Procedure policy for the management of Discipline in the Department. The policy applies to officials in level 1-12. Disciplinary process for SMS members is conducted in line with Chapter 7 of the SMS handbook (Chapter 7). Both the policy and the SMS Handbook are utilised in concurrence with other pieces of legislations including but not limited to the Labour Relations Act, Code of Conduct for Public Servants, Public Service Act and Public Service Regulations of 2016. The department conducts advocacy workshops every year to ensure that officials are made aware of the existence of the policy.

The breach of conduct occurs when an official is found to have committed a misconduct as outlined in the policy or any conduct deemed to be a misconduct which warrants disciplinary action. In most instances, an investigation is conducted and if there are sufficient grounds implicating an official for wrongdoing, then action will be taken against such official. The disciplinary process is initiated by Labour Relations at the behest of the Head of Department. When the misconduct is of a serious nature and there are reasonable suspicions that the implicated officials may tamper with evidence, then such official may be put on precautionary suspension pending finalisation of an investigation.

There are various sanctions that can be imposed on an official after a disciplinary hearing: that includes counselling, written warning, final written warning, suspension without pay, demotion or dismissal. In certain instances (where the alleged misconduct is of a less serious nature) an informal disciplinary mechanism can be utilised and a sanction of verbal warning, written warning or final written warning may be imposed without a formal disciplinary hearing. However, such warnings are considered in the event an employee is later charged with a similar misconduct within a period of six months of receipt of the warning.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department has an appointed Occupational Health and Safety (OHS) Custodian who is responsible for overseeing compliance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and all related regulations. Occupational Health and Safety Representatives were appointed, and the Committee is responsible for ensuring that the Department complies with the Occupational Health and Safety Act working closely with OHS custodian. The OHS representatives comprise of employees from Head Office and the District Offices including Traditional Councils. The OHS representatives were trained on how to deal with OHS issues. There are 4 quarterly meetings that are arranged to be held annually to discuss OHS matters. Departmental buildings are inspected, and reports compiled for management intervention. The Department of Employment and Labour inspected the Departmental Buildings and found them to be non-compliant. The Department has been given time to address the matters raised, however, most of the raised matters require funds of which the department is short of. OHS Risk register is in place and utilised to register all the risks identified that need to be attended to.

7. PORTFOLIO COMMITTEES

Meeting Date: 07 November 2023

| Matter raised | Response/Progress |
|---|--|
| 1. Issues raised by AG and SCOPA must be addressed | Progress report included in the briefing documents |
| 2. Underspending on conditional grants especially on Informal Settlements | Appointed for designs/ planning to ensure services are able to be connected. Expenditure of the grant at year end has improved from 59% in 2022\23 to 85% in 2023\24 |
| 3. Cost containment, effects on appointments during the year and or vacancies | Some post removed from Annual Recruitment Plan |
| 4. Utilisation of consultants while municipality's audit outcome is not improving | Department is limited on interventions, main challenge support staff for CFO's with no capacity. |
| 5. Settling of land procured in Tubatse with AGSA to remove it from the books | MEC met with HAWKS. They are following where the money went on the difference on the valuations R108 million. Currently the acquired land is being serviced for human settlements. |

Meeting Date: 22 August 2023

| Matter raised | Response/Progress |
|---|--|
| a) The department to advise Traditional Leaders on appointment of Leaders | <p>a) On petitions by Traditional Leaders. The sector is considering threshold community of control for recognition of Headmen/Women.</p> <p>b) Requested Treasury to rein fence the funds/budget of recognition of Traditional Leaders</p> <p>c) The current appointments in the branch should assist replacement of Traditional Leaders</p> <p>d) Project of archiving of Genealogy to shorten the process of recognitions.</p> |
| <p>b) Concern raised on the performance of the following projects:</p> <ul style="list-style-type: none"> • Vingerkraal performance • Marapong CRU • Altoostyd | <ul style="list-style-type: none"> • The project was recalled from HDA and the Department has appointed the PA aligned to the main contract term. • Altoostyd - more half a billion has been invested in the project, would provide 2000 serviced sites. Limitation was on planning between CoGHSTA & Municipality as additional funding is not available or not secured. Priority will be given to needy households for allocation of units. • The project is implemented as In-situ. There are 6 households that are demanding R80 000 for relocations. The department does not have money to settle these demands, engagements are on-going. |
| c) Update on provision of vehicles for traditional leaders. | Department committed to deliver the vehicles. In total, procured of 163 vehicles and to date 95 vehicles have been handed over to the Senior Traditional Leaders |

Meeting Date: 09 May 2023

| Matter raised | Response/Progress |
|---|---|
| <p>Submit the following reports to the Committee</p> <ul style="list-style-type: none"> i Detailed report on land acquired in Lephalale during 2022\23 ii Progress of relocating government offices from Lebowakgomo to Jane Furse iii Detailed report on implementation of military veterans programme. iv Detailed report on underspending of the conditional grants for 2022\23 FY | The reports were submitted to the Committee |
| Progress on SCOPA resolution implementation to be presented during all briefings | Progress report included during the year under review |

Meeting Date: 20 April 2023

| Matter raised | Response/Progress |
|--|--|
| Underspending of conditional grant | Appointed for designs/ planning to ensure services are able to be connected. Expenditure of the grant at year end has improved from 59% in 2022\23 to 85% in 2023\24 |
| Update on the Tubatse land acquisition by law enforcement | The investigation by the Directorate for Priority Crime Investigation (DPCI) is still underway, feedback will be provided as and when updates are received. |
| Provide detailed reports on the following: <ul style="list-style-type: none"> <input type="checkbox"/> Intervention by EXCO in Mopani district municipality <input type="checkbox"/> Integrated land development by all conditional grants <input type="checkbox"/> Sekhukhune district municipality on funds lost and recovery processes <input type="checkbox"/> Disaster relief grants applications in the province <input type="checkbox"/> Altoostyd and Marapong CRU projects timelines | The reports were submitted to the Committee |

8. SCOPA RESOLUTIONS

The table below details SCOPA resolutions related to 2022\2023 financial year.

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---|---|---|-------------------|
| 1 | Resolutions status and stagnant in the audit outcomes | Executing Authority, the committee noted that the Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA) has not yet implemented all the House resolutions from 2014/15 to 2020/21 financial years. Further that, CoGHSTA has been stagnant with unqualified audit opinion with matters of emphasis since 2017/18 financial year to date. | An analysis has been conducted from 2017/18 to 2020/21 of the root causes of the findings and mitigations that have been implemented to-date to improve the audit opinion outcome. Detailed mitigations have been reported on the report of the 31st March 2021 for SCOPA consideration. The Provincial Treasury is monitoring the implementation of audit action plan. Where issues are resolved and means of verification is audited, the audit action plan is updated to clear those issues. On quarterly basis the department submits the progress that has been made for review to Provincial Treasury and currently the department managed to resolve 34 out of 48 findings which represent 71% of the total findings. The remaining 29% are in progress and there are prospects that 14 of them will be resolved by the end of June 2024. | No |
| 2 | Irregular expenditure | Executing Authority, on paragraph 36 of the AG's report, the AG reports that effective and appropriate steps were not taken to prevent irregular expenditure of | The original contracts for low-cost houses were awarded in the 2021/2022 financial year, the audit declared procurement process was irregular on the basis that one of the bidders was | No |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|--|--|-------------------|
| | | <p>R74, 541 million as disclosed on page 118 of the annual report. Cumulative irregular expenditure as of 31 March 2023 amounts to R546, 833 million. The majority of the irregular expenditure was caused by the irregular establishment of an additional panel of service providers on the construction of low-cost houses.</p> <p>On paragraph 37, some of the commodities designed for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8 (5).</p> <p>On paragraph 38, some of the contracts were awarded to bidders on evaluation/adjudication criteria that were not stipulated and differed from those stipulated in the original invitation for bidding as required by Treasury Regulation 16A6.3 (a) and (b).</p> | <p>erroneously disqualified. The contract continued into 2022/2023 financial as the service was required therein all subsequent expenditure incurred relating to the contract was therefore irregular and disclosed in the Annual Financial Statement. The contract could not be terminated, and the expenditure could not be prevented due to the contract still under investigation.</p> <p>Furthermore other) irregular expenditure were related to local content application that was eventually discontinued by DTI on the procurement. The additional irregular of close family members interest in the procurement of the Department without failure to disclose in the tender document resulted in the irregular even though their family members working for the Department did not have any participation in the Bid Committee and the Department relied on the CSD as the only means of verification for this matter.</p> <p>The Department rely on the Central Supplier Database (CSD) to identify directors relation with departments close family members, partners or associates. The CSD is the only single platform provided by Treasury to verify employment of prospective bidders by organs of state, no additional computer assisted audit techniques to identify employees" relation with service providers. The Department rely on manual disclosure form which employees fail to declare interest on the financial disclosure form.</p> <p>The Department has several measures put in place to prevent the anomaly as follows:</p> <ul style="list-style-type: none"> - The Department has reviewed its internal global and developed SCM Financial delegation of Powers. - The department has appointed the Chief Director: SCM, CFO and Internal Control officials between December 2022 and December 2023 - Supply Chain Management (SCM) officials as well as Bid Committee members were trained on procurement | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|------------------------------------|---|---|-------------------|
| | | | <p>processes by both Provincial and National Treasury.</p> <ul style="list-style-type: none"> - Implementation of the SCM monitoring tool issued by provincial Treasury. - Checklist has been developed and implemented to ensure compliance with all the procurement processes. - Implementation of the internal control framework and the establishment of the Internal Control unit reporting to the CFO. - The internal control unit has started conducted probity audit reviews on procurement of goods and services amongst others to ensure compliance with legislative prescripts in SCM unit. | |
| 3 | Fruitless and wasteful expenditure | <p>Executing Authority, on paragraph 41 of the AG's report, the AG reports that losses resulting from fruitless and wasteful expenditure of R1 000 were not recovered from the liable persons, as required by treasury regulation 9.1.4. Cumulative fruitless and wasteful expenditure as at 31st March 2023 amounts to R114, 987 million.</p> | <p>The amount of R1000 was a result of penalty charged. The Department did not recover as yet the financial losses for the fruitless and wasteful expenditure (s) incurred due to the investigation into the charge. The department will consider action (s) against any official on the fruitless and expenditure incurred after the investigation report recommendations has been considered and approved. The accumulated fruitless and wasteful expenditure are being deal with in line with the same process therein tabled at FMB. The Department has several measures put in place to prevent the anomaly as follows:</p> <ul style="list-style-type: none"> - The Department has reviewed its internal global and SCM Financial delegation of Powers. - The department has appointed the Chief Director: SCM effect from 19th December 2022. - Supply Chain Management (SCM) officials as well as Bid Committee members were trained on procurement processes by both Provincial and National Treasury. - Implementation of the SCM monitoring tool issued by provincial Treasury. - Checklist has been developed and implemented to ensure compliance with all the procurement processes. - Implementation of the internal control framework and the establishment of the Internal Control unit reporting to the CFO. | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------------------------|--|--|-------------------|
| | | | - The internal control unit has started conducted probity audit reviews on procurement of goods and services amongst others to ensure compliance with legislative prescripts in SCM unit. | |
| 4 | Impairment of receivables | Executing Authority, on paragraph 7 of the Auditor General's (AG) report, the AG reports that the department made an impairment provision of R15 908 000 (2022: R15 772 000) in respect of doubtful receivables. | <p>The department has a total of 337 litigation cases against the department. Out of the 337 cases, 314 are from Headmen/women claiming payment of allowances and one (1) of headmen/women who were dismissed in Bahananwa Traditional Council making up 93% of the total cases. There is other fifty-seven (57) Traditional Affairs cases which emanates from the Kgatla Commission. These cases are not included in the litigation as there is no money claimed against the department. The 7% is made up of twenty-three (23) cases. Twelve (12) cases are as a result of Section 100 intervention that was implemented in the Province where companies claimed that the department did not pay certain invoices. Some of these cases have been dormant since 2012.</p> <p>The department has an approved Standard Operating Procedure (SOP) on how to deal with these categories of cases, especially those that have been dormant for a prolonged period. We are in the process of developing the policy on litigation which will be finalized by the end of September 2023.</p> <p>The department received support from Provincial Treasury on finalizing the litigation. A meeting with Provincial Treasury and Auditor General was held on how to reduce some of the cases on the contingency register to determine how the cases can be dealt with. The department assessed, categorized and recommended whether the cases should remain in the register or not. This exercise has resulted in the reduction of the litigation register from R373 180 536.02 to R258 635 779,87. Detailed report is available on the categories of cases.</p> | No |
| 5 | Significant uncertainties | Executing Authority, on paragraph 8 of the AG's report, the AG reports that the department is currently involved in litigation with various service providers and third parties. The ultimate | The audit has identified a debt over 1 year which been impaired due to the Department been unable to recoup over years to litigation case. Furthermore, the department has developed measures such as an approved | No |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---|---|---|-------------------|
| | | outcome of these matters could not be determined and no provision for any liability that may result has been made in the financial statements. | Standard Operating Procedure (SOP) on how to deal with categories of cases, especially those that have been dormant for a prolonged period. The Department in process of developing the policy on litigation. The department received support from Provincial Treasury on finalizing the litigation register. A meeting with Provincial Treasury and Auditor General was held on how to reduce some of the cases on the contingency register to determine how the cases can be dealt with. | |
| 6 | Underspending of the conditional grants | Executing Authority, on paragraph 9 of the AG's report, the AG reports that the department materially underspent the budget by R139 399 million on informal settlement upgrading partnership grant. | The Department under spent on the Grant due to most of these new projects started later due to a high volume of bids received and further that the department had to re-advertise some of the non-responsive bids (insert statistics). The Department measures as part of improving forward-planning, the department advertised bids for the planning, design and preparation of tender documentation to ensure a pipeline of multi-year bulk infrastructure projects. Considering that the early stage of planning requires consultations with affected municipalities and water service authorities, as well as approval of designs, this resulted in delayed expenditure, with most engineers registering significant progress later in the financial year. A recovery plan was developed after programme performance analysis. The implementation of the plan is closely monitored hence expenditure has improved to 84% as at the 31 March 2024 with the balance of underspending at R60,528,873.01. The measures undertaken to improve the expenditure were as follows: - A recovery plan developed after programme performance analysis. - Forward-planning by advertising bids for the planning, design and preparation of tender documentation | No |
| 7 | Achievement of planned target | Executing Authority, on paragraph 23 of the AG's report, the AG reports that the processes established to consistently measure, and report achievements of the indicators | The Department processes to measure and report achievements of indicators was not accurately supported with all means of verification to ascertain that indicators/target set were achieved therein it was not enough to provide | No |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|--|---|-------------------|
| | | <p>were inadequate. Adequate supporting evidence was not provided for auditing.</p> <p>On paragraph 24, the overachievement of the reported achievement did not agree with the planned target. The supporting evidence indicated the reasons to be exclusive of land acquired in Lephalale and not investment through acquisition of land in Lephalale and engineering services roll over projects as reported in the annual performance report.</p> <p>On paragraph 25, the AG could not determine the actual achievement on the number of job opportunities created through construction of houses and servicing sites.</p> <p>On paragraph 40, the AG reports that specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (ii).</p> | <p>reasonable assertion on the achievement of indicator (s) as the latter program.</p> <p>The Department had adopted measures to improve processes by reviewing Departmental Performance Reporting Policy, supporting documents to confirm achievement of the planned targets is kept for record and audit purpose (via an electronic record) and quarterly reports are tabled at risk management committee for review and dealing with identified risks that hinder performance.</p> <p>In paragraph 24 the progress was reported as 27% against the planned target of 20% this resulted in overachievement of 7%. The variance was due to the achieved target on land acquisition in Lephalale municipality and the engineering services completed from the roll over projects. The over achievement did adequately support the measure in line with the technical indicator description 2.2.2 and 2.2.9, a measure of land that is Deed of Sale, Completion certificate or signed Professional Engineers report and List of service sites de-livered.</p> <p>The results of overachievement with 7% on the land acquisition target, has also been identified by AGSA as an exception in the report on the basis that the expenditure could not be identified on the BAS report hence the HSS report which depicted expenditure was submitted as the supporting document.</p> <p>In paragraph 25 the progress was reported as 1 284 against the planned target of 3 150 this resulted in under achievement of 1 866. The variance was due to performance progress reported on the number of job opportunities created through construction of houses and servicing sites. The means of verification provided was not in line with the technical indicator description 2.2.11 thus did not support the performance progress reported due to the errors detected on employees' contracts without employment duration and the employee contracts which indicates</p> | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|-----------------------------|---|---|-------------------|
| | | | <p>2019/2020 duration whilst the reporting period was for 2021/2022.</p> <p>This has resulted in a finding on internal control deficiencies; however, the achievements were correctly reported on year under review hence the reconciliation of contracts and attendance and payment registers was made.</p> <p>Furthermore, it was verified that indeed the jobs were created within the year under review despite the errors in the employees' contracts. The cause of the finding is the usage of old EPWP contract template with old dates on it. This was an oversight on the part of the contractors and the Department. The Department has since put the system in place to ensure that the dates correspond with the financial year under review.</p> <p>The attendance and payment registers were also provided to support the achievements. A blank EPWP template was provided to contractors for filling in relevant information like contract duration with start and end dates to mitigate the recurrence of the error. The Department has taken measures:</p> <ul style="list-style-type: none"> - Adopt the Implementation of evaluation framework and implementation guidelines in line with the approved Department reviewed policies and plans. - Enforced timeframe on the submission of the in-year and annual performance report. - Enforced in-year and annual quarterly performance review of all submissions for all Directorates (performance reviews). - Enforced a system-based record management platform for means of verification records that support performance progress of each indicator | |
| 8 | Annual Financial Statements | Executing Authority, on paragraph 35 of the AG's report, AG reports that the financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA. | The Accounting Officer prepared the annual financial statements in line with the financial reporting framework except certain components in the financial statements did not fully satisfies the financial reporting framework i.e., disclosure of the impairment receivables that were | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------------|---|---|-------------------|
| | | | <p>omitted however later corrected during the audit review.</p> <p>The measures taken to prevent Annual Financial Statement recurrence:</p> <ul style="list-style-type: none"> - Preparation in line with prescribed framework reporting - In-year and annual reviewed of AFS by the AFS Review Committee, Internal Audit and Limpopo Provincial Treasury Review Team. - Developed and monitor audit action plans that addresses root causes for all findings. - Enforced functional technical committee to ensure: Improved turnaround time for submission of request for information and responses to communication of findings whilst quality control for all submissions is managed. - Implementation of transversal monitoring reports recommendations by valuing the work of all other assurance providers | |
| 9 | Other reports | <p>Executing Authority, on paragraph 54 of the AG's report, the AG reports that the National Treasury appointed an external service provider to investigate allegations of progress deliverables and financial management of the department's major housing project at the request of the department, which covers the period 2016/17 to 2021/22 financial years. The investigation was concluded on the 30th of September 2022 and recommended further investigations of the fruitless and wasteful expenditure and disciplinary proceedings against the implicated officials. These proceedings were in progress at the date of this auditor's report.</p> <p>On paragraph 55, the National Treasury appointed an external service provider to investigate an allegation of irregular appointment of one service provider on the database for engineering consultants to conduct geotechnical investigations designs and install engineering</p> | <p>Paragraph 54 Investigation on Marapong CRU project (NT) has been concluded and the Department has commenced with the implementation of the recommendations.</p> <p>Paragraph 55 Irregular expenditure identified in the prior year (2021/2022) relating to appointment of engineering consulting to conduct the geotechnical investigations, design and install engineering services (INSIG Consulting and Project PTY (LTD). Investigations on the INSIG appointment concluded and report submitted to the Department and currently being considered by Executive Authority.</p> | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|---|----------------------------|-------------------|
| | | services at the request of the department, which covered the period 2018/19 to 2021/22. The investigation was in progress at the date of this auditor's report. | | |

The table below provides updates on SCOPA resolutions from previous financial years that are yet to be resolved

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|---|--|
| 2015/16 | 4 | 3 | 1 | Audit related services and special audits: Land Acquisition in Tubatse | <p>Fruitless and wasteful expenditure regarding procurement of land in Tubatse. The investigation by the Directorate for Priority Crime Investigation (DPCI) is underway. According to the latest update by DPCI, the case is currently with Regional Head for Specialised Commercial Crime Unit of NPA for further guidance.</p> <p>As a measure the Department has established land task team which comprises of officials within Human Settlements programme and a standard operating procedure has been developed. Land acquisition strategy now focuses on public land available for sale or transfer, private land acquisition is the last resort.</p> |
| 2017/18 | 7 | 4 | 3 | <p>Key audit findings:</p> <p>The departure from MCS by adhering to the HSS guide to report on housing expenditure was not disclosed as required by MCS.</p> <p>Amount for impairment of receivables misstated.</p> <p>Irregular expenditure identified by audit not disclosed.</p> <p>Annual Financial Statements, Performance Reports and Annual Report</p> | <p>The audit reports as well as the management reports are reviewed regularly. recommendations as raised by AG are considered through the Action plan to monitor resolution of findings</p> <p>The SLA that formed the basis of the Principal Agent Relationships is scrutinized to acquire and extract the necessary information to be used for the notes in the AFS as well as payments made.</p> <p>SCM prescripts are followed and updated regularly to ensure compliance. Also, there are compliance tools and SOPs developed for the main functions in the SCM unit.</p> <p>On a quarterly basis, interim financial statements and performance reports are compiled with the necessary appropriate notes and supporting information. These are submitted to Treasury and Office of the Premier for review and noting. Recommendations are implemented.</p> |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|---|---|
| | | | | Venda Building Society (VBS) | <p>Regular expenditure reports are issued for management to track their spending patterns.</p> <p>The MEC initiated investigation in the VBS matter, subsequently Provincial Treasury commissioned a forensic investigation. The Department subsequently organised a session with the affected municipalities to present the findings of the investigation, hand-over the report to Speakers and to outline the process to be followed to implement the recommendations. The department has been monitoring the implementation of the recommendations of the investigation including disciplinary measures that are being undertaken in this regard. Affected municipalities and Provincial Treasury also took action against officials that were found to have contravened applicable prescripts.</p> |
| 2018/19 | 6 | 3 | 3 | <p>Stagnant in the audit report</p> <p>Significant uncertainties</p> <p>Irregular expenditure</p> | <p>a) The department is in the process of developing the policy on litigation as well as the Standard Operating Procedure (SOP) on how to deal with these categories of cases, especially those that have been dormant for a prolonged period of time.</p> <p>b) The department is receiving support from Provincial Treasury. A meeting with Provincial Treasury and Auditor General was held on how to reduce some of the cases on the contingency register to determine how the cases can be dealt with. A follow-up meeting is scheduled for 10 April 2023. The department (Legal Services) is in the process of assessing, categorizing each case and recommend whether the cases should remain the register or not.</p> <p>c) The irregular expenditure for BBBEE (R2,9 billion) and DORA (R1,4 billion) non-compliance has been condoned by LPT and in both instances the department did not suffer any loss.</p> <p>d) The current balance for irregular expenditure amounts to R461 million with R398 million relating to appointment of INSIG is still under forensic investigation by National Treasury. R1,4 million has been submitted to Provincial Treasury for condonation, the balance there-of is being investigated internally for consideration by the Financial Misconduct Board.</p> <p>e) Appropriate actions are taken based on the outcome of the investigations and Financial Misconduct Board recommendations.</p> |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|--|--|
| 2019/20 | 7 | 0 | 7 | <p>Resolution status</p> <p>The Department did not implement all the resolutions from 2014/15 to 2018/19 Financial years.</p> <p>Irregular expenditure</p> <p>Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 190 201 000 billion as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c) (ii) of the PFMA and treasury regulation 9.1.1.</p> <p>Annual financial statements, performance and annual report</p> <p>The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) and (b) of the PFMA. This is recurring since (2014/1).</p> <p>Impairment of receivables</p> | <p>The Executing Authority took appropriate action against the previous Accounting Officer hence her contract was not extended.</p> <p>The Accounting Officer could not act against any official as there was no one who was found to be liable in law. Investigation was conducted by the Department; no official was found responsible for non-compliance with regulations as the Bid Committees assessed the tender according to specified terms of reference as advertised.</p> <p>An application for condonation was submitted to Treasury after the investigation. Provincial Treasury condoned the error of failing to include BBBEE scores as scores amounted to the same rating on functionality only as price is the same. Provincial Treasury investigated the irregular expenditure and condonation of the said irregular expenditure was granted</p> <p>The Chief Financial Officer and Accounting Officer who were responsible for the Annual Financial Statements has since left the department on the 31st of January 2021 and 22 February 2022 respectively.</p> <p>The department conducted an assessment and determined the root cause for failing to collect all accrued departmental revenue.</p> <p>The accrued revenue account of the Department stood at R23 million in 2018/19 and had decreased to R3.3 million as at 31 Dec 2022. The amounts are estimates of what the Department expect to receive at the end of a reporting period from entities holding the Department's financial assets that are not yet exhausted i.e. Risima, Housing Development Agency (HDA), Espag Magwai Attorneys. Financial Assets in Special Investigating Unit (SIU) are unique, as the said entity is collecting monies on behalf of the Department and settlement depend on what the said entity had collected.</p> <p><u>Root cause for failing to collect all accrued departmental revenue</u></p> <ul style="list-style-type: none"> The three entities i.e. Espag, Risima and H D A paid their outstanding amounts on the last day of the CoGHSTA's reporting date of the end of the financial |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|--|--|
| | | | | <p>Department made an impairment provision of R16, 486 000 in respect of doubtful receivables.</p> <p>Achievement of planned targets</p> <p>Talana and Tubatse housing projects</p> <p>Marapong housing projects</p> <p>Stagnant of audit outcomes</p> | <p>year and their payments could not be accounted within the reporting period.</p> <ul style="list-style-type: none"> Accrued Departmental revenue in Special Investigating Unit (SIU) are unique, as the said entity is collecting monies on behalf of the Department and settlement depend on what the said entity had collected and at the end of the reporting period, SIU did not collect any amount. Standard Operating Procedure and Comprehensive action plan to curb occurrence of accrued revenue has been developed. <p>The Accounting Officer held sessions with Human Settlements branch to review projects performance. These sessions were attended by the management team of the branch, chief construction project managers and construction project managers. It became apparent that reporting from project site to the department was inefficient as decisions were delayed. As a result, letters were written to Directors, Chief construction project managers and construction project managers to explain their role in the performance of the departmental projects. Responses received were satisfactory that the challenges experienced in the projects were beyond their control, hence some projects were relocated, and non-performing contractors issued with mora letters or had allocations reduced.</p> <p>This investigation was commissioned by OTP</p> <p>The recommendations of the BOWMANS report implicated 5 officials in the department who are as follows:</p> <ul style="list-style-type: none"> Makoko G: Former Acting HOD (Resigned). Chauke P: Former Deputy Director General (Resigned). Mathunyane S: Chief Director Matemotsa M: Former Director Legal Services (Resigned). Mphela R: Former Acting CFO on secondment (Back to her Department) |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|---|---|
| | | | | | Only Ms Matemotsa and Mr Mathunyane were charged. Three other officials left the department before the report was finalised. Ms Matemotsa resigned in January 2021 in the middle of a disciplinary process. Mr Mathunyane went through the hearing, pleaded guilty to all charges and was suspended for three months (without salary) in March 2021. No criminal charges were levelled against any of the officials as the report did not find any element of criminality. |
| 2020/2021 | 2 | 0 | 2 | Stagnant audit outcome | <p>An analysis has been conducted from 2017/18 to 2020/21 of the root causes of the findings and mitigations that have been implemented to-date to improve the audit opinion outcome. Detailed mitigations have been reported on the report of the 31st March 2021 for SCOPA consideration.</p> <p>The Provincial Treasury is monitoring the implementation of audit action plan. Where issues are resolved and means of verification is audited, the audit action plan is updated to clear those issues. On the 15th to 16th August Provincial Treasury invited all department for Audit Debriefing and every department was expected to present their action plans which included the findings, root causes as well as the mitigation measures for further analysis and inputs.</p> <p>On quarterly basis the department submits the progress that has been made for review and currently the department managed to resolve 38 out of 46 findings which represent 82% of the total findings. The remaining 18% are in progress and there are prospects that 4 of them will be resolved by the end of 31 August 2023.</p> |
| | 5 | 0 | 5 | Irregular expenditure Accounting Officer did not take effective and appropriate steps were not taken to prevent irregular expenditure amounting to R404,838 million as disclosed in note 24 to the annual financial statements | The official who was the Accounting Officer at the time the contract was awarded has since left the department. The amount of irregular expenditure mainly relates to contract entered with INSIG to conduct geotechnical investigation, design and install engineering services for 2 000 sites at Polokwane Ext. 133. The total amount paid to INSIG for this project was R399 million. The investigation on this contract is still underway and the appropriate action will be taken against the responsible officials as soon as the investigation is finalised. |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|--|---|
| | | | | | <p>The R1,8 million relates the Masoga Pty Ltd for failing to declare a family member working in the department. The investigation is underway through the ethics office in the Office of the Premier. The department will implement the recommendations of the reports once finalized.</p> <p>An amount of R3 million relates to backdated pay progression that is still before the courts.</p> <p>The R269 thousand relates to overtime, this transaction was erroneously recorded as irregular expenditure and after consultation with department of Labour, the department is following due processes of its declassification.</p> <p>R194 000,00 relates to non-compliance with local content, and various officials were given letters of warning in relation to this irregular expenditure. The process of application for condonation is underway.</p> |
| | 2 | 0 | 2 | Annual financial statements | <p>The Chief Financial Officer and Accounting Officer who were responsible for the Annual Financial Statements have since left the department on the 31st of January 2021 and 22 February 2022 respectively. Given the issues raised by AG, the Executing Authority recommended that the contract of the former HOD not be renewed in 2022.</p> |
| | 5 | 0 | 5 | <p>Irregular expenditure</p> <p>Accounting Officer did not take effective and appropriate steps were not taken to prevent irregular expenditure amounting to R404,838 million as disclosed in note 24 to the annual financial statements</p> | <p>The official who was the Accounting Officer at the time the contract was awarded has since left the department. The amount of irregular expenditure mainly relates to contract entered with INSIG to conduct geotechnical investigation, design and install engineering services for 2 000 sites at Polokwane Ext. 133. The total amount paid to INSIG for this project was R399 million. The investigation on this contract is still underway and the appropriate action will be taken against the responsible officials as soon as the investigation is finalised.</p> <p>The R1,8 million relates the Masoga Pty Ltd for failing to declare a family member working in the department. The investigation is underway through the ethics office in the Office of the Premier. The department will implement the recommendations of the reports once finalized.</p> |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|---------------------------|---|
| | | | | | <p>An amount of R3 million relates to backdated pay progression that is still before the courts.</p> <p>The R269 thousand relates to overtime, this transaction was erroneously recorded as irregular expenditure and after consultation with department of Labour, the department is following due processes of its declassification.</p> <p>R194 000,00 relates to non-compliance with local content, and various officials were given letters of warning in relation to this irregular expenditure. The process of application for condonation is underway.</p> |
| | 3 | 0 | 3 | Impairment receivables of | <p>The department conducted an assessment and determined the root cause for failing to collect all accrued departmental revenue and the finding are as follows:</p> <p><u>Assessment of accrued departmental revenue</u></p> <p>The accrued revenue account of the Department stood at R2,4 million in 2022/23. The amounts are revenue that the Department expected to receive at the end of the reporting period from entities holding the Department's financial assets that are not yet exhausted i.e. Risima and Espag Magwai Attorneys. Financial Assets in Special Investigating Unit (SIU) are unique, as the said entity is collecting monies on behalf of the Department and settlement depend on what the said entity had collected. <u>Root cause for failing to collect all accrued departmental revenue</u></p> <ul style="list-style-type: none"> The root cause was the fact that Espag Mahwai did not pay their outstanding amounts on the last day of the CoGHSTA' S reporting date of the financial year end, their payments could not be accounted for within the reporting period. As and intervention, letters were written to demand payment before the end of the financial year 2023 and they paid an amount of R213 509.26 and Risima paid an amount of R375 641.44. <p>Accrued Departmental revenue in Special Investigating Unit (SIU) are unique, as the</p> |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|-------------------------|---|
| | | | | | said entity is collecting monies on behalf of the Department and settlement depend on what the said entity had collected and at the end of the reporting period, SIU did not collect any amount. |
| | 2 | 0 | 2 | Significant uncertainty | <p>The department has a total of 337 litigation cases against the department. Out of the 337 cases, 314 are from Headmen/women claiming payment of allowances and one (1) of headmen/women who were dismissed in Bahananwa Traditional Council making up 93% of the total cases. There are other fifty-seven (57) Traditional Affairs cases which emanates from the Kgatla Commission. These cases are not included in the litigation as there is no money claimed against the department. The 7% is made up of twenty-three (23) cases. Twelve (12) cases are as a result of Section 100 intervention that was implemented in the province where companies claimed that the department did not pay certain invoices. Some of these cases have been dormant since 2012.</p> <p>The department has an approved Standard Operating Procedure (SOP) on how to deal with these categories of cases, especially those that have been dormant for a prolonged period of time. We are in the process of developing the policy on litigation which will be finalized by the end of September 2023.</p> <p>The department received support from Provincial Treasury on finalizing the litigation. A meeting with Provincial Treasury and Auditor General was held on how to reduce some of the cases on the contingency register to determine how the cases can be dealt with. The department assessed, categorized and recommended whether the cases should remain in the register or not.</p> <p>This exercise has resulted in the reduction of the litigation register from R373 180 536.02 to R258 635 779,87.</p> |
| | 3 | 0 | 3 | | The Accounting Officer held sessions with Human Settlements branch to review projects performance. These sessions were attended by the management team of the branch, chief construction project managers and construction project managers. It became apparent that reporting from project site to the department was inefficient as decisions were delayed. As a result, letters |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|--|--|
| | | | | | were written to Directors, Chief construction project managers and construction project managers to explain their role in the performance of the departmental projects. Responses received were satisfactory that the challenges experienced in the projects were beyond their control, hence some projects were relocated and non-performing contractors issued with mora letters or had allocations reduced |
| 2021/2022 | 5 | 0 | 5 | Irregular expenditure Accounting Officer failure to take effective and appropriate steps to prevent irregular expenditure 24 469 Million as required by section 38 of PFMA | 6 investigation (s) reports were finalised and considered by Financial Misconduct Board in March 2024. There investigations were delayed by submission of information by external stakeholders for investigation. 3 findings related to the review of the Irregular Expenditure Framework/Policy are under review, impacted by ongoing investigation(s) and determination process concurrently being conducted. |
| | 3 | 0 | 3 | Underspending of the conditional grant Accounting Officer take appropriate action against underspending of the grant to the amount of R233,367 million and R117, 798 million on Human Settlement Development and informal settlement upgrading partnership grant. | The Accounting Officer acknowledges the recommendation. The underspending of the conditional grants: Human Settlements Development and Informal Settlement partnership grants was due to poor projects planning and insufficient engagements with key stakeholders such as Municipalities, Water Service Authority, Traditional Councils and beneficiaries |
| | 6 | 0 | 6 | Fruitless and wasteful expenditure Accounting Officer failure to take effective and appropriate steps to prevent irregular expenditure R6,555 Million as required by section 38 of PFMA | The disclosed expenditure was compiled on the AFS and expenditure has been referred for investigation. |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|--------------|------------------|---|--|
| | 4 | 0 | 4 | <p>Annual financial Statement</p> <p>Financial Statement not prepared in accordance with prescribed financial reporting framework as required by section 40 of the PFMA. Executive Authority takes action against the Accounting Officer, while the Accounting Officer takes against the CFO.</p> | <p>The Annual Financial Statement are prepared in line with prescribed framework reporting and quarterly reviewed by the AFS Review Committee and subsequently submitted to Internal Audit and Limpopo Provincial Treasury Review Team for further review. The SIAS and LPT Review Team feedback has been received as at quarter 3 wherein a total of 9 findings were raised and 7 has been 100% resolved with 2 findings in progress related to Employee Benefits and Intangible assets requires proper disclosure at year end in AFS. The Accounting Officer took action to implement mechanism to improve the preparation in line with the above and Chief Financial Officer implemented.</p> |
| | 3 | 0 | 3 | <p>Venda Building Society (VBS)</p> <p>Executive authority provides progress report with the implementation of the recommendation to the portfolio committee of CoGHSTA on quarterly basis.</p> | <p>The recommendations of the Provincial Forensic Investigation report were shared with all municipalities that invested money with VBS to be implemented by the respective Municipal councils.</p> <p>CoGHSTA through its Accounting Officer continues to monitor the implementation of the Provincial Forensic Investigation Report including municipal initiated investigations</p> |
| | 1 | 0 | 1 | <p>Remunerative work outside public service</p> <p>Accounting Officer develops a plan with stringent measures to prevent any official to conduct business with state.</p> | <p>The Department has developed guidelines and enforces implementation through declaration mechanism for all officials to disclose remunerative work for outside public service.</p> |

| Financial year | No. of resolutions | No. resolved | No. not resolved | Unresolved matters | Progress |
|----------------|--------------------|-----------------|------------------|---|--|
| | 4 | 0 | 4 | Achievement of planned targets Accounting Officer take appropriate action against implementation of specific information system to enable monitoring of progress made towards achieving targets, core objectives and service delivery. | The Department has adopted the Implementation evaluation framework and implementation guidelines in line with the approved Department reviewed policies and plans. Timeframe on the submission of the quarterly report is observed and therein quarterly review is conducted on the submission by all Directorates. The performance reviews with actions to improve from previous quarter to future is monitored. 6 findings raised by AGSA related to achievement of planned targets were resolved 100% by the Department and further processed by LPT. Furthermore, supporting documents to confirm achievement of the planned targets is kept for record and audit purpose. |
| | 2 | 0 | 2 | Lifestyle audit Accounting Officer to conduct lifestyle audit on both management and officials within SCM. | The department has designated Ethics Officer championing the lifestyle audit framework championed through Ethics Committee. |
| | 78 (100) | 18 (23%) | 60 (77%) | | |

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department received unqualified audit opinion with matters of emphasis and therefore has no prior modifications to audit reports.

10. INTERNAL CONTROL UNIT

Internal Control unit is established within the Chief Financial Officer's office, in accordance to the newly approved organisational structure to coordinate work of assurance providers, governance as well as the financial systems. As the department is in the process of staffing the unit, the post of Deputy Director: Assurance was filled on the 1st October 2023 and the Director position and others are earmarked for filling during the 2024/2025 financial year. The unit performs the following functions:

- Coordination of assurance provider's (internal and external auditors) activities within the department
- Ensure availability of Accounting Officer's report to Audit Committee
- Provide secretariat services to the Financial Misconduct Board
- Consolidate internal control universe and monitor its implementation by evaluating compliance and establishing governance structures
- Manage stakeholder relations between the department and assurance providers
- Manage and monitor financial systems in compliance with relevant compliance frameworks

11. INTERNAL AUDIT AND AUDIT COMMITTEES

INTERNAL AUDIT

1. Key activities and objectives of the internal audit

The purpose of the Shared Internal Audit Services (SIAS) is to help Provincial Departments accomplish their strategic outcomes and objectives through performing systematic and disciplined assurance and consulting services by evaluating and improving the adequacy and effectiveness of the organisation's a) Risk Management, b) Internal Control/Compliance and c) Organisational Governance Processes.

SIAS utilises either Assurance or Consulting skills or techniques when conducting internal audit services. The primary objective always been to improve organisational governance, risk management, internal control and compliance processes. Essentially, the service offering of Shared Internal Audit Services (SIAS) may be divided into following three broad yet overlapping categories, namely:

- Compliance Audits – which will focus mainly on Programme 1 (Administration) and the implementation of Combined Assurance;
- Performance Audits – focuses on Core Function Programmes;
- Specialised Audits –services currently offered are related to Information Systems Audits and Fraud Risk Audits.

2. Scope of Work of the Internal Audit Function

The scope of work of the Internal Audit function entails providing assurance and consulting services in respect of Risk Management, Internal Control/Compliance and Governance processes. Furthermore, the scope of work of the Internal Audit Function is to determine whether the institution's network of risk management, internal control/compliance and governance processes as designed by management, is adequate and operates effectively.

Assurance Services

In addition to Combined Assurance Services, Assurance Services involve an objective examination of evidence for the purpose of providing an independent assessment on Internal Control, Risk Management and Governance Processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagement.

Consulting Services

Consulting Services are client-related activities and of an advisory nature and of which the scope is to be agreed with the client department. Consulting Services are intended to add value and improve an organization's Risk Management, Internal Control and Governance Processes.

3. Summary of internal audit work done

Assurance and Consulting Audit Services

| Q1 | Q2 | Q3 | Q4 |
|---|--|--|--|
| <ul style="list-style-type: none"> Annual Performance Reports Review | <ul style="list-style-type: none"> Initiation Schools | <ul style="list-style-type: none"> Interim Financial Statements | <ul style="list-style-type: none"> Assessment of Risk Profile |

Assurance and Consulting Audit Services

| Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|
| <ul style="list-style-type: none"> Annual Financial Statements Review Follow Up | <ul style="list-style-type: none"> Infrastructure Execution Follow up | <ul style="list-style-type: none"> Audit of Performance Information Follow Up | <ul style="list-style-type: none"> Disaster Management Monitoring of Wards Land Acquisition Occupational Health and Safety Follow Up |

Fraud Audit

None Planned

Information Systems Audit

| Q1 | Q2 | Q3 | Q4 |
|-----------|-----------|----|-----------|
| Follow Up | Follow Up | | Follow Up |

Performance Audit

| Q1 | Q2 | Q3 | Q4 |
|----|----------------------------|----|----|
| | Housing Project Management | | |

AUDIT COMMITTEE

1. Key Activities

The Audit Committee (AC) activities are outlined in the approved AC Charter which requires that an Annual Schedule must be finalised and approved as a guideline for the AC activities of that particular financial year. The AC has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

- i. the effectiveness of the internal control systems;
- ii. the effectiveness of the internal audit function;
- iii. the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- iv. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- v. any accounting and auditing concerns identified as a result of internal and external audits;
- vi. the institution's compliance with legal and regulatory provisions; and

- vii. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

1.1. Virtual Meetings (Post COVID-19)

COVID-19 posed a serious threat to humanity, however the work of the AC has partly benefitted from the proclamations made by the state that most of the meetings must be held virtually. The Provincial Accountant General's (PAG's) office has realised some savings within the budget of the AC. The savings were realised mainly from accommodation and travelling by the AC members because meetings were held virtually. Given the spirit of good governance, the impact of COVID-19 on the AC is felt on the sense that virtual meetings are not equipped with necessary tools to monitor efficient and effective participation of all the AC stakeholders. This becomes even difficult when one has to evaluate the work of the AC through National Treasury 360 Degree evaluation tool. However, the PAG's office has been active in ensuring that the AC remains a value adding tool as a critical oversight and governance structure.

There has been immense improvement in terms of connectivity as there were little interruptions resulting from network challenges as compared to the previous financial year. However, Load shedding remains a serious challenge as it briefly affects the network resulting in poor connectivity for a time being. In addition, the new cell phone contract came with serious improvements in terms of data allocation and connectivity to Microsoft Teams which remains free thus not affecting allocated data to officials rendering support to the work of AC.

1.2. Audit Committee Meetings

During the financial year 2023/2024, the AC met six times to perform its roles and responsibilities as stipulated in the AC Charter. All the AC meetings have taken place as planned through 2023/2024 AC Annual Schedule. As resolved during 2023 AC Annual Strategic Planning Workshop, briefing sessions between Members of Executive Council (MECs) and Cluster Chairpersons were held from 24 October 2023 to 14 November 2023. The briefing sessions were held virtually and afforded all the AC Chairpersons a slot with each MEC of the Department they serve to discuss all the pertinent issues affecting the Department.

First Quarter Cluster AC Meetings for August 2023 were held physically which were followed by the CAC Meeting held 19 September 2023. Given the governance role of the ACs, it is pertinent that some of the AC meetings are held physically to interact directly with the management in order that all the AC resolutions are timely implemented. The last CAC Meeting of the current reporting period was also held physically to deal with myriad of issues including finalisation and adoption of the Combined Assurance Framework.

1.3. 2024 Audit Committee Annual Strategic Planning Workshop

The AC annual strategic planning workshop for 2024/25 financial year was held virtually to enable all the stakeholders to connect and participate in the session. This was due to the fact that HODs were required to connect virtually to deal with issues such as Combined Assurance, Ten (10) point implementation plan to move Department of Education, Public Works and Health out of qualified audit opinions to an improved audit outcomes etc. The strategic plan was held on 08 – 09 February 2024. Office of the Premier also made three (3) pertinent presentations on Limpopo's five (5) year performance review, Limpopo Collaborative Support Framework and Consequence Management Framework. The presentations were welcomed by ACs siting that Consequence Management Framework was long overdue and it will help the Province in dealing with stagnant issues in particular around irregular, fruitless and wasteful expenditures where consequence management is due against implicated officials.

The two (2) day strategic planning workshop has resulted in the AC members taking a total of thirty-two (32) resolutions to be implemented by affected stakeholders. Since the PAG has insisted on all the Stakeholders proving feedback on each resolution they are affected and no resolution register should be submitted without response, the Province has realized improvement in implementation of AC resolutions. All the protocol documents such as the AC Charter, Internal Audit Charter, and Reporting Frameworks were reviewed and adopted during first day of the workshop.

1.4. CAC Chairperson Meetings

During the current financial year, the CAC Chairperson managed to attend two (2) EXCO meetings to report on overall AC activities covering the work of all the Departments. EXCO meetings are mainly based on invite by EXCO Secretariat depending on the agenda of the day. However, PAG's office continuously advises EXCO Secretariat on the importance of inviting CAC Chairperson to EXCO quarterly meetings in order to resent CAC overall quarterly reports. Unfortunately, the CAC Chairperson was not invited to attend any of the HOD Forums held during the current reporting period. Invitations to these structures (EXCO and HOD Forums) are welcomed and strategic in nature as they provide an opportunity for the CAC Chairperson to interact with Executive Authorities and Accounting Officers of all the Departments to highlight areas requiring improvement.

1.5. 360 Degree Audit Committee Evaluation Feedback

National Treasury 360 Degree Evaluation tool was used to evaluate the work and performance of the AC. The final evaluation yielded an average score of 4.34 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight regression from the previous evaluation period which yielded an average score of 4.72. The AC stakeholders who participated in the performance evaluation of the AC included Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). Auditor General South Africa as an AC stakeholder could not participate in the performance review of the AC, mentioning that they do their own evaluation in the management report of each Department to protect and maintain their independence.

In comparison to the average scores of the three (3) stakeholders (AC; SIAS; and Management), it must be noted that Management recorded highest average score of 4.55. The lowest score was recorded by Shared Internal Audit Services at an average score of 3.95. The following were critical issues that Departments felt were not robustly engaged to their satisfaction by the AC members as follows:

- 1.5.1. Understanding of Departmental Environment
- 1.5.2. Oversight of Internal Audit and External Audit matters by AC Members
- 1.5.3. Concerns around reviews of both the findings and recommendations by internal and external auditors to ensure that recommendations are implemented
- 1.5.4. Concerns around reviewing the appropriateness of the external audit fee
- 1.5.5. Concerns around review of a whistleblower hotline and reviewing the log of incoming calls
- 1.5.6. Understanding of Business & Risks of the Departments

It must be noted that these issues are repeating from the previous evaluation report thus AC must take these issues seriously and address them promptly.

1.6. Audit Committee Membership

Current AC Membership was appointed with effect from 01 January 2023 and will expire on 31 December 2025. A total of 17 AC members were appointed during 2022 AC membership recruitment process. There is no resignation or premature termination of any AC Member's contract during the current period. Total number of female AC members are seven (7) while a total number of male AC members are ten (10) represented as: 58.8% males and 41.2% females. This is a decline in the appointment of female candidates as during the previous AC composition the number stood at eight (8) and it has currently decreased to seven (7). There is a strong need to improve female recruitment into the Limpopo AC membership as 41% is very low.

1.7. The Following Table Stipulate the Nature and Activities of Each AC Meeting/Event Held:

| No. | Period | Nature of the AC meeting | Information / Documents reviewed |
|-----|-------------------------|---|--|
| 1. | May 2023 | Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General | <ul style="list-style-type: none"> a. Annual Performance Report, b. Draft Annual Financial Statements, c. Fourth Quarterly Risk Management Report, d. Fourth Quarterly Internal Audit Progress Report. |
| 2. | June 2023 | CAC Meeting to consider Clusters AC Reports | <ul style="list-style-type: none"> e. Clusters AC Reports reporting on matters pertaining to Draft Annual Performance Report including Draft AFS |
| 3. | July 2023 | Review of Draft Audit and Management Reports | <ul style="list-style-type: none"> f. Draft Management Reports, g. Draft External Audit Reports. |
| 4. | August 2023 | CAC Meeting to consider Clusters AC Reports | <ul style="list-style-type: none"> h. Clusters AC Reports on matters pertaining to External Audit Reports. |
| 5. | August 2023 | Review of First Quarter Performance Information including Financial & Non-Financial Reports | <ul style="list-style-type: none"> a. First Quarter Accounting Officer's Report to the AC (Financial & Non-Financial), b. First Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. First Quarter Internal Audit Report |
| 6. | September 2023 | CAC Meeting to consider Clusters AC Reports | <ul style="list-style-type: none"> f. Clusters AC Reporting on matters concerning to First Quarter Reports |
| 7. | October / November 2023 | AC Briefing Sessions between AC Chairpersons and Hon. MECs to discuss AC Matters. | |
| 8. | November 2023 | Review of Second Quarter Performance Reports (Financial and Non-Financial) | <ul style="list-style-type: none"> a. Second Quarter Accounting Officer's Report to the AC (Financial & Non-Financial), b. Second Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Second Quarter Internal Audit Report. |
| 9. | December 2023 | CAC Meeting to consider Clusters AC Reports | <ul style="list-style-type: none"> f. Clusters AC Reports on matters pertaining to Second Quarter Audit Committee Reports as per paragraph 7 above. |
| 10. | February 2024 | AC Annual Strategic Planning Workshop | <ul style="list-style-type: none"> a. Approval of the Audit Committee Charter, b. Approval of the Internal Audit Charter, c. Review of the Accounting Officer's Reporting Framework to the AC, |

| No. | Period | Nature of the AC meeting | Information / Documents reviewed |
|-----|-----------------------|---|--|
| | | | d. AC Improvement Plan by Clusters AC Chairpersons e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback. |
| 11. | February / March 2024 | Third Quarterly Departmental Reports and approval of the Three-Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy | g. All information under No. 5, h. Three Year Internal Audit Plans and Annual Internal Audit Plans for 2022/2023. i. Auditor General Audit Coverage Strategies |
| 12. | April 2024 | CAC Meeting to consider Clusters AC Reports | j. Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above. |

2. Objectives of the Audit Committee

The strategic objectives of the AC as stipulated in its approved written Terms of Reference (AC Charter) are to ensure:

- a. the availability of a well-resourced, functional and sustained internal audit function;
- b. sound relationship with all assurance providers, oversight structures and other stakeholders;
- c. effective and efficient Internal and External Audit processes;
- d. promotion of sound functional interaction between the internal audit and other assurance providers;
- e. that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- f. Accounting Officers are fully supported in fulfilling their responsibilities in terms of the PFMA;
- g. accountability in terms of financial management and performance information for effective service delivery; and
- h. Compliance with relevant laws and regulations.

| Name | Qualifications | Internal or external | If internal, position in the Department | Date Appointed | Date Resigned | No. of Meetings Attended (DPWRI) | No. of Meetings Attended (LPT) | No. of Meetings Attended (COGHSTA) |
|--|--|----------------------|---|---|---------------|----------------------------------|--------------------------------|------------------------------------|
| CURRENT CLUSTER 2 AUDIT COMMITTEE MEMBERS | | | | | | | | |
| TC MODIPANE | <ul style="list-style-type: none"> CA (SA) B Com Honours (CTA) B Com (Accounting) | External | Not applicable | 01 February 2020 Re appointed 01 January 2023 | To date | 6 | 6 | 6 |

| | | | | | | | | |
|--------------------|---|----------|----------------|---|----------|---|---|---|
| | <ul style="list-style-type: none"> Higher Diploma in Auditing Certificate in Business Development Systems SAICA GRAP Certificate | | | | | | | |
| M.F KEKANA | <ul style="list-style-type: none"> CA (SA) Qualified Executive Coach (South African Business Coaches and COMENSA (Coaches and Mentors of South Africa) Advanced Certificate in Auditing Bcom Accounting Honours/CTA Degree Bcompt. Accounting Degree | External | Not applicable | 01 January 2023 | To date. | 6 | 6 | 6 |
| ADV. L.T. NEVONDWE | <ul style="list-style-type: none"> Bachelor of Laws (LLB) (Univen) Master of Laws (LLM) (Univen) | External | N/A | 1 January 2023 | To date | 6 | 6 | 6 |
| A.M.M BADIMO | <ul style="list-style-type: none"> Master's in business administration (MBA) Master of Science B. Science: Hons Computer Science B. Science: Computer Science CISM (Certified Information | External | N/A | 13 April 2019 – 31 December 2020 Re-appointed: 01 January 2021 Re – appointed 01 February 2023. | To date | 5 | 5 | 5 |

| | | | | | | | | |
|------------|---|----------|-----|-----------------------------------|--|---|---|---|
| | <ul style="list-style-type: none"> Security Manager) • CGEIT (Certified in the Governance of Enterprise IT) • CISA (Certified Information Systems Auditor) • CRISC (Certified in Risk and Information Systems Control) • Cobol Programming Diploma • PMP (Project Management Professional) • Cert. IT Auditing • COBIT 5 • ITIL Foundation • Certified ISO 22301 Lead Implementer • Certified ISO 22301 Business Continuity Management Lead Auditor • Certified ISO 27001 ISMS Lead Auditor • Certified ISO/IEC 27005 Lead Risk Manager • F. Inst D (IoDSA) | | | | | | | |
| J.N MPJANE | <ul style="list-style-type: none"> • CA (SA) (Co-opted 17/08/2023) | External | N/A | 01 February 2020 Re-appointed: | | - | 1 | 1 |

| | | | | | | | | |
|--|---|--|--|---|--|--|--|--|
| | <ul style="list-style-type: none"> • BCOMPT Honours (CTA) • BCOMPT Degree | | | 01 January 2021 Re – appointed 01 February 2023. | | | | |
|--|---|--|--|---|--|--|--|--|

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee Structure

Limpopo Provincial Government has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also 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 and the related code of conduct, policies and practices.

Stakeholder Engagement/s

The Committee has been able to engage with the following stakeholders:

- Limpopo Provincial Treasury senior management
- Limpopo Provincial Internal Auditors (Shared Internal Audit Services)
- Limpopo Provincial Auditor General (AGSA)
- Limpopo Provincial Treasury and Office of the Premier transversal units

Audit Committee Skills Development

A strategic session was held during the last quarter of the financial year to assist the Audit Committee members better understand their challenging roles and the direction of the province in general.

The Effectiveness of Internal Control

Based on the results of the formal documented review of the design, implementation and effectiveness of the department's system of internal controls conducted by the Internal Audit and AGSA during the financial year ended 31 March 2024, and in addition, considering information and explanations given by management as well as discussions held with the external auditor on the results of their audit, the Audit Committee concluded that that current internal control systems is not fully effective as significant deficiencies were reported by both the AGSA and Shared Internal Audit Services.

Risk Management

The Audit Committee reviewed the department's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy. The Committee concluded that there is a room for improvement in so far as department's risk management maturity level, capacitation of the risk management unit and funding of the risk management activities. The department's risk maturity level is satisfactory and measures should be put in place to get to a level where risk management is embedded in the culture of the department with a proactive approach to risk management in all aspects of the business.

In-Year Management and Monthly/Quarterly Report

Based on the quarterly review of in-year monitoring systems and reports, the Audit Committee is somewhat satisfied with the quality, accuracy, usefulness, reliability, appropriateness, and adequacy of the department in-year reporting systems. However, the year-end reporting should improve to avoid adjustment of the annual financial statements and annual performance report after submission to the AGSA.

Internal Audit

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the reports of the Internal Auditors on the department's systems of

internal control; and

Reviewed issues raised by internal audit and the adequacy of corrective action

taken by management in response thereto.

Combined assurance

The Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that the internal audit unit should finalise the fully implementation of Combined assurance framework.

Compliance with the relevant laws and regulations

The Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the department did not fully comply with the enabling laws and regulations as well as its departmental policies and standard operating procedures, especially in the area of quality of annual financial statement, strategic planning and performance management, procurement and contract management, and expenditure management.

Evaluation of Annual Financial Statements

Following the review by the Audit Committee of the annual financial statements for the year ended 31 March 2024 before and after the audit, the committee is of the view that, annual financial statements fairly present, in all material respect, the financial position of the department for the year under review and can be incorporated into the annual report.

Evaluation of Annual Performance Report

Following the review by the Audit Committee of the annual performance report for the year ended 31 March 2024 before and after the audit, the committee is of the view that, annual performance report can be incorporated into the annual report.

Consideration of the Final Audit report

The Audit Committee considered final audit report and concurs with the AGSA's unqualified audit opinion. Furthermore, the Audit Committee commended the department for maintaining the unqualified audit opinion. However, considering the stagnant audit opinion from previous financial years, with some concerted effort the department can move to a clean audit opinion.

Conclusion

The Audit Committee is of the opinion that it is possible for the department to achieve clean audit opinion if management is committed to:

- establishing a stable leadership that is committed to a robust control environment and effective governance;
- diligently observe basic discipline of accounting and records management;
- sufficient management review and supervisory checks;
- closely monitoring the implementation of the audit action plan, internal audit action plan and audit committee recommendations;
- persistently inculcating a culture of ethical leadership, good governance, and accountability;

- ensuring management act on the recommendations of all the oversight structures to strengthen internal controls and improve governance;
- advocating for swift consequences for all reported irregularities and poor performance; and
- ensuring that all critical vacancies are always filled.

We remain confident that with appropriate intervention and concerted effort from management the department will without doubt strengthen governance leading to improved audit outcomes.



Tebogo Modipane CA (SA)

Chairperson of the Audit Committee

Department of Co-operative Governance, Human Settlements & Traditional Affairs

13 August 2024

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 |
| Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law? | No | N/A |
| Developing and implementing a preferential procurement policy? | Yes | The Departmental Preferential Procurement Policy was approved by the Executive Authority on the 13/01/2023 and came into effect upon approval. |
| Determining qualification criteria for the sale of state-owned enterprises? | No | N/A |
| Developing criteria for entering into partnerships with the private sector? | No | N/A |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment? | No | N/A |

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service. The following legislations governs Human Resource Management in Public Service:

- The Public Service Act and Regulations
- The Labour Relations Act
- The Skills Development Act
- The Skills Development Levies Act
- The Employment Equity Act

In addition to the legislations, the following prescripts govern Human Resource management in the Public Service:

- Collective agreements
- DPSA directives DPSA Frameworks
- DPSA guidelines

2. OVERVIEW OF HUMAN RESOURCES

The department's vacancy rate increased from 5,04 per cent in the previous financial year 2022/2023 to 6.60 per cent in the period under review. The vacancy rate increased primarily due to inability of the department to fill vacant positions as a result of inadequate Compensation of Employees (CoE) budget which is shared between officials' salaries and allowance of Traditional Leaders. The department will be dealing with this challenge in the 2024/2025 financial year budget by separating the two and ring-fencing the allocation for Traditional Leadership allowance. This approach will assist in ensuring that CoE budget for officials is not utilised for payment of Traditional Leaders allowance when post become vacant and the posts are filled.

The department reviewed and implemented its Human Resources (HR) Plan for the 2023-2025 MTEF period. The Annual Recruitment Plan for 2023/2024 was approved and thirty-five (35) vacant positions were filled.

In terms of the MTEF HR Plan 2023-2025, the Department has identified areas for improvement. The workforce is aging as the Department has not prioritised young people during recruitment processes and this has a negative impact on the continuity of the organisation. To address diversity, the Department aims to recruit employees from all population groups in Limpopo. This is embedded in the employment equity numerical targets as per the Employment Equity Plan.

In 2024/2025 financial year the Department will be recruiting young people under the internship programme and Expanded Public Work's Programme (EPWP). This will assist in creating job opportunities for the youth and assist in realizing the National Development Plan imperatives. Additional to that, various interns (65) will be recruited for a period of two years.

The department approved and implemented the Employment Equity Plan during the financial year under review. However, the Department is not doing well in terms of recruitment of women and People with Disability at SMS level. As at the end of March 2024, women at SMS level were at 41.5% and People with Disability at 1.08%. The Department is doing well in terms of overall women and slightly improving on Level 1-12, People with Disability are at 1.08%. There are no People with Disability at SMS level.

The Workplace Skills Plan was approved for 2023/2024 financial year and the 1 per cent was allocated for skills development. A total of 1 722 officials were trained. The Department administered 140 internal bursaries that aimed at improving internal staff skills.

The department has appointed Occupational Health and Safety representatives who were trained on OHS legislations and responsibilities. Compliance quarterly meetings were held (as mandated by the OHS Act) to deal with OHS matters.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 and 31 March 2024

| Programme | Total expenditure (R'000) | Personnel expenditure (R'000) | Training expenditure (R'000) | Professional and special services expenditure (R'000) | Personnel expenditure as a % of total expenditure | Average personnel cost per employee (R'000) |
|-------------------------------------|---------------------------|-------------------------------|------------------------------|---|---|---|
| ADMINISTRATION | 296 053,00 | 165 601,00 | 0,00 | 0,00 | 55,90 | 587,00 |
| CO-OPERATIVE GOVERNANCE | 262 842,00 | 253 743,00 | 0,00 | 0,00 | 96,50 | 493,00 |
| HUMAN SETTLEMENT | 1 556 084,00 | 97 608,00 | 0,00 | 0,00 | 6,30 | 718,00 |
| TRADITION INSTITUTIONAL DEVELOPMENT | 508 038,00 | 403 132,00 | 0,00 | 0,00 | 79,40 | 186,00 |
| Total | 2 623 017,00 | 920 085,00 | 0,00 | 0,00 | 35,10 | 296,00 |

Additional to Table 3.1.1.

| Programme | Employment (Including Periodical - And Abnormal Appointments) |
|------------------------------|---|
| ADMINISTRATION | 282,00 |
| CO-OPERATIVE GOVERNANCE | 515,00 |
| HUMAN SETTLEMNT | 136,00 |
| TRADITION INSTITUTIO DEVELOP | 2 172,00 |
| Total | 3 105,00 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|--|-------------------------------|---------------------------|------------------|---|
| Lower skilled (Levels 1-2) | 37 281,00 | 4,00 | 187,00 | 199 364,00 |
| Skilled (level 3-5) | 69 501,00 | 7,40 | 247,00 | 281 381,00 |
| Highly skilled production (levels 6-8) | 375 367,00 | 39,90 | 908,00 | 413 400,00 |

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|--|-------------------------------|---------------------------|------------------|---|
| Highly skilled supervision (levels 9-12) | 215 660,00 | 22,90 | 267,00 | 807 715,00 |
| Senior and Top management (levels 13-16) | 48 974,00 | 5,20 | 41,00 | 1 194 488,00 |
| Total | 746 783 | 15,88 | 1 650 | 579 269,60 |

Additional information to Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|-------------------------|-------------------------------|---------------------------|------------------|---|
| Contract (Levels 3-5) | 407,00 | 0,00 | 2,00 | 203 500,00 |
| Contract (Levels 6-8) | 321,00 | 0,00 | 1,00 | 321 000,00 |
| Contract (Levels 9-12) | 2 509,00 | 0,30 | 2,00 | 1 254 500,00 |
| Contract (Levels >= 13) | 3 107,00 | 0,30 | 2,00 | 1 553 500,00 |
| Contract Other | 3 352,00 | 0,40 | 2,00 | 1 676 000,00 |
| Abnormal Appointment | 166 264,00 | 17,70 | 1 446,00 | 114 982,00 |
| Total | 175 960 | 3,11 | 1 455 | 853 913,66 |

Additional information to Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Total Personnel Cost for Department including Goods and Services (R'000) |
|--|--|
| Lower skilled (Levels 1-2) | 940 375,00 |
| Skilled (level 3-5) | 940 375,00 |
| Highly skilled production (levels 6-8) | 940 375,00 |
| Highly skilled supervision (levels 9-12) | 940 375,00 |
| Senior and Top management (levels 13-16) | 940 375,00 |
| Total | 940 375,00 |

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

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|-----------------------------|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| ADMINISTRATION | 133 685,00 | 79,40 | 1 945,00 | 1,20 | 5 185,00 | 3,10 | 9 333,00 | 5,50 |
| PR2: CGHT: HUMAN SETTLEMENT | 83 269,00 | 78,30 | 601,00 | 0,60 | 2 771,00 | 2,60 | 3 867,00 | 3,60 |

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|-----------------------------------|-------------------|------------------------------------|-----------------|------------------------------------|-----------------------|-------------------------------|------------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| PR3: CGHT: CORPORATIVE GOVERNANCE | 549 948,00 | 84,30 | 513,00 | 0,10 | 20 373,00 | 3,10 | 31 000,00 | 4,80 |
| STATUTORY | 11 061,00 | 82,30 | 103,00 | 0,80 | 465,00 | 3,50 | 460,00 | 3,40 |
| Total | 777 963,00 | 82,70 | 3 162,00 | 0,30 | 28 795,00 | 3,10 | 44 659,00 | 4,70 |

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

| PROGRAMME | Total Personnel Cost per Programme (R'000) |
|-----------------------------------|--|
| ADMINISTRATION | 168 385,00 |
| PR2: CGHT: HUMAN SETTLEMENT | 106 286,00 |
| PR3: CGHT: CORPORATIVE GOVERNANCE | 652 260,00 |
| STATUTORY | 13 443,00 |
| Total | 940 375,00 |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|--|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Skilled (level 1-2) | 26 039,00 | 69,80 | 60,00 | 0,20 | 3 386,00 | 9,10 | 4 482,00 | 12,00 |
| Skilled (level 3-5) | 50 657,00 | 72,80 | 165,00 | 0,20 | 4 605,00 | 6,60 | 7 436,00 | 10,70 |
| Highly skilled production (levels 6-8) | 300 808,00 | 79,60 | 2 133,00 | 0,60 | 13 551,00 | 3,60 | 25 872,00 | 6,80 |
| Highly skilled supervision (levels 9-12) | 181 889,00 | 79,60 | 804,00 | 0,40 | 5 836,00 | 2,60 | 6 443,00 | 2,80 |
| Senior management (level 13-16) | 42 921,00 | 84,80 | 0,00 | 0,00 | 1 289,00 | 2,50 | 426,00 | 0,80 |
| Total | 602 314 | 77,32 | 3 162 | 0,28 | 28 667 | 4,88 | 44 659 | 6,62 |

Additional information: Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Total Personnel Cost per Salary Band (R'000) |
|--|--|
| Skilled (level 1-2) | 37 290,00 |
| Skilled (level 3-5) | 69 550,00 |
| Highly skilled production (levels 6-8) | 378 053,00 |
| Highly skilled supervision (levels 9-12) | 228 371,00 |
| Senior management (level 13-16) | 50 635,00 |
| Contract (Levels 3-5) | 407,00 |
| Contract (Levels 6-8) | 321,00 |
| Contract (Levels 9-12) | 2 832,00 |
| Contract (Levels >= 13) | 3 297,00 |
| Contract Other | 3 352,00 |
| Abnormal Appointment | 166 267,00 |
| Total | 940 375,00 |

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | | Total Personnel Cost per Salary Band (R'000) |
|-------------------------|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|--|
| | 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 3-5) | 406,00 | 99,80 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 407,00 |
| Contract (Levels 6-8) | 321,00 | 100,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 321,00 |
| Contract (Levels 9-12) | 2,446,00 | 86,40 | 0,00 | 0,00 | 63,00 | 2,20 | 0,00 | 0,00 | 2 832,00 |
| Contract (Levels >= 13) | 2,863,00 | 86,80 | 0,00 | 0,00 | 64,00 | 1,90 | 0,00 | 0,00 | 3 297,00 |
| Contract Other | 3 349,00 | 99,90 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 3 352,00 |
| Abnormal Appointment | 166,264,00 | 100,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 166 267,00 |
| Total | 175 649 | 95,48 | 0.00 | 0.00 | 127.00 | 0,68 | 0.00 | 0.00 | 940 375,00 |

3.2 Employment and Vacancies

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

This information is presented in terms of three key variables:

- programme

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| ADMINISTRATION, Permanent | 297,00 | 282,00 | 5,10 | 0,00 |
| PR2: CGHT: HUMAN SETTLEMENT, Permanent | 180,00 | 136,00 | 24,40 | 0,00 |
| PR3: CGHT: CORPORATIVE GOVERNANCE, Permanent | 1 272,00 | 1 217,00 | 4,30 | 0,00 |
| STATUTORY, Permanent | 27,00 | 24,00 | 11,10 | 2,00 |
| TOTAL | 1 776,00 | 1 659,00 | 6,60 | 2,00 |

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

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|-----------------------------------|---|------------------------|--------------|---|
| Lower skilled (1-2) | 193,00 | 187,00 | 3,10 | 0,00 |
| Skilled (3-5) | 260,00 | 247,00 | 5,00 | 0,00 |
| Highly skilled production (6-8) | 948,00 | 908,00 | 4,20 | 0,00 |
| Highly skilled supervision (9-12) | 280,00 | 267,00 | 4,60 | 0,00 |
| Senior management (13-16) | 86,00 | 41,00 | 52,30 | 0,00 |
| Total | 194 574 | 1 650 | 13,84 | 0.00 |

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

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---------------------------------------|---|------------------------|--------------|---|
| 09 Other, Permanent | 2,00 | 2,00 | 0,00 | 2,00 |
| 11 Contract (Levels 3-5), Permanent | 2,00 | 2,00 | 0,00 | 0,00 |
| 12 Contract (Levels 6-8), Permanent | 1,00 | 1,00 | 0,00 | 0,00 |
| 13 Contract (Levels 9-12), Permanent | 2,00 | 2,00 | 0,00 | 0,00 |
| 14 Contract (Levels >= 13), Permanent | 2,00 | 2,00 | 0,00 | 0,00 |
| TOTAL | 9,00 | 9,00 | 0.00 | 2,00 |

Additional Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of additional employees to the establishment |
|--|---|------------------------|--------------|---|
| ADMINISTRATION CLERKS, Permanent | 1,00 | 1,00 | 0,00 | 0,00 |
| ADMINISTRATIVE RELATED, Permanent | 394,00 | 394,00 | 0,00 | 0,00 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent | 12,00 | 12,00 | 0,00 | 0,00 |
| AUXILIARY AND RELATED WORKERS, Permanent | 11,00 | 11,00 | 0,00 | 0,00 |
| CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS, Permanent | 1,00 | 1,00 | 0,00 | 0,00 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent | 76,00 | 76,00 | 0,00 | 0,00 |
| CLIENT INFORM CLERKS (SWITCHB RECEPT INFORM CLERKS), Permanent | 4,00 | 4,00 | 0,00 | 0,00 |
| COMMUNICATION AND INFORMATION RELATED, Permanent | 9,00 | 9,00 | 0,00 | 0,00 |
| COMMUNITY DEVELOPMENT WORKERS, Permanent | 367,00 | 367,00 | 0,00 | 0,00 |
| ENGINEERING SCIENCES RELATED, Permanent | 2,00 | 2,00 | 0,00 | 0,00 |
| ENGINEERS AND RELATED PROFESSIONALS, Permanent | 72,00 | 72,00 | 0,00 | 0,00 |
| FINANCE AND ECONOMICS RELATED, Permanent | 8,00 | 8,00 | 0,00 | 0,00 |
| FINANCIAL AND RELATED PROFESSIONALS, Permanent | 28,00 | 28,00 | 0,00 | 0,00 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent | 130,00 | 130,00 | 0,00 | 0,00 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent | 1,00 | 1,00 | 0,00 | 0,00 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent | 9,00 | 9,00 | 0,00 | 0,00 |
| HUMAN RESOURCES CLERKS, Permanent | 7,00 | 7,00 | 0,00 | 0,00 |
| HUMAN RESOURCES RELATED, Permanent | 35,00 | 35,00 | 0,00 | 0,00 |
| LEGAL RELATED, Permanent | 4,00 | 4,00 | 0,00 | 0,00 |
| LIBRARY MAIL AND RELATED CLERKS, Permanent | 5,00 | 5,00 | 0,00 | 0,00 |
| LIGHT VEHICLE DRIVERS, Permanent | 1,00 | 1,00 | 0,00 | 0,00 |
| LOGISTICAL SUPPORT PERSONNEL, Permanent | 130,00 | 130,00 | 0,00 | 0,00 |
| MESSENGERS PORTERS AND DELIVERERS, Permanent | 5,00 | 5,00 | 0,00 | 0,00 |

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees to the additional establishment |
|--|---|------------------------|--------------|---|
| Not Available, Permanent | 117,00 | 0,00 | 100,00 | 0,00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent | 27,00 | 27,00 | 0,00 | 0,00 |
| OTHER OCCUPATIONS, Permanent | 178,00 | 178,00 | 0,00 | 2,00 |
| RISK MANAGEMENT AND SECURITY SERVICES, Permanent | 4,00 | 4,00 | 0,00 | 0,00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent | 20,00 | 20,00 | 0,00 | 0,00 |
| SECURITY GUARDS, Permanent | 83,00 | 83,00 | 0,00 | 0,00 |
| SENIOR MANAGERS, Permanent | 35,00 | 35,00 | 0,00 | 0,00 |
| TOTAL | 1 776,00 | 1 659,00 | 6,60 | 2,00 |

Notes

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

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2024

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 4 | 3 | 50 | 1 | 25 |
| Salary Level 14 | 13 | 10 | 77 | 3 | 23 |
| Salary Level 13 | 28 | 25 | 89 | 3 | 11 |
| Total | 42 | 39 | 90 | 6 | 10 |

Table 3.3.2 SMS post information as on 30 September 2023

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 4 | 2 | 50 | 2 | 50 |
| Salary Level 14 | 13 | 11 | 85 | 2 | 15 |
| Salary Level 13 | 28 | 25 | 89 | 3 | 11 |
| Total | 46 | 39 | 85 | 7 | 15 |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

| SMS Level | Advertising | Filling of Posts | |
|--------------------------------------|---|---|--|
| | Number of vacancies per level advertised in 6 months of becoming vacant | Number of vacancies per level filled in 6 months of becoming vacant | Number of vacancies per level not filled in 6 months but filled in 12 months |
| Director-General/ Head of Department | 0 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 |
| Salary Level 15 | 1 | 0 | 1 |
| Salary Level 14 | 1 | 0 | 1 |
| Salary Level 13 | 2 | 0 | 0 |
| Total | 4 | 0 | 2 |

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

| Reasons for vacancies not advertised within six months |
|---|
| The positions were not filled as a result of inadequate CoE budget. The allocated departmental CoE budget provides for officials and Traditional Leaders allowance. |

| Reasons for vacancies not filled within twelve months |
|--|
| The posts have been prioritised and included in the approved Annual Recruitment Plan for 2024/2025 |

Notes

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

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

| Reasons for vacancies not advertised within six months |
|--|
| Not applicable as vacant funded posts were filled within prescribed timeframes |

| Reasons for vacancies not filled within six months |
|--|
| Not applicable as vacant funded posts were filled within prescribed timeframes |

Notes

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

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|--|---|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower Skilled (Levels 1-2) | 193,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Skilled (Levels 3-5) | 260,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Highly skilled production (Levels 6-8) | 948,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Highly skilled supervision (Levels 9-12) | 280,00 | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band A | 27,00 | 5,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band B | 12,00 | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band C | 6,00 | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Senior Management Service Band D | 40,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 1 766 | 9,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

Additional information: Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|---------------------------|---|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| 11 Contract (Levels 3-5) | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 12 Contract (Levels 6-8) | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 13 Contract (Levels 9-12) | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 14 Contract Band A | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|--------------------|---|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| 17 Contract Band D | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 7.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

| Gender | African | Asian | Coloured | White | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Female | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Male | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Employees with a disability | | | | | 0,00 |

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|---|---------------------|----------------------|--------------------|----------------------|
| N/A | N/A | N/A | N/A | N/A |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | N/A |
| Percentage of total employed | | | | 0.00 |

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

| | |
|---|------|
| Total number of Employees whose salaries exceeded the grades determine by job evaluation | 0.00 |
|---|------|

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Number of employees at beginning of period- 1 April 2023 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|--|--|--|---------------|
| Lower skilled (Levels 1-2) | 197,00 | 0,00 | 10,00 | 5,10 |
| Skilled (Levels 3-5) | 264,00 | 0,00 | 19,00 | 7,20 |
| Highly skilled production (Levels 6-8) | 937,00 | 10,00 | 37,00 | 3,90 |
| Highly skilled supervision (Levels 9-12) | 263,00 | 7,00 | 5,00 | 1,90 |
| Senior Management Service Bands A | 24,00 | 3,00 | 0,00 | 0,00 |
| Senior Management Service Bands B | 11,00 | 0,00 | 1,00 | 9,10 |
| Senior Management Service Bands C | 3,00 | 1,00 | 1,00 | 33,30 |
| Senior Management Service Bands D | 1,00 | 0,00 | 0,00 | 0,00 |
| Total | 1 700 | 21 | 73 | 4,29 |

Additional information: Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

| Salary band | Number of employees at beginning of period- 1 April 2023 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|-------------------------------------|--|--|--|---------------|
| 11 Contract (Levels 3-5) Permanent | 2,00 | 0,00 | 0,00 | 0,00 |
| 12 Contract (Levels 6-8) Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| 13 Contract (Levels 9-12) Permanent | 2,00 | 1,00 | 1,00 | 50,00 |
| 14 Contract Band A Permanent | 0,00 | 1,00 | 0,00 | 0,00 |
| 17 Contract Band D Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| TOTAL | 6,00 | 2,00 | 1,00 | 16,67 |

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

| Critical occupation | Number of employees at beginning of period-April 2023 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|--|--|---------------|
| ADMINISTRATIVE RELATED Permanent | 399,00 | 4,00 | 15,00 | 3,80 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent | 13,00 | 0,00 | 0,00 | 0,00 |
| AUXILIARY AND RELATED WORKERS Permanent | 13,00 | 0,00 | 0,00 | 0,00 |
| BUS AND HEAVY VEHICLE DRIVERS Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent | 63,00 | 0,00 | 3,00 | 4,80 |
| CLIENT INFORM CLERKS (SWITCHB RECEPT INFORM CLERKS) Permanent | 6,00 | 0,00 | 0,00 | 0,00 |

| Critical occupation | Number of employees at beginning of period-April 2023 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|---------------|
| COMMUNICATION AND INFORMATION RELATED Permanent | 9,00 | 0,00 | 0,00 | 0,00 |
| COMMUNITY DEVELOPMENT WORKERS Permanent | 374,00 | 3,00 | 0,00 | 0,00 |
| ENGINEERING SCIENCES RELATED Permanent | 2,00 | 0,00 | 0,00 | 0,00 |
| ENGINEERS AND RELATED PROFESSIONALS Permanent | 71,00 | 2,00 | 2,00 | 2,80 |
| FINANCE AND ECONOMICS RELATED Permanent | 5,00 | 0,00 | 0,00 | 0,00 |
| FINANCIAL AND RELATED PROFESSIONALS Permanent | 29,00 | 1,00 | 1,00 | 3,40 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent | 154,00 | 1,00 | 7,00 | 4,50 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent | 9,00 | 1,00 | 0,00 | 0,00 |
| HUMAN RESOURCES CLERKS Permanent | 11,00 | 0,00 | 0,00 | 0,00 |
| HUMAN RESOURCES RELATED Permanent | 32,00 | 1,00 | 12,00 | 37,50 |
| LEGAL RELATED Permanent | 4,00 | 0,00 | 0,00 | 0,00 |
| LIBRARY MAIL AND RELATED CLERKS Permanent | 2,00 | 0,00 | 0,00 | 0,00 |
| LIGHT VEHICLE DRIVERS Permanent | 1,00 | 0,00 | 0,00 | 0,00 |
| LOGISTICAL SUPPORT PERSONNEL Permanent | 155,00 | 0,00 | 9,00 | 5,80 |
| MESSENGERS PORTERS AND DELIVERERS Permanent | 3,00 | 0,00 | 1,00 | 33,30 |
| MOTOR VEHICLE DRIVERS Permanent | 0,00 | 0,00 | 1,00 | 0,00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent | 12,00 | 0,00 | 1,00 | 8,30 |
| OTHER OCCUPATIONS Permanent | 226,00 | 91,00 | 97,00 | 42,90 |
| RISK MANAGEMENT AND SECURITY SERVICES Permanent | 4,00 | 0,00 | 0,00 | 0,00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent | 27,00 | 0,00 | 0,00 | 0,00 |
| SECURITY GUARDS Permanent | 93,00 | 0,00 | 9,00 | 9,70 |
| SENIOR MANAGERS Permanent | 32,00 | 4,00 | 1,00 | 3,10 |
| TOTAL | 1 752,00 | 108,00 | 159,00 | 9,10 |

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

- (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

| Termination Type | Number | % of Total Resignations |
|--|--------------|-------------------------|
| Death | 18 | 31.6 |
| Resignation | 14 | 24.56 |
| Expiry of contract | 00 | 00 |
| Dismissal – operational changes | 00 | 00 |
| Dismissal – misconduct | 00 | 00 |
| Dismissal – inefficiency | 00 | 00 |
| Discharged due to ill-health | 01 | 1.75 |
| Retirement | 21 | 36.84 |
| Transfer to other Public Service Departments | 03 | 5.26 |
| Other | 0.00 | 0.00 |
| Total | 57.00 | 100 |
| Total number of employees who left as a % of total employment | 57 | 3.43 |

Additional information Table 3.5.3

| Termination Type | Number | % of Total Resignations |
|--|--------------|-------------------------|
| Retirement(mandatory) | 16 | 94.12 |
| Early retirement | 01 | 5.88 |
| Total | 17.00 | 100 |
| Total number of employees who left as a % of total employment | 17 | 1.02 |

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

| Occupation | Employees 1 April 2023 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--------------------------------------|------------------------|------------------------------------|---|---|---|
| ADMINISTRATIVE RELATED | 399,00 | 6,00 | 1,50 | 204,00 | 51,10 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS | 13,00 | 0,00 | 0,00 | 6,00 | 46,20 |

| Occupation | Employees 1 April 2023 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--|------------------------------|--|--|--|--|
| AUXILIARY AND RELATED WORKERS | 13,00 | 0,00 | 0,00 | 2,00 | 15,40 |
| BUS AND HEAVY VEHICLE DRIVERS | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| CIVIL ENGINEERING TECHNICIANS | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 63,00 | 0,00 | 0,00 | 66,00 | 104,80 |
| CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS) | 6,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| COMMUNICATION AND INFORMATION RELATED | 9,00 | 0,00 | 0,00 | 5,00 | 55,60 |
| COMMUNITY DEVELOPMENT WORKERS | 374,00 | 2,00 | 0,50 | 0,00 | 0,00 |
| ENGINEERING SCIENCES RELATED | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| ENGINEERS AND RELATED PROFESSIONALS | 71,00 | 0,00 | 0,00 | 52,00 | 73,20 |
| FINANCE AND ECONOMICS RELATED | 5,00 | 0,00 | 0,00 | 3,00 | 60,00 |
| FINANCIAL AND RELATED PROFESSIONALS | 29,00 | 0,00 | 0,00 | 12,00 | 41,40 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS | 154,00 | 1,00 | 0,60 | 104,00 | 67,50 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF | 9,00 | 1,00 | 11,10 | 2,00 | 22,20 |
| HUMAN RESOURCES CLERKS | 11,00 | 0,00 | 0,00 | 11,00 | 100,00 |
| HUMAN RESOURCES RELATED | 32,00 | 0,00 | 0,00 | 346,00 | 1 081,30 |
| LEGAL RELATED | 4,00 | 0,00 | 0,00 | 3,00 | 75,00 |
| LIBRARY MAIL AND RELATED CLERKS | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| LIGHT VEHICLE DRIVERS | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| LOGISTICAL SUPPORT PERSONNEL | 155,00 | 0,00 | 0,00 | 112,00 | 72,30 |
| MESSENGERS PORTERS AND DELIVERERS | 3,00 | 0,00 | 0,00 | 1,00 | 33,30 |
| MOTOR VEHICLE DRIVERS | 0,00 | 0,00 | 0,00 | 2,00 | 0,00 |

| Occupation | Employees 1 April 2023 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---|------------------------------|--|--|--|--|
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS | 12,00 | 0,00 | 0,00 | 16,00 | 133,30 |
| OTHER OCCUPATIONS | 226,00 | 0,00 | 0,00 | 14,00 | 6,20 |
| RISK MANAGEMENT AND SECURITY SERVICES | 4,00 | 0,00 | 0,00 | 1,00 | 25,00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 27,00 | 0,00 | 0,00 | 7,00 | 25,90 |
| SECURITY GUARDS | 93,00 | 0,00 | 0,00 | 13,00 | 14,00 |
| SENIOR MANAGERS | 32,00 | 5,00 | 15,60 | 6,00 | 18,80 |
| TOTAL | 1 752,00 | 15,00 | 0,90 | 989,00 | 56,40 |

Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

| Salary Band | Employees 1 April 2023 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|---|---------------------------|--|--|--|--|
| Lower skilled (Levels 1-2) | 197,00 | 0,00 | 0,00 | 169,00 | 85,80 |
| Skilled (Levels 3-5) | 264,00 | 0,00 | 0,00 | 148,00 | 56,10 |
| Highly skilled production (Levels 6-8) | 937,00 | 2,00 | 0,20 | 486,00 | 51,90 |
| Highly skilled supervision (Levels 9-12) | 263,00 | 9,00 | 3,40 | 163,00 | 62,00 |
| Senior Management (Level 13-16) | 39,00 | 4,00 | 10,30 | 23,00 | 59,00 |
| Total | 1 700 | 15,00 | 2,78 | 989 | 314,80 |

Additional information: Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

| Salary Band | Employees 1 April 2023 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|--|------------------------------|--|---|--|--|
| 09 Other, Permanent | 46,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 11 Contract (Levels 3-5), Permanent | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 12 Contract (Levels 6-8), Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 13 Contract (Levels 9- 12), Permanent | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 14 Contract (Levels >= 13), Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 52,00 | 0,00 | 0,00 | 0,00 | 0,00 |

3.6 Employment Equity

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

| Occupational category | Male | | | | Female | | | | Total |
|--|---------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-----------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 14,00 | 0,00 | 0,00 | 0,00 | 8,00 | 0,00 | 0,00 | 0,00 | 22,00 |
| Professionals | 206,00 | 0,00 | 0,00 | 0,00 | 309,00 | 3,00 | 0,00 | 1,00 | 519,00 |
| Technicians and associate professionals | 272,00 | 0,00 | 0,00 | 0,00 | 317,00 | 1,00 | 0,00 | 3,00 | 593,00 |
| Clerks | 45,00 | 0,00 | 0,00 | 0,00 | 122,00 | 1,00 | 0,00 | 0,00 | 168,00 |
| Service and sales workers | 54,00 | 1,00 | 0,00 | 0,00 | 25,00 | 0,00 | 0,00 | 0,00 | 80,00 |
| Skilled agriculture and fishery workers | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Craft and related trades workers | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Plant and machine operators and assemblers | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 4,00 | 6,00 |
| Elementary occupations | 177,00 | 0,00 | 0,00 | 0,00 | 98,00 | 5,00 | 0,00 | 0,00 | 280,00 |
| Total | 770,00 | 1,00 | 0,00 | 0,00 | 879,00 | 0,00 | 0,00 | 0,00 | 1 650,00 |
| Employees with disabilities | 8,00 | 0,00 | 0,00 | 0,00 | 7,00 | 0,00 | 0,00 | 8,00 | 16,00 |

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

| Occupational category | Male total Blacks | Female total Blacks |
|--|-------------------|---------------------|
| Legislators, senior officials and managers | 14.00 | 8.00 |
| Professionals | 206.00 | 312.00 |
| Technicians and associate professionals | 272.00 | 318.00 |
| Clerks | 45.00 | 123.00 |
| 05, Service shop and sales workers | 55.00 | 25.00 |
| Labourers and related workers | 177.00 | 98.00 |
| Plant and machine operators and assemblers | 2.00 | 0.00 |
| Total | 771.00 | 910.00 |
| Employees with disabilities | 8.00 | 7.00 |

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

| Occupational band | Male | | | | Female | | | | Total |
|---|------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 4,00 | 0,00 | 0,00 | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 | 6,00 |
| Senior Management | 21,00 | 0,00 | 0,00 | 0,00 | 13,00 | 1,00 | 0,00 | 0,00 | 35,00 |
| Professionally qualified and experienced specialists and mid-management | 140,00 | 1,00 | 0,00 | 0,00 | 123,00 | 1,00 | 0,00 | 2,00 | 267,00 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 415,00 | 0,00 | 0,00 | 0,00 | 488,00 | 3,00 | 0,00 | 2,00 | 908,00 |
| Semi-skilled and discretionary decision making | 108,00 | 0,00 | 0,00 | 0,00 | 139,00 | 0,00 | 0,00 | 0,00 | 247,00 |
| Unskilled and defined decision making | 76,00 | 0,00 | 0,00 | 0,00 | 111,00 | 0,00 | 0,00 | 0,00 | 187,00 |
| Total | 764 | 1,00 | 0,00 | 0,00 | 876 | 5,00 | 0,00 | 4,00 | 1 650 |

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

| Occupational band | Male | | | | Female | | | | Total |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 07 Not Available, Permanent | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 2,00 |
| 08 Contract (Top Management), Permanent | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| 09 Contract (Senior Management), Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| 10 Contract (Professionally Qualified), Permanent | 2,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 2,00 |
| 11 Contract (Skilled Technical), Permanent | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| 12 Contract (Semi-Skilled), Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 2,00 |
| Total | 6,00 | 0,00 | 0,00 | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 | 9,00 |

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

| Occupational band | Male | | | | Female | | | | Total |
|-------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| Senior Management | 2,00 | 0,00 | 0,00 | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 | 3,00 |

| Occupational band | Male | | | | Female | | | | Total |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Professionally qualified and experienced specialists and mid-management | 4,00 | 0,00 | 0,00 | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 | 7,00 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 5,00 | 0,00 | 0,00 | 0,00 | 5,00 | 0,00 | 0,00 | 0,00 | 10,00 |
| Semi-skilled and discretionary decision making | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Unskilled and defined decision making | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Total | 12 | 0,00 | 0,00 | 0,00 | 9,00 | 0,00 | 0,00 | 0,00 | 21,00 |
| Employees with disabilities | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

Additional Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

| Occupational band | Male | | | | Female | | | | Total |
|--|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 07, not available | 33,00 | 0,00 | 0,00 | 0,00 | 52,00 | 0,00 | 0,00 | 0,00 | 85,00 |
| 09, Contract (Senior Management) permanent | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| 10, Contract (Professionally qualified), Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| Total | 35,00 | 0,00 | 0,00 | 0,00 | 52,00 | 0,00 | 0,00 | 0,00 | 87,00 |
| Employees with disabilities | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

| Occupational band | Male | | | | Female | | | | Total |
|---|---------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-----------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0,00 | 0,00 | 0,00 | 0,00 | 2,00 | 0,00 | 0,00 | 0,00 | 2,00 |
| Senior Management | 15,00 | 0,00 | 0,00 | 0,00 | 9,00 | 1,00 | 0,00 | 0,00 | 25,00 |
| Professionally qualified and experienced specialists and mid-management | 89,00 | 1,00 | 0,00 | 0,00 | 81,00 | 0,00 | 0,00 | 1,00 | 172,00 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 182,00 | 0,00 | 0,00 | 0,00 | 302,00 | 3,00 | 0,00 | 1,00 | 488,00 |
| Semi-skilled and discretionary decision making | 40,00 | 0,00 | 0,00 | 0,00 | 108,00 | 0,00 | 0,00 | 0,00 | 148,00 |
| Unskilled and defined decision making | 65,00 | 0,00 | 0,00 | 0,00 | 104,00 | 0,00 | 0,00 | 0,00 | 169,00 |
| Total | 391,00 | 1,00 | 0,00 | 0,00 | 606,00 | 4,00 | 0,00 | 2,00 | 1 004,00 |

| Occupational band | Male | | | | Female | | | | Total |
|-----------------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Employees with disabilities | 5,00 | 0,00 | 0,00 | 0,00 | 6,00 | 0,00 | 0,00 | 0,00 | 11,00 |

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

| Occupational band | Male | | | | Female | | | | Total |
|---|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| Senior Management | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| Professionally qualified and experienced specialists and mid-management | 2,00 | 0,00 | 0,00 | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 | 5,00 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 18,00 | 0,00 | 0,00 | 0,00 | 19,00 | 0,00 | 0,00 | 0,00 | 37,00 |
| Semi-skilled and discretionary decision making | 10,00 | 0,00 | 0,00 | 0,00 | 9,00 | 0,00 | 0,00 | 0,00 | 19,00 |
| Unskilled and defined decision making | 3,00 | 0,00 | 0,00 | 0,00 | 7,00 | 0,00 | 0,00 | 0,00 | 10,00 |
| Total | 35,00 | 0,00 | 0,00 | 0,00 | 38,00 | 0,00 | 0,00 | 0,00 | 73,00 |
| Employees with Disabilities | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

Additional Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

| Occupational band | Male | | | | Female | | | | Total |
|--|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 07, Not available, Permanent | 33,00 | 0,00 | 0,00 | 0,00 | 52,00 | 0,00 | 0,00 | 0,00 | 85,00 |
| 10, Contract (Professionally qualified), Permanent | 1,00 | 0,00 | 0,00 | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| Total | 34,00 | 0,00 | 0,00 | 0,00 | 52,00 | 0,00 | 0,00 | 0,00 | 86,00 |
| Employees with Disabilities | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

Table 3.6.6 Disciplinary action for the period 1 April 2023 to 31 March 2024

| Disciplinary action | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Contravention of Code of Conduct (gross negligence) | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |
| Contravention of Code of Conduct (Absenteeism) | 1,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 1,00 |

| Disciplinary action | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Contravention of Code of Conduct (Gross dishonesty) | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Contravention of Code of Conduct (failure to disclose financial interests) | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |

Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024

| Occupational category | Male | | | | Female | | | | Total |
|--|------------|----------|----------|----------|------------|----------|----------|----------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 184 | 1 | 0 | 0 | 283 | 2 | 0 | 2 | 472 |
| Professionals | 141 | 0 | 0 | 0 | 126 | 0 | 0 | 0 | 267 |
| Technicians and associate professionals | 264 | 0 | 0 | 0 | 237 | 0 | 0 | 0 | 501 |
| Clerks | 134 | 0 | 0 | 0 | 107 | 4 | 0 | 2 | 247 |
| Service and sales workers | 1 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 5 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Elementary occupations | 112 | 0 | 0 | 0 | 76 | 0 | 0 | 0 | 188 |
| Total | 838 | 1 | 0 | 0 | 833 | 6 | 0 | 4 | 1 682 |
| Employees with disabilities | 8 | 0 | 0 | 0 | 7 | 0 | 0 | 1 | 16 |

3.7 Signing of Performance Agreements by SMS Members

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

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

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------------------------|----------------------------------|-----------------------------|---|---|
| Director-General/ Head of Department | 1 | 1 | 1 | 100% |
| Salary Level 16 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 4 | 2 | 2 | 100% |
| Salary Level 14 | 13 | 11 | 11 | 100% |
| Salary Level 13 | 28 | 25 | 25 | 100% |

| 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 |
|--------------|----------------------------------|-----------------------------|---|---|
| Total | 46 | 39 | 39 | 100% |

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2024.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

| Reasons |
|------------|
| N/A |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

| Reasons |
|------------|
| N/A |

3.8 Performance Rewards

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

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

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | | | | | |
| Male | 0,00 | 773,00 | 0,00 | 0,00 | 0,00 |
| Female | 0,00 | 883,00 | 0,00 | 0,00 | 0,00 |
| Asian | | | | | |
| Male | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Female | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Coloured | | | | | |
| Male | 0,00 | 1,00 | 0,00 | 0,00 | 0,00 |
| Female | 0,00 | 5,00 | 0,00 | 0,00 | 0,00 |
| White | | | | | |
| Male | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| Female | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 |
| Total | 0,00 | 1 665 | 0,00 | 0,00 | 0,00 |

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

| Race and Gender | Beneficiary Profile | | | Cost | |
|----------------------------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| Total Blacks, Female | 0,00 | 88,00 | 0,00 | 0,00 | 0,00 |
| Total Blacks, Males | 0,00 | 774,00 | 0,00 | 0,00 | 0,00 |
| White Male | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| White Female | 0,00 | 3,00 | 0,00 | 0,00 | 0,00 |
| Employees with Disability | 0,00 | 16.00 | 0,00 | 0,00 | 0,00 |
| Total | | 878.00 | 0,00 | 0,00 | 0,00 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|---|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Lower Skilled (Levels 1-2) | 0.00 | 191.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Skilled (level 3-5) | 0.00 | 251.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled production (level 6-8) | 0.00 | 922.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled supervision (level 9-12) | 0.00 | 267.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 1631 | 0.00 | 0.00 | 0.00 | 0.00 |

Additional Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|---------------------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| 09, Other | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11, Contract (Levels 3-5) | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12, Contract (level 6-8) | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 Contract (level 9-12) | 0.00 | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 8.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

| Critical occupation | Beneficiary Profile | | | Cost | |
|---|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS | 0.00 | 130.00 | 0.00 | 0.00 | 0.00 |
| HUMAN RESOURCES CLERKS | 0.00 | 12.00 | 0.00 | 0.00 | 0.00 |
| MESSENGERS PORTERS AND DELIVERERS | 0.00 | 8.00 | 0.00 | 0.00 | 0.00 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF | 0.00 | 10.00 | 0.00 | 0.00 | 0.00 |
| RISK MANAGEMENT AND SECURITY SERVICES | 0.00 | 3.00 | 0.00 | 0.00 | 0.00 |
| LOGISTICAL SUPPORT PERSONNEL | 0.00 | 135.00 | 0.00 | 0.00 | 0.00 |
| FINANCE AND ECONOMICS RELATED | 0.00 | 5.00 | 0.00 | 0.00 | 0.00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS | 0.00 | 19.00 | 0.00 | 0.00 | 0.00 |
| AUXILIARY AND RELATED WORKERS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| OTHER OCCUPATIONS | 0.00 | 196.00 | 0.00 | 0.00 | 0.00 |
| LEGAL RELATED | 0.00 | 4.00 | 0.00 | 0.00 | 0.00 |
| FINANCIAL AND RELATED PROFESSIONALS | 0.00 | 37.00 | 0.00 | 0.00 | 0.00 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS | 0.00 | 8.00 | 0.00 | 0.00 | 0.00 |
| ADMINISTRATIVE RELATED | 0.00 | 466.00 | 0.00 | 0.00 | 0.00 |
| COMMUNICATION AND INFORMATION RELATED | 0.00 | 8.00 | 0.00 | 0.00 | 0.00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 0.00 | 8.00 | 0.00 | 0.00 | 0.00 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 0.00 | 78.00 | 0.00 | 0.00 | 0.00 |
| LIBRARY MAIL AND RELATED CLERKS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| HUMAN RESOURCES RELATED | 0.00 | 365.00 | 0.00 | 0.00 | 0.00 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| CIVIL ENGINEERING TECHNICIANS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| SENIOR MANAGERS | 0.00 | 18.00 | 0.00 | 0.00 | 0.00 |
| CLIENT INFORM CLERKS (SWITCHB RECEPT INFORM CLERKS) | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |

| Critical occupation | Beneficiary Profile | | | Cost | |
|-------------------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| ENGINEERS AND RELATED PROFESSIONALS | 0.00 | 76.00 | 0.00 | 0.00 | 0.00 |
| CARTOGRAPHERS AND SURVEYORS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| LIGHT VEHICLE DRIVERS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| ENGINEERING SCIENCES RELATED | 0.00 | 3.00 | 0.00 | 0.00 | 0.00 |
| MOTOR VEHICLE DRIVERS | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 |
| SECURITY GUARDS | 0.00 | 78.00 | 0.00 | 0.00 | 0.00 |
| COMMUNITY DEVELOPMENT WORKERS | 0.00 | 5.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 0.00 | 1 681.00 | 0.00 | 0.00 | 0.00 |

Notes

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Band A | 0.00 | 25.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Band B | 0.00 | 11.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Band C | 0.00 | 4.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Band D | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 42.00 | 0.00 | 0.00 | 0.00 | 0.00 |

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2023 to 31 March 2024

| Salary band | 01 April 2023 | | 31 March 2024 | | Change | |
|--|---------------|------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower skilled | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled production (Lev. 6-8) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Highly skilled supervision (Lev. 9-12) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Contract (level 9-12) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Contract (level 13-16) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 to 31 March 2024

| Major occupation | 01 April 2023 | | 31 March 2024 | | Change | |
|------------------|---------------|------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| N/A | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

3.10 Leave utilisation

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

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

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost (R'000) |
|--|----------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Level 1-2) | 356.00 | 96.90 | 48.00 | 8.60 | 7.00 | 3 387.00 |
| Skilled (levels 3-5) | 582.00 | 21.00 | 21.00 | 21.00 | 21.00 | 529.00 |
| Highly skilled production (levels 6-8) | 1 974.00 | 81.80 | 236.00 | 42.50 | 8.00 | 3 387.00 |
| Highly skilled supervision (levels 9 - 12) | 1 404.00 | 86.00 | 189.00 | 34.10 | 7.00 | 209.00 |
| Top and Senior management (levels 13-16) | 152.00 | 88.80 | 21.00 | 3.80 | 7.00 | 737.00 |
| Total | 4468.00 | 74.9% | 515.00 | 29.16% | 50.00 | 8 249.00 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

| Salary band | Total days | % Days with Medical certification | Number of Employees using disability leave | % of total employees using disability leave | Average days per employee | Estimated Cost (R'000) |
|--|-----------------|-----------------------------------|--|---|---------------------------|------------------------|
| Lower skilled (Levels 1-2) | 22.00 | 100.00 | 1.00 | 16.70 | 22.00 | 14.00 |
| Skilled (Levels 3-5) | 19.00 | 100.00 | 2.00 | 33.30 | 10.00 | 19.00 |
| Highly skilled production (Levels 6-8) | 86.00 | 100.00 | 3.00 | 50.00 | 29.00 | 142.00 |
| Highly skilled supervision (Levels 9-12) | 00.0 | 00.0 | 00.0 | 00.0 | 00.0 | 00.0 |
| Senior management (Levels 13-16) | 00.0 | 00.0 | 00.0 | 00.0 | 00.0 | 00.0 |
| Total | 4 473.00 | 86.30 | 555.00 | 100.00 | 8.00 | 9 016.00 |

Additional Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

| Salary band | Total days with medical certification | Total number of employees using disability leave |
|--|---------------------------------------|--|
| Lower skilled (Levels 1-2) | 22.00 | 6.00 |
| Skilled (Levels 3-5) | 19.00 | 6.00 |
| Highly skilled production (Levels 6-8) | 86.00 | 6.00 |
| Highly skilled supervision (Levels 9-12) | 00.0 | 00.0 |
| Senior management (Levels 13-16) | 00.0 | 00.0 |
| Total | 127.00 | 6.00 |

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

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | 4 294.00 | 160.00 | 27.00 |
| Skilled Levels 3-5) | 5 868.00 | 229.00 | 26.00 |
| Highly skilled production (Levels 6-8) | 14 611.00 | 573.00 | 25.00 |
| Highly skilled supervision (Levels 9-12) | 7 781.00 | 266.00 | 29.00 |
| Senior management (Levels 13-16) | 889.00 | 35.00 | 25.00 |
| Total | 33 443.00 | 1263 | 26.4 |

Additional Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|------------------------|------------------|--|----------------------|
| Contract (Level 13-16) | 7.00 | 2.00 | 24.00 |
| Contract (Level 3-5) | 6.00 | 1.00 | 6.00 |
| Total | 13.00 | 3.00 | 10.00 |

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

| Salary band | Total days of capped leave taken | Number of Employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2024 |
|--|----------------------------------|--|---|---|
| Lower skilled (Levels 1-2) | 0.00 | 0.00 | 0.00 | 57.00 |
| Skilled Levels 3-5) | 0.00 | 0.00 | 0.00 | 68.00 |
| Highly skilled production (Levels 6-8) | 0.00 | 0.00 | 0.00 | 68.00 |
| Highly skilled supervision (Levels 9-12) | 0.00 | 0.00 | 0.00 | 76.00 |
| Senior management (Levels 13-16) | 0.00 | 0.00 | 0.00 | 66.00 |
| Total | 0.00 | 0.00 | 0.00 | 335.00 |

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

Table 3.10.5 Leave payouts for the period 1 April 2023 to 31 March 2024

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---|----------------------|---------------------|------------------------------|
| Leave payout for 2023/2024 due to non-utilisation of leave for the previous cycle | 0.00 | 0.00 | 0.00 |
| Capped leave payouts on termination of service for 2023/2024 | 0.00 | 0.00 | 0.00 |
| Current leave payout on termination of service for 2023/24 | R3 126 169.00 | 68.00 | R45 973.00 |
| Total | R3 126 169.00 | 68.00 | R45 973.00 |

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any) | Key steps taken to reduce the risk |
|--|---|
| All field workers and employees on lower salary level | Conducted Health screenings and HCT on a quarterly basis. |

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

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | Yes | | Chief Director: Human Resource Management and Development: Matlala M.L. |
| 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 Wellness unit with a total of six officials and headed by a Deputy Director |

| Question | Yes | No | Details, if yes |
|---|-----|----|--|
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | Yes | | <p>The Department is fully implementing Employee Health and Strategic framework for public service and the pillars below are being implemented.</p> <ul style="list-style-type: none"> • HIV & Aids and STI Management • Wellness Management • Health and Productivity SHERQ Management |
| 4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | Yes | | <ul style="list-style-type: none"> • Madzena T.M • Phasha M.C • Matlala M.L (OHS Custodian) • Malemela S.O • Matlala K.H • Mphati M.P • Malebane N.R • Malatje L.J • Nchabeleng R.M • Mampuru M. • A Letsoalo M.W • Malepane T.T • Nethononda N.G • Matjokotja T.S • Mudau K. • Makotanyane M.J • Sambo N.R • Kgasago D.D • Ragoasha G • Madzhie T.M • Mohlala M.R • Maja N. • Shilubana R • Nchabeleng K.S • Masemola M.F • Seraga M.J • Fenyane M.C • Netshimbupfe E • Nkogatse R.E • Sekhaolelo H.M • Kgare N.O • Moloto J.R • Nkosi S.R • Dikotla M.R • Nkuna C.M • Mathabatha N.D • Matjea M. • Thovhowani N.G • Mampa M.J • Nemanashi G • Masaka R.A • Manamela M. K |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not | Yes | | <ul style="list-style-type: none"> • Recruitment Policy |

| Question | Yes | No | Details, if yes |
|--|-----|----|---|
| unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | | | <ul style="list-style-type: none"> • Employment Equity Policy • Skills Development Policy. |
| 6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | Yes | | HIV and AIDS and STI Policy |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved. | Yes | | <p>Conducted HIV, TB & STI screenings on the 21 February at Hensa Towers = 26 employees screened</p> <p>Organized Health talk Presentation on HIV, TB, and STI on the 21 February 2024 at Hensa Towers= 35 Employees attended the session</p> |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | | | <ul style="list-style-type: none"> • Monthly meetings and reporting • Quarterly and Annual meetings and reporting Reviews |

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2023 to 31 March 2024

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

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 to 31 March 2024

| Outcomes of disciplinary hearings | Number | % of total |
|-----------------------------------|-----------|------------|
| Correctional counselling | 00 | 00 |
| Verbal warning | 00 | 00 |
| Written warning | 00 | 00 |
| Final written warning | 03 | 60 |
| Suspended without pay | 02 | 40 |
| Fine | 00 | 00 |
| Demotion | 00 | 00 |
| Dismissal | 00 | 00 |
| Not guilty | 00 | 00 |
| Case withdrawn | 00 | 00 |
| Total | 05 | 100 |

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 to 31 March 2024

| Type of misconduct | Number | % of total |
|---|-----------|------------|
| Contravention of code of conduct (Fraud) | 01 | 16.66 |
| Absenteeism | 01 | 16.66 |
| Gross dereliction of duty | 01 | 16.66 |
| Gross dishonesty | 01 | 16.66 |
| Gross insubordination (failure to disclose financial interests) | 02 | 33.33 |
| Total | 06 | 100 |

Table 3.12.4 Grievances logged for the period 1 April 2023 to 31 March 2024

| Grievances | Number | % of Total |
|--|-----------|------------|
| Number of grievances resolved | 07 | 100 |
| Number of grievances not resolved | 00 | 00 |
| Total number of grievances lodged | 07 | 100 |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 to 31 March 2024

| Disputes | Number | % of Total |
|--|-----------|------------|
| Number of disputes upheld | 01 | 50 |
| Number of disputes dismissed | 01 | 50 |
| Total number of disputes lodged | 02 | 100 |

Table 3.12.6 Strike actions for the period 1 April 2023 to 31 March 2024

| | |
|---|------------------|
| Total number of persons working days lost | 05 |
| Total costs working days lost | R5 066.72 |
| Amount recovered as a result of no work no pay (R'000) | R5 066.72 |

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 to 31 March 2024

| | |
|--|------|
| Number of people suspended | None |
| Number of people who's suspension exceeded 30 days | None |
| Average number of days suspended | N/A |
| Cost of suspension(R'000) | N/A |

3.13 Skills development

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

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

| Occupational category | Gender | Number of employees as at 1 April 2023 | Training needs identified at start of the reporting period | | | | |
|--|--------|--|--|---|-------------------------|-----------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | | Total |
| | | | | | Internships | Experiential Learners | |
| Legislators, senior officials and managers | Female | 287 | 0 | 200 | 0 | 0 | 487 |
| | Male | 185 | 0 | 100 | 0 | 0 | 285 |
| Professionals | Female | 126 | 0 | 121 | 0 | 0 | 247 |
| | Male | 141 | 0 | 78 | 0 | 0 | 219 |
| Technicians and associate professionals | Female | 237 | 0 | 185 | 0 | 0 | 400 |
| | Male | 264 | 0 | 136 | 0 | 0 | 400 |
| Clerks | Female | 111 | 4 | 306 | 17 | 92 | 530 |
| | Male | 134 | 2 | 128 | 5 | 23 | 292 |
| Service and sales workers | Female | 4 | 0 | 4 | 0 | 0 | 8 |
| | Male | 1 | 0 | 1 | 0 | 0 | 2 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 2 | 0 | 2 | 0 | 0 | 2 |
| Elementary occupations | Female | 76 | 0 | 146 | 0 | 0 | 222 |
| | Male | 112 | 0 | 38 | 0 | 0 | 150 |
| Sub Total | Female | 841 | 4 | 962 | 17 | 92 | 1 916 |
| | Male | 839 | 2 | 483 | 5 | 23 | 1 352 |
| Total | | 1 680 | 6 | 1 445 | 22 | 115 | 3 268 |

Table 3.13.2 Training provided for the period 1 April 2023 to 31 March 2024

| Occupational category | Gender | Number of employees as at 1 April 2023 | Training provided within the reporting period | | | | |
|--|--------|--|---|---|-------------------------|-----------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | | Total |
| | | | | | Internship | Experiential Learners | |
| Legislators, senior officials and managers | Female | 287 | 0 | 123 | 0 | 0 | 410 |
| | Male | 185 | 0 | 80 | 0 | 0 | 265 |
| Professionals | Female | 126 | 0 | 133 | 0 | 0 | 259 |
| | Male | 141 | 0 | 75 | 0 | 0 | 216 |
| Technicians and associate professionals | Female | 237 | 0 | 267 | 0 | 0 | 504 |

| Occupational category | Gender | Number of employees as at 1 April 2023 | Training provided within the reporting period | | | | |
|--|--------|--|---|---|-------------------------|-----------------------|-------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | | Total |
| | | | | | Internship | Experiential Learners | |
| | Male | 264 | 0 | 207 | 0 | 0 | 471 |
| Clerks | Female | 111 | 4 | 219 | 17 | 92 | 443 |
| | Male | 134 | 2 | 263 | 5 | 23 | 427 |
| Service and sales workers | Female | 4 | 0 | 45 | 0 | 0 | 49 |
| | Male | 1 | 0 | 100 | 0 | 0 | 101 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 2 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 76 | 0 | 140 | 0 | 0 | 216 |
| | Male | 112 | 0 | 70 | 0 | 0 | 180 |
| Sub Total | Female | 841 | 4 | 927 | 17 | 92 | 1 881 |
| | Male | 839 | 2 | 795 | 5 | 23 | 1 664 |
| Total | | 1 680 | 6 | 1722 | 22 | 115 | 3 545 |

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 to 31 March 2024

| Nature of injury on duty | Number | % of total |
|---------------------------------------|-----------|-------------|
| Required basic medical attention only | 15 | 100% |
| Temporary Total Disablement | 0 | 0 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 15 | 100% |

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 to 31 March 2024

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|--|--|--------------------------------|------------------------|
| Competency Assessment | 6 | 12 | R56 012.3 |
| Appointment of firm of attorneys to Represent the Department in an arbitration hearing | 01 | The case is ongoing, from 2023 | R1,1million |
| Appointment of firm of attorneys to initiate and preside over disciplinary inquiry | 01 | 3 months | R300 000 |
| Dr Beatrice Mokgoadi Psychological Services | 1 | 1 year | R213 972.00 |
| Dr LP Selahle Beatitudes Psychology Centre | 1 | 1 year | R45 540.00 |
| Bob T Shikwambana Clinical Psychology Services | 1 | 1 year | R16 160.00 |
| Moipone Lebesse Clinical Psychologist | 1 | 1 year | R8 300.00 |
| Dr MA Poto Psychiatric Services | 1 | 1 year | R7 400.00 |
| Dr MM Kewana Psychiatric Services | 1 | 1 year | R103 737.10 |
| Anix Trading Pty LTD (Unicare) Admissions | 1 | 1 year | R136 111.79 |
| Medi-Clinic Services | 1 | 1 year | R4 812.59 |
| Dr Bosman Medical Practitioner | 1 | 1 year | R12 749.15 |
| Dr WG Dawel Diagnostic Radiologist | 1 | 1 year | R21 912.03 |
| Wessels & Lambrecht Physiotherapist | 1 | 1 year | R3 381.23 |
| Occupational Therapy Services | 1 | 1 year | R18 581.07 |
| Physiotherapy Services | 1 | 1 year | R2 956.43 |
| Parks-Med Pharmacy | 1 | 1 year | R42 780.42 |
| Competency Assessment | 6 | 12 | R56 012.3 |
| Appointment of firm of attorneys to Represent the Department in an arbitration hearing | 01 | The case is ongoing, from 2023 | R1,1million |
| Appointment of firm of attorneys to initiate and preside over disciplinary inquiry | 01 | 3 months | R300 000 |
| Dr Beatrice Mokgoadi Psychological Services | 1 | 1 year | R213 972.00 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for elevated reservoir reticulation design and boreholes investigation | 1 | | R 4 165 011,28 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for megalitre reservoir and boreholes investigation | 1 | | R 9 776 100,00 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the bulk sewer pipeline | 6 | | R 46 418 796,61 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the bulk water pipeline | 7 | | R 41 574 554,40 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the upgrading of rietbok sewer pump | 1 | | R 8 091 400,00 |

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|--|--|----------------------|------------------------|
| station and construction for the bulk sewer connector pipeline | | | |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for two reservoirs, reticulation design and boreholes investigations | 1 | | R 6 167 663,88 |
| Detailed design, contract documentation and construction monitoring for the upgrading of the sewer treatment plant | 9 | | R 104 751 656,53 |
| Installation of internal services | 14 | | R 144 045 000,00 |
| Investigation Phase 1 and Phase 2 in line with minimum requirements in accordance with the Geotechnical site investigations for housing development for 394 units/sites and exploratory holes | 4 | | R 2 331 600,00 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for elevated reservoir reticulation design and boreholes investigation | 1 | | R 4 165 011,28 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for megalitre reservoir and boreholes investigation | 1 | | R 9 776 100,00 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the bulk sewer pipeline | 6 | | R 46 418 796,61 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the bulk water pipeline | 7 | | R 41 574 554,40 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the upgrading of rietbok sewer pump station and construction for the bulk sewer connector pipeline | 1 | | R 8 091 400,00 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for two reservoirs, reticulation design and boreholes investigations | 1 | | R 6 167 663,88 |
| Detailed design, contract documentation and construction monitoring for the upgrading of the sewer treatment plant | 9 | | R 104 751 656,53 |
| Installation of internal services | 14 | | R 144 045 000,00 |
| Investigation Phase 1 and Phase 2 in line with minimum requirements in accordance with the Geotechnical site investigations for housing development for 394 units/sites and exploratory holes | 4 | | R 2 331 600,00 |

| Total number of projects | Total individual consultants | Total duration Work days | Total contract value in Rand |
|--------------------------|------------------------------|-----------------------------|---------------------------------|
| 22 | 22 | | R2 072 656,96 |

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDI) for the period 1 April 2023 to 31 March 2024

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---|------------------------------------|-------------------------------------|--|
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the upgrading of rietbok sewer pump station and construction for the bulk sewer connector pipeline at ha mawasha with tzaneen local municipality in Limpopo | 100% | 100% | R 8 091 400,00 |
| To conduct geotechnical Investigation Phase 1 and Phase 2 in line with minimum requirements in accordance with the Geotechnical site investigations for housing development for 293 units/sites and exploratory holes at Waterberg District Municipality | 100% | 100% | R 351 600,00 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the bulk sewer pipeline (estimated at 6.0km) at Vogelenzang south of Nancefield within Musina local | 40% | 40% | R 8 025 238,75 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for bulk sewer pipeline (estimated at 4.0km) at Masisi village | 40% | 40% | R 7 673 763,75 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the bulk sewer pipeline (gravity line 700m and rising main 500) sewer pump station at senwabarwana within blouberg municipality | 40% | 40% | R 6 426 527,24 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for elevated reservoir reticulation design and boreholes investigation at masisi within local musina municipality | 100% | 100% | R 4 165 011,28 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for two reservoirs, reticulation design and boreholes investigations at phagameng extension 13 within modimolle/mokgopong local municipality | 100% | 100% | R 6 167 663,88 |
| Detailed design, contract documentation and construction monitoring for bulk engineering services for the upgrading of rietbok sewer pump station and construction for the bulk sewer connector pipeline at ha mawasha with tzaneen local municipality in Limpopo | 100% | 100% | R 8 091 400,00 |

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 to 31 March 2024

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

| Total number of projects | Total individual consultants | Total duration Work days | Total contract value in Rand |
|--------------------------|------------------------------|--------------------------|------------------------------|
| None | | | |

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDI) for the period 1 April 2023 to 31 March 2024

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2023 to 31 March 2024

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

PART E: PFMA COMPLIANCE REPORT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

| Description | 2023/2024 | 2022/2023 |
|---|----------------|----------------|
| | R'000 | R'000 |
| Opening balance | 578,952 | 504,411 |
| Adjustment to opening balance | (43,071) | 0 |
| Opening balance as restated | 535,881 | 504,411 |
| Add: Irregular expenditure confirmed | 61,685 | 74,541 |
| Less: Irregular expenditure condoned | (633) | |
| Less: Irregular expenditure not condoned and removed | | |
| Less: Irregular expenditure recoverable | | |
| Less: Irregular expenditure not recoverable and written off | | |
| Closing balance | 596,933 | 578,952 |

The 44,333 was confirmed in the 2021/22 financial year and was condoned in 2022/23FY and 1,262 was registered as condoned in 2022/23 financial year and was condoned in 2023/24 financial year.

Reconciling notes

| Description | 2023/2024 | 2022/2023 |
|---|---------------|---------------|
| | R'000 | R'000 |
| Irregular expenditure that was under assessment | 10,784 | 0 |
| Irregular expenditure that relates to the prior year and identified in the current year | 11,471 | 0 |
| Irregular expenditure for the current year | 39,430 | 74,541 |
| Total | 61,685 | 74,541 |

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

| Description | 2023/2024 | 2022/2023 |
|---|------------------|----------------|
| | R'000 | R'000 |
| Irregular expenditure under assessment | 1,148,542 | 12,213 |
| Irregular expenditure under determination | 0 | 0 |
| Irregular expenditure under investigation | 573,282 | 534,620 |
| Total | 1,721,824 | 546,833 |

c) Details of irregular expenditure condoned

| Description | 2023/2024 | 2022/2023 |
|--------------------------------|--------------|--------------------|
| | R'000 | R'000 |
| Irregular expenditure condoned | (633) | (1,438,294) |
| Total | (633) | (1,438,294) |

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

| Description | 2023/2024 | 2022/2023 |
|--|----------------|--------------|
| | R'000 | R'000 |
| Irregular expenditure NOT condoned and removed | (5,030) | (269) |
| Total | (5,030) | (269) |

e) Details of irregular expenditure recoverable

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

f) Details of irregular expenditure written off (irrecoverable)

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

Additional disclosure relating to Inter-Institutional Arrangements

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

| Description |
|-------------|
| None |

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

| Description | 2023/2024 | 2022/2023 |
|--|--------------|-----------|
| | R'000 | R'000 |
| Construction of Majeje Traditional Council by Rixaladza Trading Enterprise from Department of Public Works | 6,670 | - |
| Total | 6,570 | - |

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

| Disciplinary steps taken |
|--|
| Final written warnings were issued out to officials implicated and criminal cases have been opened with SAPS |

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

| Description | 2023/2024 | 2022/2023 |
|--|----------------|----------------|
| | R'000 | R'000 |
| Opening balance | 114,987 | 115,981 |
| Adjustment to opening balance | 0 | |
| Opening balance as restated | 114,987 | 115,981 |
| Add: Fruitless and wasteful expenditure confirmed | 1 | 1 |
| Less: Fruitless and wasteful expenditure recoverable | - | (995) |
| Less: Fruitless and wasteful expenditure not recoverable and written off | - | - |
| Closing balance | 114,988 | 114,987 |

Reconciling notes

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure that was under assessment | - | - |
| Fruitless and wasteful expenditure that relates to the prior year and identified in the current year | - | - |
| Fruitless and wasteful expenditure for the current year | 1 | 1 |
| Total | 1 | 1 |

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

| Description | 2023/2024 | 2022/2023 |
|--|----------------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure under assessment | 19,271 | 1 |
| Fruitless and wasteful expenditure under determination | - | - |
| Fruitless and wasteful expenditure under investigation | 114,987 | 38 |
| Total | 134,258 | 39 |

c) Details of fruitless and wasteful expenditure recoverable

| Description | 2023/2024 | 2022/2023 |
|--|----------------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure recoverable | 114,987 | 38 |
| Total | 114,987 | 38 |

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

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure written off | - | - |
| Total | - | - |

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

| |
|---------------------------------|
| Disciplinary steps taken |
| None |
| Total |

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

| Description | 2023/2024 | 2022/2023 |
|---|-----------|-----------|
| | R'000 | 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 | | |
| Less: unauthorised not recoverable and written off | | |
| Closing balance | - | - |

Reconciling notes

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | R'000 | 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 | 2023/2024 | 2022/2023 |
|---|-----------|-----------|
| | R'000 | R'000 |
| Unauthorised expenditure under assessment | | |

| Description | 2023/2024 | 2022/2023 |
|--|-----------|-----------|
| | R'000 | R'000 |
| Unauthorised expenditure under determination | | |
| Unauthorised expenditure under investigation | | |
| Total | - | - |

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

a) Details of material losses through criminal conduct

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

b) Details of other material losses

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

c) Other material losses recoverable

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

d) Other material losses not recoverable and written off

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

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

| Description | Number of invoices | Consolidated Value |
|--|--------------------|--------------------|
| | | R'000 |
| Valid invoices received | 9360 | 2 396 350 |
| Invoices paid within 30 days or agreed period | 8761 | 2 171 905 |
| Invoices paid after 30 days or agreed period | 599 | 224 445 |
| Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>) | - | - |
| Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>) | - | - |

Insufficient funds on HSDG claims. Funds were exhausted in the month of September 2023.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|------------------------------------|----------------------|-------------------------|
| TENT OF 1000 CAPACITY AT MOLETSI MOSHATE | BANA BA NTHAKWANE TRADING CC | Quotation | COGHSTA Q029/2-24FY | R169 165.00 |
| CATERING OF 250 MASS DURING THE OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS | THOLA EVENTS MANAGEMENT | Quotation | COGHSTA Q031/23-24FY | R40 000.00 |
| CATERING OF 250 PEOPLE DURING OPENING OF HOUSE OF TRADITIONAL LEADERS AT MOLETJIE | CHEFPHONKA PTY LTD | Quotation | COGHSTA Q035/23-24FY | R37 500.00 |
| CATERING OF 250 PEOPLE DURING OPENING OF HOUSE OF TRADITIONAL LEADERS AT MOLETJIE | RK EVENTS MANAGEMENTRADING | Quotation | COGHSTA Q036/23-24FY | R42 500.00 |
| VIP CATERING OF 250 PEOPLE DELEGATES DURING OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS | MAMOLOKO TSHIAMANO T | Quotation | COGHSTA Q041/23-24FY | R75 000.00 |
| CATERING FOR 250 VIP DELEGATES DURING OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS | TSELA TSELA INVESTMENT | Quotation | COGHSTA Q042/23-24FY | R75 000.00 |
| BREAKFAST FOR 300 DELEGATES DURING OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS | RANGOKOANA CONSTRUCTION PROJECTS | Quotation | COGHSTA Q052/23-24FY | R36 000.00 |
| HIRING OF TOILETS DURING OPENING OF HOUSE OF TRADITIONAL LEADERS AT MOLETSI MOSHATE | BOCHABELO DISTRIBUTORS | Quotation | COGHSTA Q043/23-24FY | R30 465.00 |
| GLASS TENT AND DECORATION DURING THE OFFICIAL OPENING OF THE TRADITIONAL LEADERS AT MOLETSI MOSHATE | RAISIBE CATERING AND HIRE WEDDING AND EVENT | Quotation | COGHSTA Q044/23-24FY | R138 333.50 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|--|--|------------------------------------|----------------------------|-------------------------|
| TENT FOR 15000 MASS DURING OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS AT MOLETSI MOSHATE | THABAKGONE FAMILY TRUST T/A CLUBVIEW GUEST HOUSE | Quotation | COGHSTA Q045/23-24FY | R50 255.00 |
| TRADITIONAL DANCERS AND POETS WITH TRANSPORT FOR EACH TRADITIONAL DANCERS GROUP AND POETS DURING OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS AT MOLETSI MOSHATE | CRONIN TRADING & PROJECTS | Quotation | COGHSTA Q054/23-24FY | R272 000.00 |
| ACCREDITATION CARDS DURING OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS DURING OFFICIAL OPENING OF HOUSE OF TRADITIONAL LEADERS AT MOLETSI MOSHATE | DITLOU TLOU LTD | Quotation | COGHSTA Q056/23-24FY | R58 600.00 |
| SUPPLY AND PEPAIR OF LEAKING TOILETS AND REPLACEMENT OF WATER SUPPLIES TO TOILETS AND THE REMOVAL OF OLD ASBESTOS PIPES OF THE SEWAGE SYSTEM WITH PVC PIPES AND REPLACED OF OLD GALVINISED WATER PIPES WITH COPPER PIPES | VHOTANGANEDZWA SECURITY & PROJECTS | Quotation | COGHSTA Q583/22-23 FY | R395 711.89 |
| CATERING SERVICES DURING MANDELA DAY CELEBRATIONS AT CALLIES HIGH SCHOOL | TYCHOCODE (PTY)LTD | Quotation | COGHSTA Q292/23-24 | R 52 500.00 |
| MOTIVATIONAL SPEAKER TO CONDUCT CHANGE MANAGEMENT INTERVENTION SESSION | TJ TALKS | Quotation | COGHSTA Q463/23-24 | R 43 000,00 |
| CATERING: 200 PPL | MULINDA B. SOLUTION | Quotation | COGHSTA Q463/23-24 | R 34 000.00 |
| RELOCATION OF FURNITURE: NETSIDZANI | PEBETSE MOLAODI TRADING | Quotation | COGHSTA Q463/23-24 | R 106 000.00 |
| BLANKETS: 1000 | MAKOSA 85 COMMUNICATIONS | Quotation | COGHSTA Q463/23-24 | R 539 850.00 |
| SELF-INKED DATE STAMP | NARE HENDRICK | Quotation | COGHSTA Q463/23-24 | R 83 300.00 |
| ADVERTISEMENT | ARENA HOLDINGS | Quotation | COGHSTA Q463/23-24 | R 75 000.00 |
| CATERING: 200 PPL | MASHILA PROJECTS | Quotation | COGHSTA Q463/23-24 | R 34 000.00 |
| PEST CONTROL & FUMIGATION | BIDVEST SERVICES | Quotation | COGHSTA E04/2023 - 24 FY | R 50 811.60 |
| RENEWAL OF FRANKING MACHINE FROM 01 NOVEMBER 2023 TO 31 OCTOBER 2024 | FRAMA SMART MAILING | Quotation | COGHSTA D05 / 2023 - 24 FY | R 3 421.25 |
| CATERING FOR 250 AT BELA-BELA MULTI-PURPOSE CENTRE | STACK TRADING | Quotation | COGHSTA D06 / 2023 - 24 FY | R 36 100.00 |
| CATERING FOR 250 AT BELA-BELA MULTI-PURPOSE CENTRE | RIRI B TRADING ENTERPRISE | Quotation | COGHSTA D07 / 2023 - 24 FY | R 36 250.00 |
| CATERING FOR 200 PEOPLE AT NGOAKO RAMAHLADI SPORTS CENTRE | MMAMOKGOBO HOLDINGS | Quotation | COGHSTAQ599/23-24FY | R 61 050.00 |
| Procurement for transport for relocation of furniture | Mrex Projects (Pty)Ltd | Quotation | COGHSTA E06 / 2023 - 24 FY | R 122 700.00 |
| PROCUREMENT OF SAQA TO CONDUCT VERIFICATION OF | SAQA | Quotation | COGHSTAQ659/23-24FY | AS PER QUOTATION. |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|--|-----------------------------|------------------------------------|----------------------------|-------------------------|
| QUALIFICATION WHEN EVER MIE IS UNABLE TO VERIFY SOME QUALIFICATIONS, | | | | |
| Accommodation and meals | Mafahla Travel | Quotation | COGHSTAQ660/23-24FY | R 88 044.00 |
| Accommodation, meals, flight and car rental | Leeto Travel Service | Quotation | | R 60 215.00 |
| LUNCH: 120 PPL | MALAI TRADING ENTERPRISE | Quotation | COGHSTAQ353/23-24FY | R 30 460.00 |
| Procurement of protective clothing | Ntlakuso Kefentse Holdings | Quotation | | R 946 182.00 |
| Accommodation and meals | SEFULARO TRAVEL AGENCY | Quotation | COGHSTAQ698/23-24FY | R 45 900.00 |
| Accommodation and meals for seven (07) Officials | Maredi Travel Agency | Quotation | COGHSTAQ739/23-24FY | R 39 150.00 |
| Accommodation, meals and car rental for Chairperson and Deputy Chairperson | Masingita Travel and Tours | Quotation | COGHSTAQ738/23-24FY | R 52 307.41 |
| Accommodation and meals for eight (08) officials | Leeto Travel Service | Quotation | COGHSTAQ749/23-24FY | R 36 540.00 |
| Accommodation and meals for seven delegates | JCK Travel | Quotation | COGHSTAQ720/23-24FY | R 60 799.50 |
| Accommodation, meals and car rental for MEC | GreenSA Travel | Quotation | COGHSTAQ752/23-24FY | R 77 927.72 |
| Venue, Conference Package and accommodation for regent of Balobedu Kingdom | Ketlakgona Supply & Project | Quotation | COGHSTAQ778/23-24FY | R 320 053.50 |
| Venue and Conference Package | Leeto Travel Service | Quotation | COGHSTAQ798/23-24FY | R 72 000.00 |
| Venue and Conference Package | Leeto Travel Service | Quotation | COGHSTAQ789/23-24FY | R 851 735.64 |
| Accommodation and meals for Officials conducting exhibition at Sekhukhune District | Uniquedelyle Travel Agency | Quotation | COGHSTAQ757/23-24FY | R 58 884.00 |
| Accommodation and meals | Leeto Travel Service | Quotation | COGHSTAQ792/23-24FY | R 110 825.00 |
| Accommodation and meals | Jowis Travel | Quotation | COGHSTAQ800/23-24FY | R 47 776.40 |
| Accommodation and meals | Uniquedelyle Travel Agency | Quotation | COGHSTAQ808/23-24FY | R 54 225.00 |
| Accommodation, meals, flight and car rental | Rinaye Travel and project | Quotation | COGHSTAQ807/23-24FY | R 66 530.40 |
| Conference Package and accommodation | Abigerl Travel | Quotation | COGHSTAQ813/23-24FY | R 175 171.20 |
| Venue, Conference Package and accommodation for the Provincial House | Leeto Travel | Quotation | COGHSTAQ826/23-24FY | R 143 179.00 |
| Venue and Conference Package | JCK Travel Agency | Quotation | COGHSTAQ829/23-24FY | R 104 400.00 |
| Accommodation and meals for Four (04) CDP Officials at Waterberg | Rinaye Travel and project | Quotation | COGHSTAQ834/23-24FY | R 30 162.00 |
| Accommodation and meals | JCK Travel | Quotation | COGHSTAQ822/23-24FY | R 124 395.00 |
| Accommodation and meals | Hazon Travel and Projects | Quotation | | R 159 300.00 |
| PROMOTIONAL ITEMS | SABC AIRTIME | Quotation | COGHSTAQ795/23-24FY | R 135 654.00 |
| Accommodation and meals | Dinyben Travel | Quotation | | R 131 000.00 |
| VIDEOGRAPHER | MURN COMMUNICATIONS | Quotation | COGHSTA E04 / 2023 - 24 FY | R 145 200.00 |
| Total | | | | |

3.2. Contract variations and expansions

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|---|-------------------------------|---|---|---------------------------|---|--|
| | | | | R'000 | R'000 | R'000 |
| Geotechnical Investigation, design and instal engineering services (water, sewer and grading) in Musina Municipality, at Rhino ridge park | Sekwati Project | Variation | Rescoping of work and reallocation of funds to the value equaling the allocation of 65 sites (which could not be worked dur to grave sites and rocky terrain) | Coghsta B19 - 2018- 19 FY | R 23 810 850.00 | R0 |
| Constructions and Installation of Engineering Services for Tshikota Community Residential Units | Tubatse Products | Variation | Revised site development plan and house plans supply management for Tshikota CRU | COGHSTAB02/2 021-22FY | R 90 000 000.00 | R5 000 000.00 |
| Conduct Geotechnical Investigation design and install Engineering services (420 Sites). | Lumar Engineering Consultants | Variation | Construction of pipe bridge on sewer line, Culvert crossing for water reticulation and reinstating gabion. | COGHSTAB19/2 018-19FY | R 19 313 700.00 | R1 039 122.52 |
| Allocation of units for construction of Low-Cost Houses – 2022/23 FY | Sopky Trading | Expansion | Replacing services of Bonumart (Pty) Ltd | COGHSTAB10/2 021-22FY | R11 177 760.00 | R 1 816 386.00 |
| Allocation of units for construction of Low-Cost Houses – 2022/23 FY | Bonumart (pty) ltd | Variation | Reduction of scope due to under performance | COGHSTAB04/2 019-20FY | R 5 029 992.00 | (R 1 816 386.00) |
| Allocation of units for construction of Low-Cost Houses – 2022/23 FY | KNM Civils | Variation | Reduction of scope due to under performance | COGHSTAB04/2 019-20FY | R 22 914 408.00 | (R 6 427 211.70) |
| Allocation of units for construction of Low-Cost Houses – 2022/23 FY | Mangatlu Trading Enterprise | Variation | Reduction of scope due to under performance | COGHSTAB04/2 019-20FY | R 23 113 400.00 | (R 3 213 606.00) |
| Allocation of units for construction of Low-Cost Houses – 2022/23 FY | Mavhisto SA (pty) Ltd | Variation | Reduction of scope due to under performance | COGHSTAB04/2 019-20FY | R 5 029 992.00 | (R 838 344) |
| Allocation of units for construction of Low-Cost Houses – 2022/23 FY | Balo Holdings | Expansion | Additional unit to disabled person | COGHSTAB10/2 021-22FY | R 11 177 760.00 | R 139 722.00 |
| Allocation of units for construction of Low-Cost Houses – 2023/24 FY | Zorha Khan Developers | Expansion | Replacing services of Molanco Trading Enterprise | COGHSTAB10/2 021-22FY | R27 944 400.00 | R 139 722.00 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|--|----------------------------------|---|--|-------------------------|---|--|
| | | | | R'000 | R'000 | R'000 |
| Allocation of units for construction of Low-Cost Houses – 2023/24 FY | Ixplore | Expansion | Replacing services of Molanco Trading Enterprise | COGHSTAB10/2021-22FY | R 11 177 760.00 | R 774 888.00 |
| Allocation of units for construction of Low-Cost Houses – 2022/23 FY | Molanco Trading enterprise | Variation | Reduction of scope due to under performance | COGHSTAB04/2019-20FY | R 11 177 760.00 | (R 914 610.00) |
| Allocation of blocked projects and military veterans assistance | Ramkol Construction and Projects | Expansion | extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R1 283 703.85 |
| Allocation of blocked projects and military veterans assistance | Asima Solution | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R9 191 116.42 |
| Allocation of blocked projects and military veterans assistance | Wenzile Wheels | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R6 287 490.00 | R336 032.00 |
| Allocation of blocked projects and military veterans assistance | Catch investment 22 | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R1 099 422.13 |
| Allocation of blocked projects and military veterans assistance | Zorha Khan Developers | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R5 209 317.48 |
| Allocation of blocked projects and military veterans assistance | Mikateko Trading Enterprise | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R11 177 760.00 | R1 811 001.27 |
| Allocation of blocked projects and military veterans assistance | Tendiwanga Investment | Expansion | Extension of scope of work to include the blocked project | CoghstaB10/2021-22FY | R27 944 400.00 | R1 757 010 .83 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|---|--|---|--|-------------------------|---|--|
| | | | | R'000 | R'000 | R'000 |
| | | | units and the military veterans' units | | | |
| Allocation of blocked projects and military veterans assistance | Nhlorihlori Tilo Trading T/A Telegenix 655 | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R2 250 114.51 |
| Allocation of blocked projects and military veterans assistance | Elimash Trading | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R2 711 079.31 |
| Allocation of blocked projects | Roswika Investment | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R1 564 635.55 |
| Allocation of blocked projects and military veterans assistance | Somandla Trading | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R1 787 934.26 |
| Allocation of blocked projects and military veterans assistance | Xalamuka Built Enviroment | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R6 287 490.00 | R1 219 905.84 |
| Allocation of blocked projects and military veterans assistance | Balo holdings | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R11 177 760.00 | R1 925 200.00 |
| Allocation of blocked projects and military veterans assistance | Mojaphaphi Wabo Ommy | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R6 287 490.00 | R 1 233 326.00 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|---|----------------------------------|---|--|-------------------------|---|--|
| | | | | R'000 | R'000 | R'000 |
| Allocation of blocked projects and military veterans assistance | Ixplore | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R5 019 085.00 |
| Allocation for military Veteran | Koepu Business Enterprise | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R11 177 760.00 | R1 684 256.00 |
| Allocation for military Veteran | Mothikeni Investment | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R11 177 490.00 | R2 165 742.00 |
| Allocation for military Veteran | All Afrika Group | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R1 684 256.00 |
| Allocation for military Veteran | Hlakole Construction and Project | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R11 177 760.00 | R2 406 080.00 |
| Allocation for military Veteran | Kgotso Mokone | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R1 203 040.00 |
| Allocation for military Veteran | Brunel Engineering | Expansion | Extension of scope of work to include the blocked project units and the military veterans' units | CoghstaB10/2021-22FY | R27 944 400.00 | R240 608.00 |
| Allocation for military Veteran | Gideon Property | Expansion | Extension of scope of work to include the blocked project units and the | CoghstaB10/2021-22FY | R5 029 992.00 | R481 216.00 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|--|--|---|--|-------------------------|---|--|
| | | | | R'000 | R'000 | R'000 |
| | | | military veterans' units | | | |
| The Development of 80 units for Constructions of low cost houses at Fetakgomo Tubatse within Sekhukhune District Municipality | Hlakole Construction and Projects cc | Variation | Building two low-cost houses for destitute families in Ephraim Mogale Municipality | COGHSTAB10/2 021-22FY | R11 177 760.00 | R279 444.00 |
| Implementing Agent for vingerkraal informal settlement (For Design and installation of bulk services and construction of 215 units) | Housing development Agency sing Development Agency | Variation | Scope change for Augmentation of the bulk water supply at Vingerkraal | N21060008/1 | R84 128 000.00 | R0 |
| Installation of the Bulk Engineering at Masakaneng to conduct Geotechnical Investigation, design and installation of bulk Engineering services (Water, Sewer and N11 Intersection) | Morula Consulting Engineering | Variation | Scope change for Construction of the N11 intersection to Masakaneng be omitted and be replaced with contributory roads | COGHSTAB19/1 8-19FY | R35 927 000.00 | R0 |
| Conduct Geotechnical Investigation, design and install engineering services of 420 sites at Makhado local municipality | Rhandzo Project | Expansion | Installation of 355 diameter steel pipe laying on 30mpa concrete plinths for upgrading of sewer bulk line at Tshikota | COGHSTAB19/1 8-19FY | R19 913 700.00 | R3 448 620.00 |
| Implementing Agent for construction and completion of 225 units which is the remainder of 1445 units within Sekhukhune and Capricorn district municipality | Housing development Agency | Variation | Quantum Adjustment | COGHSTAE18/2 017-18FY | R26 002 575.00 | R483 100.00 |
| Informal settlements upgrading programme to conduct geotechnical design and install engineering services of 200 sites at Bela Bela Ext 25 | Loato Engineers | Variation | Reviewing, correcting, reproducing and adoption of design | COGHSTB12/20 21-22FY | R11 000 000.00 | R1 100 000.00 |
| settlements upgrading programme to conduct geotechnical design and install engineering services of 200 sites at Bela-Bela Ext 25 | Zakumi Engineers | Variation | Reviewing, correcting, reproducing and adoption of design | COGHSTB12/20 21-22FY | R11 000 000.00 | R1 100 000.00 |

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|--|----------------------------|---|--|-------------------------|---|--|
| | | | | R'000 | R'000 | R'000 |
| Development of 80 Housing Units at Elias Motsoaledi Local Municipality within Sekhukhune District Municipality | Bateline Investment | Variation | Poor Performance – Reduction of 26 Units | COGHSTAB10/2 1-22FY | R11 177 760.00 | (R 3 630 172) |
| Development of 36 Housing Units at Makhuduthamaga Local Municipality within Sekhukhune District Municipality | Silver Edge | Variation | Poor Performance – Reduction of 36 Units | COGHSTAB04/1 9-20FY | R5 029 992.00 | (R 5 029 992) |
| Development of 36 Housing Units at Makhuduthamaga Local Municipality within Sekhukhune District Municipality | Bonumart | Variation | Poor Performance – Reduction of 13 Units | COGHSTAB04/1 9-20FY | R5 029 992.00 | (R 1 816 386) |
| Development of 200 Housing Units at Elias Motsoaledi Local Municipality within Sekhukhune District Municipality | Capotex Trading | Variation | Poor Performance – Reduction of 64 Units | COGHSTAB10/2 1-22FY | R27 944 400.00 | (R8 942 208) |
| Development of 200 Housing Units at Makhado Local Municipality within Vhembe District Municipality | Tubatse Products | Variation | Poor Performance – Reduction of 100 Units | COGHSTAB10/2 1-22FY | R27 944 400.00 | (R 13 972 200) |
| Development of 200 Housing Units at Fetakgomo Tubatse Local Municipality within Sekhukhune District Municipality | Ntsiana Trading Enterprise | Variation | Poor Performance – Reduction of 109 Units | COGHSTAB10/2 1-22FY | R27 944 400.00 | (R15 229 698) |
| Development of 80 Housing units in Makhado Local Municipality within Vhembe District Municipality | Mahlogo A Pheladi | Variation | Poor Performance – Reduction of 14 Units | COGHSTAB10/2 1-22FY | R 11 177 760.00 | (R 1 956 108) |
| Development of 80 Rural housing units at Polokwane Local Municipality within Capricorn District Municipality | Todani (Pty) Ltd | Variation | Surrender of 02 stands due to stand been illegally occupied. | COGHTAB04/20 19-20FY | R 9 245 360.00 | (R 279 444) |
| Total | | | | | | (R697 266,73) |

PART F: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL

Report of the auditor-general to Limpopo Provincial Legislature on vote no. 11: Department of Co-operative Governance, Human Settlements and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA) set out on pages 170 to 225, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, and cash flow statement 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 Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA) as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) and the requirements of Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act of South Africa 5 of 2023 (DoRA).

Basis for opinion

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

Emphasis of matters

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

Underspending of the conditional grants

7. As disclosed in note 46 to the financial statements, the department materially underspent the budget by R59 738 000 on the informal settlement upgrading partnership grant.

Significant uncertainties

8. With reference to note 25.1 of the financial statements, the department is currently involved in litigation with various service providers and third parties. The ultimate outcome of these matters could not be determined and no provision for any liability that may result has been made in the financial statements.

Impairment of receivables

9. As disclosed in note 14.6 to the financial statements, the department made an impairment provision of R15 226 000 (2023: R15 908 000) in respect of doubtful receivables.

Other matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 226 to 241 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

12. 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.

13. 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

14. 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.

15. 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 09 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the audit of the annual performance report

16. 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.

17. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

| Programme | Page numbers | Purpose |
|--------------------------------|--------------|---|
| Programme 2: Human settlements | [42-46] | To ensure the provision of housing development, access to adequate accommodation in relevant well located areas, access to basic services and access to social infrastructure and economic opportunities. |

| Programme | Page numbers | Purpose |
|-------------------------------------|--------------|--|
| Programme 3: Cooperative governance | [49 - 58] | The programme aims to provide technical and oversight support to municipalities in terms of implementing their mandates. |

18. 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.
19. 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.
20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
21. I did not identify any material findings on the reported performance information for the programme 3: cooperative governance.

AND

22. The material findings on the reported performance information for the selected programme are as follows:

Programme 2 – Human settlements

23. An achievement of the indicators listed below was reported against the targets as listed below. I could not determine if the reported achievement was correct, as the processes established to consistently measure and report achievements were inadequate. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

| Indicator description | Target | Reported achievement |
|--|--------|----------------------|
| 2.3.1. Number of pre-1994 title deeds registered. | 30 | 3 |
| 2.3.2. Number of post-1994 title deeds registered. | 100 | 291 |
| 2.3.3. Number of post 2014 title deeds registered. | 400 | 1 |
| 2.3.4. Number of new title deeds registered. | 970 | 1 381 |

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

26. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

Programme 2: Human settlements

Targets achieved: 55.6%

Budget spent: 96%

| Key service delivery indicator not achieved | Planned target | Reported achievement |
|---|----------------|----------------------|
| 2.2.2 Hectares of land acquired | 20 ha | 0 |
| 2.2.3 Number of integrated implementations programmes for priority development areas completed per year | 2 | 0 |
| 2.2.6 Number of informal settlements upgraded to Phase 3 of the Informal Settlements Upgrading Programme (ISUP) | 5 | 2 |
| 2.2.8. Number of Breaking New Grounds (BNG) houses delivered. | 7 291 | 7 023 |
| 2.2.10 Number of Community Residential Units (CRU) delivered | 514 | 0 |
| 2.2.11 Number of job opportunities created through construction of houses and servicing of sites | 3 160 | 1 460 |
| 2.3.1 Number of pre-1994 title deeds registered | 30 | 3 |
| 2.3.3 Number of post 2014 title deeds registered | 400 | 1 |

Programme 3: Cooperative Governance

| | | |
|--|---|---|
| Targets achieved: 96.2% | | |
| Budget spent: 98% | | |
| 3.2.8. Number of municipalities supported to reduce unauthorised, irregular, fruitless and wasteful expenditure and (Linked to MTSF 2019 – 2024, Priority 1) | 5 | 0 |

Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: human settlements. Management did not correct some of the misstatements on programme 2: human settlements and I reported material findings in this regard.

Report on compliance with legislation

28. 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.
29. 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.
30. 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.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Procurement and contract management

32. Some of the contracts were awarded to bidders based on evaluation/adjudication criteria that were not stipulated and differed from those stipulated in the original invitation for bidding as required by treasury regulation 16A6.3 (a) and (b). Similar non-compliance was also reported in the prior year.

Expenditure management

33. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by the irregular establishment of a panel of service providers on the construction of low-cost houses.

Strategic planning and performance management

34. Specific information systems were not established to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
36. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
37. 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.
38. The other information I obtained prior to the date of this auditor's report are the PFMA compliance report and the accounting officer's report, and the audit committee's report is expected to be made available to us after 31 July 2024.
39. When I do receive and read the audit committee's report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

40. 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.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
42. The accounting officer did not maintain adequate oversight and monitoring controls to ensure adherence to internal policies and procedures, reliability of quarterly performance reporting and the monitoring of the post audit action plan. Furthermore, leadership did not address control deficiencies as identified in the prior year.
43. Management did not generate accurate and complete internal reports to support reported results and compliance with legislation, whilst the lack of adequate internal controls compounds these deficiencies. Consequently, management was unable to prepare performance reports that were free from material misstatements or to ensure compliance with laws and regulations.
44. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance reporting.
45. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored. The department has incurred irregular expenditure which was disclosed in the financial statements.

Other reports

46. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
47. The National Treasury appointed an external service provider to investigate allegations of progress deliverables and financial mismanagement of the department's major housing projects at the request of the department, which covered the period 2016-17 to 2021-22. The investigation was concluded on 30 September 2022 and recommended further investigations into the fruitless and wasteful expenditure and disciplinary proceedings against the implicated officials. These proceedings were in progress at the date of this auditor's report.
48. The National Treasury appointed an external service provider to investigate an allegation of irregular appointment of one service provider on the database for engineering consultants to conduct geotechnical investigations designs and install engineering services at the request of the department, which covered the period 2018-19 to 2021-22. The investigation was in progress at the date of this auditor's report.

Auditor General

Polokwane

31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|--|--|
| Public Finance Management Act 1 of 1999 (PFMA) | Sections 38(1)(a)(iv); 38(1)(b); 38(1)(c)(i)-(ii); Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); Sections 40(1)(a) and (b); 40(1)(c)(i); Sections 43(4); 44; 45(b); 51(1)(a)(iv); 57(b) |
| Treasury regulations | TR 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); TR 5.3.1; 6.3.1(a) - (d); 6.4.1(b); 7.2.1; TR 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; TR 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; TR 12.5.1; 15.10.1.2(c); TR 16A3.2 (fairness); 16A3.2(a); 16A6.1; TR 16A6.2(a) and (b); 16A6.3(a) - (c); 16A6.3(e); TR 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; TR 16A7.6; 16A7.7; 16A8.3; 16A8.4; TR 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2(a)(ii); TR 17.1.1; 18.2; 19.8.4 |
| Annual Division of Revenue Act (DoRA) | Sections 11(6)(a); 12(5) Sections 16(3) / 16(3)(a)(i) / 16(3)(a)(ii)(bb) |
| Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA) | Sections 1(i); 2.1(a),(b) and (f) |
| Preferential Procurement regulations (PPR), 2011 | Regulations 4.1; 4.3; 5.5; 6.1; 6.5; 7.1; Regulations 9.1; 9.5; 11.2; 11.5 |
| Preferential Procurement regulations (PPR), 2017 | Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulations 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulations 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA) | Section 34(1) |
| Public Service regulations (PSR), 2016 | Regulations 18(1); 18(2); 25(1)(e)(i) and (iii) |

| Legislation | Sections or regulations |
|--|---|
| State Information Technology Agency Act 88 of 1998 (SITA) | Section 7(3) |
| NT SCM Instruction Note 05 of 2009/10 | Par 3.3 |
| NT SCM Instruction Note 04 of 2015/16 | Par 3.4 |
| NT SCM Instruction Note 03 of 2016/17 | Par 8.1; 8.2; 8.3; 8.5 |
| NT SCM Instruction Note 4A of 2016/17 | Par 6 |
| NT SCM Instruction Note 07 of 2017/18 | Par 4.3 |
| NT SCM Instruction note 03 of 2019/20 [Annexure A - FIPDM] | Par 5.5.1(vi); 5.5.1(x) |
| NT SCM Instruction Note 08 of 2019/20 | Par 3.1.1; 3.6; 3.7.2; 3.7.6(i) - (iii) |
| NT SCM Instruction Note 03 of 2020/21 | Par 3.6; 3.7; 5.1(i); 6.1; 6.3 |
| NT SCM Instruction Note 05 of 2020/21 | Par 3.2; 3.7; 4.3; 4.6; 4.8; 4.9; 5.3 |
| Erratum NT SCM Instruction Note 05 of 2020/21 | Par 1; 2 |
| Second Amendment to NT SCM Instruction Note 05 of 2020/21 | Par 1 |
| NT Instruction Note 11 of 2020/21 | Par 3.1; 3.4(b); 3.9 |
| NT SCM Instruction Note 02 of 2021/22 | Par 3.2.1; 3.2.4(a); 3.3.1; 4.1 |
| SCM Practice Note 8 of 2007/08 | Par 3.3.1; 3.3.3; 3.4.1; 3.5 |
| SCM Practice Note 7 of 2009/10 | Par 4.1.2 |

ANNUAL FINANCIAL STATEMENTS

For the year ended
31 March 2024

Date authorised for issue: _____

A handwritten signature in black ink, consisting of a stylized 'N' or 'M' shape with a vertical line through it, enclosed within a circular loop.

Authorised by: 31 July 2024

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**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

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

| Appropriation per programme | | | | | | | | | |
|--|------------------|-------------------|----------|------------------|--------------------|----------------|----------------------------------|------------------|--------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual Expenditure |
| | | | | | | | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme | | | | | | | | | |
| 1. Administration | 372,742 | - | - | 372,742 | 342,979 | 29,763 | 92.0% | 336,784 | 304,269 |
| 2. Human Settlements | 1,715,745 | - | - | 1,715,745 | 1,651,037 | 64,708 | 96.2% | 1,456,762 | 1,310,523 |
| 3. Corporate Governance | 296,408 | - | 2,000 | 298,408 | 293,465 | 4,943 | 98.3% | 288,625 | 279,033 |
| 4. Traditional Institutional Development | 633,661 | - | (2,000) | 631,661 | 558,963 | 72,698 | 88.5% | 531,505 | 476,131 |
| Subtotal | 3,018,556 | - | - | 3,018,556 | 2,846,444 | 172,112 | 94.3% | 2,613,676 | 2,369,956 |
| Statutory Appropriation | 2,159 | - | - | 2,159 | 2,159 | - | 100.0% | 2,096 | 2,096 |
| Member of Executive Council | 2,159 | - | - | 2,159 | 2,159 | - | 100.0% | 2,096 | 2,096 |
| TOTAL | 3,020,715 | - | - | 3,020,715 | 2,848,603 | 172,112 | 94.3% | 2,615,772 | 2,372,052 |
| | | | | 2023/24 | | | | 2022/23 | |
| | | | | Final Budget | Actual Expenditure | | | Final Budget | Actual Expenditure |
| | | | | R'000 | R'000 | | | R'000 | R'000 |
| TOTAL (brought forward) | | | | 3,020,715 | | | | 2,615,772 | |
| Reconciliation with statement of financial performance | | | | | | | | | |
| ADD: Departmental receipts | | | | 4,072 | | | | 2,347 | |
| Actual amounts per statement of financial performance (Total revenue) | | | | 3,024,787 | | | | 2,618,119 | |
| Actual amounts per statement of financial performance (Total expenditure) | | | | | 2,848,603 | | | | 2,372,052 |

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

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

| Appropriation per economic classification | | | | | | | | | |
|--|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Economic classification | | | | | | | | | |
| Current payments | 1,225,461 | (264) | (1,240) | 1,223,957 | 1,195,318 | 28,639 | 97.7% | 1,172,011 | 1,129,416 |
| Compensation of employees | 1,018,407 | (1) | - | 1,018,406 | 1,003,536 | 14,870 | 98.6% | 1,006,949 | 972,130 |
| Goods and services | 207,054 | (264) | (1,240) | 205,550 | 191,781 | 13,769 | 93.3% | 165,061 | 157,285 |
| Interest and rent on land | - | 1 | - | 1 | 1 | - | 100.0% | 1 | 1 |
| Transfers and subsidies | 1,611,315 | - | - | 1,611,315 | 1,542,439 | 68,876 | 95.7% | 1,352,485 | 1,206,660 |
| Provinces and municipalities | 419 | - | - | 419 | 64 | 355 | 15.3% | 1,522 | 56 |
| Departmental agencies and accounts | 16 | - | - | 16 | - | 16 | 0% | 14 | 1 |
| Non-profit institutions | 12,886 | - | - | 12,886 | 7,274 | 5,612 | 56.4% | 5,088 | 6,186 |
| Households | 1,597,994 | - | - | 1,597,994 | 1,535,101 | 62,893 | 96.1% | 1,345,861 | 1,200,417 |
| Payments for capital assets | 183,939 | 264 | - | 184,203 | 109,606 | 74,597 | 59.5% | 90,126 | 34,827 |
| Buildings and other fixed structures | 48,500 | - | - | 48,500 | 35,988 | 12,512 | 74.2% | 58,592 | 23,189 |
| Machinery and equipment | 132,929 | 230 | - | 133,159 | 72,921 | 60,238 | 54.8% | 30,633 | 10,762 |
| Intangible assets | 2,510 | 34 | - | 2,544 | 697 | 1,847 | 27.4% | 901 | 876 |
| Payments for financial assets | - | - | 1,240 | 1,240 | 1,240 | - | 100.0% | 1,150 | 1,149 |
| Total | 3,020,715 | - | - | 3,020,715 | 2,848,603 | 172,112 | 94.3% | 2,615,772 | 2,372,052 |

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

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

| Statutory appropriation per economic classification | | | | | | | | | |
|--|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Economic classification | | | | | | | | | |
| Current payments | 2,159 | - | - | 2,159 | 2,159 | - | 100% | 2,096 | 2,096 |
| Compensation of employees | 2,159 | - | - | 2,159 | 2,159 | - | 100% | 2,096 | 2,096 |
| Total | 2,159 | - | - | 2,159 | 2,159 | - | 100% | 2,096 | 2,096 |

| Programme 1: Administration | | | | | | | | | |
|------------------------------------|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final Budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| 1. Corporate Services | 265,681 | (1,181) | - | 264,500 | 245,837 | 18,663 | 92.9% | 192,020 | 170,615 |
| 2. Office of the MEC | 7,716 | 704 | - | 8,420 | 6,350 | 2,070 | 75.4% | 6,887 | 6,214 |
| 3. Office of the HOD | 10,473 | 1,201 | - | 11,674 | 10,928 | 746 | 93.6% | 13,150 | 8,457 |
| 4. Financial Management | 88,872 | (724) | - | 88,148 | 79,864 | 8,284 | 90.6% | 124,727 | 118,983 |
| Total for sub programmes | 372,742 | - | - | 372,742 | 342,979 | 29,763 | 92.0% | 336,784 | 304,269 |
| Economic classification | | | | | | | | | |
| Current payments | 341,173 | (264) | - | 340,909 | 331,281 | 9,628 | 97.2% | 323,329 | 300,208 |
| Compensation of employees | 184,307 | (1) | - | 184,306 | 178,578 | 5,728 | 96.9% | 194,034 | 172,882 |
| Goods and services | 156,866 | (264) | - | 156,602 | 152,702 | 3,900 | 97.5% | 129,294 | 127,325 |
| Interest and rent on land | - | 1 | - | 1 | 1 | - | 100.0% | 1 | 1 |

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

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

| Programme 1: Administration | | | | | | | | | |
|--------------------------------------|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final Budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Transfers and subsidies | 1,877 | - | - | 1,877 | 1,189 | 688 | 63.3% | 3,071 | 1,611 |
| Provinces and municipalities | 419 | - | - | 419 | 64 | 355 | 15.3% | 1,500 | 56 |
| Departmental agencies and accounts | 16 | - | - | 16 | - | 16 | - | 14 | 1 |
| Households | 1,442 | - | - | 1,442 | 1,125 | 317 | 78.0% | 1,557 | 1,554 |
| | | | | | | | | | |
| Payments for capital assets | 29,692 | 264 | - | 29,956 | 10,509 | 19,447 | 35.1% | 10,384 | 2,450 |
| Buildings and other fixed structures | | | | | | | | - | - |
| Machinery and equipment | 27,182 | 230 | - | 27,412 | 9,812 | 17,600 | 35.8% | 9,643 | 1,709 |
| Software and other intangible assets | 2,510 | 34 | - | 2,544 | 697 | 1,847 | 27.4% | 741 | 741 |
| Total | 372,742 | - | - | 372,742 | 342,979 | 29,763 | 92.0% | 336,784 | 304,269 |

| Programme 2: Human Settlements | | | | | | | | | |
|---|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| 1. Housing Needs, Research and Planning | 86,026 | (57,081) | - | 28,945 | 27,625 | 1,320 | 95.4% | 119,648 | 118,301 |
| 2. Housing Development, Implementation, Planning and Targets | 1,581,428 | 59,365 | - | 1,640,793 | 1,578,075 | 62,718 | 96.2% | 1,283,441 | 1,138,703 |
| 3. Housing Asset Management and Property Management | 48,291 | (2,284) | - | 46,007 | 45,337 | 670 | 98.5% | 53,673 | 53,519 |

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

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

| Programme 2: Human Settlements | | | | | | | | | |
|---------------------------------------|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Total for sub programmes | 1,715,745 | - | - | 1,715,745 | 1,651,037 | 64,708 | 96.2% | 1,456,762 | 1,310,523 |
| Economic classification | | | | | | | | | |
| Current payments | 123,525 | - | - | 123,525 | 120,035 | 3,490 | 97.2% | 114,686 | 113,126 |
| Compensation of employees | 108,161 | - | - | 108,161 | 107,300 | 861 | 99.2% | 104,174 | 102,635 |
| Goods and services | 15,364 | - | - | 15,364 | 12,735 | 2,629 | 82.9% | 10,512 | 10,491 |
| Transfers and subsidies | 1,592,210 | - | - | 1,592,210 | 1,531,002 | 61,208 | 96.2% | 1,341,104 | 1,196,465 |
| Provinces and municipalities | - | - | - | - | - | - | - | 22 | - |
| Households | 1,592,210 | - | - | 1,592,210 | 1,531,002 | 61,208 | 96.2% | 1,341,082 | 1,196,465 |
| Payments for capital assets | 10 | - | - | 10 | - | 10 | - | 972 | 932 |
| Machinery and equipment | 10 | - | - | 10 | - | 10 | - | 812 | 797 |
| Intangible assets | - | - | - | - | - | - | - | 160 | 135 |
| Total | 1,715,745 | - | - | 1,715,745 | 1,651,037 | 64,708 | 96.2% | 1,456,762 | 1,310,523 |

| Programme 3: Corporate Governance | | | | | | | | | |
|--|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| 1. Local Governance | 245,359 | 443 | 2,000 | 247,802 | 245,434 | 2,368 | 99.0% | 235,827 | 230,570 |
| 2. Development Planning | 51,049 | (443) | - | 50,606 | 48,031 | 2,575 | 94.9% | 52,798 | 48,463 |

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

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

| Programme 3: Corporate Governance | | | | | | | | | |
|--|----------------------------|------------------------------|-----------------|-------------------------|-------------------------------|-----------------|---|-------------------------|-------------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Total for sub programmes | 296,408 | - | 2,000 | 298,408 | 293,465 | 4,943 | 98.3% | 288,625 | 279,033 |
| Economic classification | | | | | | | | | |
| Current payments | 294,618 | - | 760 | 295,378 | 291,275 | 4,103 | 98.6% | 279,921 | 273,709 |
| Compensation of employees | 277,396 | - | 2,000 | 279,396 | 278,034 | 1,362 | 99.5% | 268,684 | 264,925 |
| Goods and services | 17,222 | - | (1,240) | 15,982 | 13,241 | 2,741 | 82.8% | 11,237 | 8,784 |
| Transfers and subsidies | 1,780 | - | - | 1,780 | 950 | 830 | 53.4% | 2,184 | 1,362 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1,780 | - | - | 1,780 | 950 | 830 | 53.4% | 2,184 | 1,362 |
| Payments for capital assets | 10 | - | - | 10 | - | 10 | - | 5,370 | 2,813 |
| Machinery and equipment | 10 | - | - | 10 | - | 10 | - | 5,370 | 2,813 |
| Payments for financial assets | - | - | 1,240 | 1,240 | 1,240 | - | 100.0% | 1,150 | 1,149 |
| Total | 296,408 | - | 2,000 | 298,408 | 293,465 | 4,943 | 98.3% | 288,625 | 279,033 |

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

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

| Programme 4: Traditional Institutional Development | | | | | | | | | |
|---|------------------------|--------------------------|-----------------|---------------------|---------------------------|-----------------|---|---------------------|---------------------------|
| 2023/24 | | | | | | | | 2022/23 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| 1. Traditional Institutional Admin | 615,623 | (29,585) | (2,000) | 584,038 | 511,750 | 72,288 | 87.6% | 513,936 | 463,804 |
| 2. Administration of Houses of Traditional Leaders | 18,038 | 29,585 | - | 47,623 | 47,213 | 410 | 99.1% | 17,569 | 12,327 |
| Total for sub programmes | 633,661 | - | (2,000) | 631,661 | 558,963 | 72,698 | 88.5% | 531,505 | 476,131 |
| | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | 463,986 | - | (2,000) | 461,986 | 450,568 | 11,418 | 97.5% | 451,979 | 440,277 |
| Compensation of employees | 446,384 | - | (2,000) | 444,384 | 437,465 | 6,919 | 98.4% | 437,961 | 429,592 |
| Goods and services | 17,602 | - | - | 17,602 | 13,103 | 4,499 | 74.4% | 14,018 | 10,685 |
| | | | | | | | | | |
| Transfers and subsidies | 15,448 | - | - | 15,448 | 9,298 | 6,150 | 60.2% | 6,126 | 7,222 |
| Non-profit institutions | 12,886 | - | - | 12,886 | 7,274 | 5,612 | 56.4% | 5,088 | 6,186 |
| Households | 2,562 | - | - | 2,562 | 2,024 | 538 | 79.0% | 1,038 | 1,036 |
| | | | | | | | | | |
| Payments for capital assets | 154,227 | - | - | 154,227 | 99,097 | 55,130 | 64.3% | 73,400 | 28,632 |
| Buildings and other fixed structures | 48,500 | - | - | 48,500 | 35,988 | 12,512 | 74.2% | 58,592 | 23,189 |
| Machinery and equipment | 105,727 | - | - | 105,727 | 63,109 | 42,618 | 59.7% | 14,808 | 5,443 |
| Total | 633,661 | - | (2,000) | 631,661 | 558,963 | 72,698 | 88.5% | 531,505 | 476,131 |

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

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

| | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|-----------|--------------|--------------------|----------|---------------------------------|
| Programme | R'000 | R'000 | R'000 | % |

| | | | | |
|----------------|---------|---------|--------|----|
| Administration | 374,901 | 345,138 | 29,763 | 8% |
|----------------|---------|---------|--------|----|

The overall underspending of 8% is due to delays in the procurement of office furniture, delays in the delivery of laptops as well as installation of network switches.

| | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|-----------|--------------|--------------------|----------|---------------------------------|
| Programme | R'000 | R'000 | R'000 | % |

| | | | | |
|-------------------|-----------|-----------|--------|----|
| Human Settlements | 1,715,745 | 1,651,037 | 64,708 | 4% |
|-------------------|-----------|-----------|--------|----|

Overall underspending of 4% is due to late implementation of ISUPG projects due to delays in the finalisation of procurement processes as well as delays in the acquisition of land.

| | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|-----------|--------------|--------------------|----------|---------------------------------|
| Programme | R'000 | R'000 | R'000 | % |

| | | | | |
|----------------------|---------|---------|-------|----|
| Corporate Governance | 298,408 | 293,465 | 4,943 | 2% |
|----------------------|---------|---------|-------|----|

The underspending of 1% is on Municipal Institutional Capacity Building (MICB) due to non-responsiveness of the bids.

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

| | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|---------------------------------------|--------------|--------------------|----------|---------------------------------|
| Programme | R'000 | R'000 | R'000 | % |
| Traditional Institutional Development | 631,661 | 558,963 | 72,698 | 12% |

Overall underspending of 12% is due to delays in the delivery of Senior Traditional Leaders vehicles and non-spending on Vhavenda and Bapedi Kingship projects.

4.2 Per economic classification

| Economic classification | Final Budget R'000 | Actual Expenditure R'000 | Variance R'000 | Variance as a % of Final Budget % |
|--------------------------------------|-----------------------|-----------------------------|-------------------|--------------------------------------|
| Current payments | | | | |
| Compensation of employees | 1,018,406 | 1,003,536 | 14,870 | 1% |
| Goods and services | 205,550 | 191,781 | 13,769 | 7% |
| Interest and rent on land | 1 | 1 | 0 | 0% |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 419 | 64 | 355 | 85% |
| Departmental agencies and accounts | 16 | 1 | 15 | 94% |
| Non-profit institutions | 12,886 | 7,274 | 5,612 | 44% |
| Households | 1,597,994 | 1,535,101 | 62,893 | 4% |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 48,500 | 35,988 | 12,512 | 26% |
| Machinery and equipment | 133,159 | 72,921 | 60,238 | 45% |
| Intangible assets | 2,544 | 697 | 1,847 | 73% |
| Payments for financial assets | 1,240 | 1,240 | - | 0% |

The underspending on Goods and Services was due to the delays in the maintenance of office buildings, communication (cellphones and data) and MICB training programmes. The underspending on capital assets is due to delays in the delivery of Senior Traditional Leaders' vehicles, laptops, office furniture and the installation of network switches.

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

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 | % |
| Human Settlement Development | 1,200,766 | 1,199,962 | 804 | 0% |
| Informal Settlement Upgrading Partnership | 388,942 | 329,204 | 59,738 | 15% |
| EPWP | 1,769 | 1,769 | - | 0% |

Overall underspending of 4% on Conditional Grants is due to late implementation of ISUPG projects as a result of delay in finalisation of procurement processes as well as the acquisition of land.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024

| | | 2023/24 R'000 | 2022/23 R'000 |
|---|------|------------------|------------------|
| | Note | | |
| REVENUE | | | |
| Annual appropriation | 1 | 3,018,556 | 2,613,676 |
| Statutory appropriation | 2 | 2,159 | 2,096 |
| Departmental revenue | 3 | 4,072 | 2,347 |
| TOTAL REVENUE | | 3,024,787 | 2,618,119 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 1,003,536 | 972,130 |
| Goods and services | 5 | 191,781 | 157,285 |
| Interest and rent on land | 6 | 1 | 1 |
| Total current expenditure | | 1,195,318 | 1,129,416 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 8 | 1,542,439 | 1,206,660 |
| Total transfers and subsidies | | 1,542,439 | 1,206,660 |
| Expenditure for capital assets | | | |
| Tangible assets | 9 | 109,606 | 33,950 |
| Intangible assets | 9 | - | 877 |
| Total expenditure for capital assets | | 109,606 | 34,827 |
| Payments for financial assets | 7 | 1,240 | 1,149 |
| TOTAL EXPENDITURE | | 2,848,603 | 2,372,052 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 176,184 | 246,067 |
| Reconciliation of Net Surplus for the year | | | |
| Voted funds | | 172,112 | 243,720 |
| Annual appropriation | | 111,570 | 99,258 |
| Statutory appropriation | | - | - |
| Conditional grants | | 60,542 | 144,462 |
| Departmental revenue and NRF receipts | 3 | 4,072 | 2,347 |
| SURPLUS FOR THE YEAR | | 176,184 | 246,067 |

STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---|-------------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 175,498 | 244,583 |
| Cash and cash equivalents | 10 | 81,906 | 152,802 |
| Prepayments and advances | 11 | 5,000 | 5,000 |
| Receivables | 12 | 88,592 | 86,781 |
| Non-current assets | | 162 | 210 |
| Receivables | 12 | 162 | 210 |
| TOTAL ASSETS | | 175,660 | 244,793 |
| LIABILITIES | | | |
| Current liabilities | | 175,316 | 244,422 |
| Voted funds to be surrendered to the Revenue Fund | 13 | 172,112 | 243,713 |
| Statutory Appropriation to be surrendered to the Revenue Fund | 14 | - | - |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 15 | 307 | 484 |
| Payables | 16 | 2,897 | 225 |
| TOTAL LIABILITIES | | 175,316 | 244,422 |
| NET ASSETS | | 344 | 371 |
| | | | |
| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
| Represented by: | | | |
| Recoverable revenue | | 344 | 371 |
| TOTAL | | 344 | 371 |

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2024

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|--|-------------|------------------|------------------|
| Recoverable revenue | | | |
| Opening balance | | 371 | 212 |
| Transfers: | | -27 | 159 |
| Debts recovered (included in departmental revenue) | | -251 | -171 |
| Debts raised | | 224 | 330 |
| Closing balance | | 344 | 371 |
| TOTAL | | 344 | 371 |

CASH FLOW STATEMENT
for the year ended 31 March 2024

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|--|-------------|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 3,023,803 | 2,618,112 |
| Annual appropriation funds received | 1.1 | 3,018,556 | 2,613,669 |
| Statutory appropriation funds received | 2 | 2,159 | 2,096 |
| Departmental revenue received | 3 | 2,669 | 1,552 |
| Interest received | 3.2 | 419 | 795 |
| Net (increase)/decrease in net working capital | | 861 | 320 |
| Surrendered to Revenue Fund | | -247,962 | -561,668 |
| Current payments | | -1,195,317 | -1,129,415 |
| Interest paid | 6 | -1 | -1 |
| Payments for financial assets | 7 | -1,240 | -1,149 |
| Transfers and subsidies paid | | -1,542,439 | -1,206,660 |
| Net cash flow available from operating activities | 17 | 37,705 | -280,461 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 9 | -109,606 | -34,827 |
| Proceeds from sale of capital assets | 3.3 | 984 | - |
| (Increase)/decrease in non-current receivables | 12 | 48 | -117 |
| Net cash flow available from investing activities | | -108,574 | -34,944 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | -27 | 159 |
| Net cash flows from financing activities | | -27 | 159 |
| Net increase/(decrease) in cash and cash equivalents | | -70,896 | -315,246 |
| Cash and cash equivalents at beginning of period | | 152,802 | 468,048 |
| Cash and cash equivalents at end of period | 10 | 81,906 | 152,802 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

Summary of significant accounting policies

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

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

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

| | |
|------------|---|
| 1. | Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard. |
| 2. | Going concern The financial statements have been on a going concern basis. |
| 3. | Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department |
| 4. | Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000). |
| 5. | Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt. |
| 6. | Comparative information |
| 6.1 | Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. |
| 6.2 | Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement. |
| 7. | Revenue |
| 7.1 | Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| | |
|--------------|---|
| | <p>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.</p> <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> |
| 7.2 | <p>Departmental revenue</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> |
| 7.3 | <p>Accrued departmental revenue.</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"> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Write-offs are made according to the department's debt write-off policy.</p> |
| 8. | Expenditure |
| 8.1 | Compensation of employees |
| 8.1.1 | <p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p> |
| 8.1.2 | <p>Social contributions</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> |
| 8.2 | <p>Other expenditure</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> |
| 8.3 | Accruals and payables not recognised |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| | |
|--------------|---|
| | Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date. |
| 8.4 | Leases |
| 8.4.1 | <p>Operating leases</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> |
| 8.4.2 | <p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p> |
| 9. | <p>Cash and cash equivalents</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> |
| 10. | <p>Prepayments and advances</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 are also recognised as a note of financial position if the disbursement of the cash is material and has been budgeted as an expense.</p> |
| 11. | <p>Receivables</p> <p>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> |
| 12. | Financial assets |
| 12.1 | <p>Financial assets (not covered elsewhere)</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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| | |
|-------------|---|
| | 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. |
| 12.2 | <p>Impairment of financial assets</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> |
| 13. | <p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p> |
| 14. | Capital assets |
| 14.1 | <p>Immovable capital assets</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. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p> |
| 14.2 | <p>Movable capital assets</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. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p> |
| 14.3 | <p>Intangible capital assets</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. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> |
| 14.4 | Project costs: Work-in-progress |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| | |
|-------------|--|
| | <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> |
| 15. | Provisions and contingents |
| 15.1 | <p>Provisions</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> |
| 15.2 | <p>Contingent liabilities</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> |
| 15.3 | <p>Contingent assets</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> |
| 15.4 | <p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p> |
| 16. | <p>Fruitless and wasteful expenditure</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"> • fruitless and wasteful expenditure incurred in the current year. |
| 17. | <p>Irregular expenditure</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> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| | |
|------------|--|
| | <ul style="list-style-type: none"> irregular expenditure incurred in the current year. |
| 18. | <p>Changes in accounting policies, estimates and errors</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> |
| 19. | <p>Events after the reporting date</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> |
| 20. | <p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement with the Housing Development Agency. In terms of the arrangement the department is the principal and is responsible for concluding various service level agreements that will ensure housing service delivery. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p> <p>The department is also party to a principal-agent arrangement with the Risima Housing Finance. In terms of the arrangement the department is the principal and is responsible for concluding various service level agreements that will ensure housing service delivery for the FLISP market. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p> <p>The department is also party to a principal-agent arrangement with the Limpopo Department of Public Works. In terms of the arrangement the department is the principal and is responsible for concluding various service level agreements that will ensure the delivery of Traditional Council Offices. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p> |
| 21. | <p>Recoverable revenue</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> |
| 22. | <p>Related party transactions</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> |
| 23. | <p>Inventories <i>(Effective from date determined by the Accountant-General)</i></p> <p><i>[Inventories]</i></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

| | |
|------------|---|
| | <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> |
| 24. | <p>Employee benefits</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> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p> |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

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:

| | 2023/24 | | | 2022/23 | | |
|---------------------------------------|------------------|-----------------------|------------------------------------|------------------|------------------------|------------------------------------|
| | Final Budget | Actual Funds Received | Funds not requested / not received | Final Budget | Appropriation Received | Funds not requested / not received |
| Programmes | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 398,028 | 398,028 | - | 336,784 | 336,784 | - |
| Human Settlements | 1,720,108 | 1,720,108 | - | 1,456,762 | 1,456,755 | 7 |
| Corporate Governance | 314,432 | 314,432 | - | 288,625 | 288,625 | - |
| Traditional Institutional Development | 585,988 | 585,988 | - | 531,505 | 531,505 | - |
| Total | 3,018,556 | 3,018,556 | | 2,613,676 | 2,613,669 | 7 |

All funds were received.

1.2. Conditional grants

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|---|------|------------------|------------------|
| Total grants received | 46 | 1,591,477 | 1,340,602 |
| Provincial grants included in total grants received | | - | - |

No provincial grants were received. An increase in Conditional Grant is a result of additional funds that were received on the HSDG due to good performance. Conditional grants are composed of Human Settlement Development Grant (HSDG) of R1,200,766, Informal Settlement Upgrading Partnership Grant (ISUPG) of R388,942 and Expanded and Public Works Programme (EPWP) of R1,769.

2. Statutory Appropriation

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|------|------------------|------------------|
| Member of Executive Council | | 2,159 | 2,096 |
| Total | | 2,159 | 2,096 |
| Actual Statutory Appropriation received | | 2,159 | 2,096 |
| Statutory Appropriation not requested / not received | | - | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

Statutory appropriation for MEC is included in the equitable share. All funds were received.

3. Departmental revenue

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|---|------|------------------|------------------|
| Tax revenue | | | |
| Sales of goods and services other than capital assets | 3.1 | 1,271 | 1,089 |
| Interest, dividends and rent on land | 3.2 | 552 | 887 |
| Sales of capital assets | 3.3 | 984 | - |
| Transactions in financial assets and liabilities | 3.4 | 1,265 | 371 |
| Transfers received | 3.5 | - | - |
| Total revenue collected | | 4,072 | 2,347 |

A total increase in departmental revenue is a result of sales of capital assets that took place in the year under review through auction. The Department of Military Veterans have settled the top up for the construction of Breaking New Ground (BNG) houses.

3.1. Sales of goods and services other than capital assets

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|------|------------------|------------------|
| Sales of goods and services produced by the department | | 1,096 | 1,089 |
| Sales by market establishment | | 218 | 231 |
| Administrative fees | | 19 | 10 |
| Other sales | | 859 | 848 |
| Sales of scrap, waste and other used current goods | | 175 | - |
| Total | 3 | 1,271 | 1,089 |

The overall increase in the sales of goods and services other than capital assets was a result of sales of scrap.

3.2. Interest, dividends and rent on land

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--------------|------|------------------|------------------|
| Interest | | 419 | 795 |
| Dividends | | - | - |
| Rent on land | | 133 | 92 |
| Total | 3 | 552 | 887 |

An increase in rent on land is due to the escalation of property rental. The decrease in interest resulted from Treasury Instruction Note which requires that interest earned is no longer paid to the department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

3.3. Sales of capital assets

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--------------------------------|----------|------------------|------------------|
| Tangible capital assets | | 984 | - |
| Machinery and equipment | | 984 | - |
| Total | 3 | 984 | - |

An increase is a result of disposal of capital assets.

3.4. Transactions in financial assets and liabilities

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|----------|------------------|------------------|
| Receivables | | 253 | 145 |
| Other receipts including Recoverable Revenue | | 1,012 | 226 |
| Total | 3 | 1,265 | 371 |

An increase is a result of write off of irrecoverable debts.

3.5. Transfers received

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|----------|------------------|------------------|
| Households and non-profit institutions | | - | - |
| Total | 3 | - | - |

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

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|---|-----------------|------------------|------------------|
| | <i>Annex 1H</i> | | |
| Donations | | 114 | 4 |
| Total gifts, donations and sponsorships received in kind | | 114 | 4 |

Transfer in of LOGIS scanners from the Limpopo Provincial Treasury.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

4. Compensation of employees

4.1. Salaries and wages

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|----------------------------------|-------------|--------------------------------|--------------------------------|
| Basic salary | | 542,394 | 557,893 |
| Performance award | | - | 1,120 |
| Service based | | 1,224 | 403 |
| Compensative/circumstantial | | 6,279 | 3,276 |
| Periodic payments | | - | 55 |
| Other non-pensionable allowances | | 333,893 | 295,654 |
| Total | | 883,790 | 858,401 |

An increase in Compensation of Employees is a result of long service awards paid to employees and the adjustment of the traditional royal allowances. There was typing error on the annual report for 2022/23.

4.2. Social contributions

| Employer contributions | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|--|-------------|--------------------------------|--------------------------------|
| Pension | | 69,806 | 65,304 |
| Medical | | 49,405 | 47,844 |
| Bargaining council | | 184 | 181 |
| Insurance | | 351 | 400 |
| Total | | 119,746 | 113,729 |
| Total compensation of employees | | 1,003,536 | 972,130 |
| Average number of employees | | 1,712 | 1,778 |

An increase in social contributions is a result of salary adjustments. A decrease in the average number of employees is a result of employees exiting the system or service.

5. Goods and services

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Administrative fees | | 1,047 | 1,048 |
| Advertising | | 1,430 | 315 |
| Minor assets | 5.1 | 5 | - |
| Bursaries (employees) | | 2,357 | 2,558 |
| Catering | | 1,605 | 627 |
| Communication | | 12,541 | 11,886 |
| Computer services | 5.2 | 23,713 | 13,442 |
| Consultants: Business and advisory services | 5.8 | 5,061 | 5,063 |
| Legal services | | 9,707 | 11,724 |
| Contractors | | 3,587 | 5,008 |
| Entertainment | | 598 | 247 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| | | 2023/24 | 2022/23 |
|-----------------------------|-------------|----------------|----------------|
| | <i>Note</i> | R'000 | R'000 |
| Audit cost - external | 5.3 | 11,974 | 10,058 |
| Fleet services | | 6,525 | 6,700 |
| Consumables | 5.4 | 6,546 | 3,800 |
| Operating leases | | 31,806 | 27,252 |
| Property payments | 5.5 | 38,222 | 32,971 |
| Travel and subsistence | 5.6 | 29,341 | 20,533 |
| Venues and facilities | | 3,284 | 1,442 |
| Training and development | | 2,307 | 2,112 |
| Other operating expenditure | 5.7 | 125 | 499 |
| Total | | 191,781 | 157,285 |

An increase in advertising was due to the activities relating to awareness programmes (e.g., Rental Housing, Title Deeds Programme and advertisement of posts). An increase in catering was a result of mass catering in the province for departmental activities (e.g., handing over of Title Deeds to the community). An increase in computer services was due to the project on the replacement of switches, acquisition of computer hardware and payments made to SITA. Consumables has increased due to the procurement of protective clothing. An increase in travel and subsistence was as a result of an increase in travelling by project managers to monitor various human settlements projects as well as an increase in fuel tariffs as determined by the Department of Transport. An increase in property payments resulted from the escalation of rates and taxes by the municipality.

5.1. Minor assets

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

Kitchen appliances were bought in the year under review.

5.2. Computer services

| | | 2023/24 | 2022/23 |
|-------------------------------------|-------------|----------------|----------------|
| | <i>Note</i> | R'000 | R'000 |
| SITA computer services | | 6,789 | 8,279 |
| External computer service providers | | 16,924 | 5,163 |
| Total | 5 | 23,713 | 13,442 |

An increase is a result of Microsoft license purchased in the year under review.

5.3. Audit cost - external

| | | 2023/24 | 2022/23 |
|--------------------|-------------|----------------|----------------|
| | <i>Note</i> | R'000 | R'000 |
| Regularity audits | | 9,686 | 10,058 |
| Performance audits | | 2,288 | - |
| Total | 5 | 11,974 | 10,058 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

General increases in prices of goods and services led to the increase in expenditure as compared to the previous year. Performance audits were billed separately from regularity audits in the year under review.

5.4. Consumables

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|----------|------------------|------------------|
| Consumable supplies | | 3,151 | 1,338 |
| Uniform and clothing | | 1,274 | 294 |
| Household supplies | | 1,125 | 1,034 |
| Building material and supplies | | 29 | - |
| Communication accessories | | - | - |
| IT consumables | | - | 5 |
| Other consumables | | 723 | 5 |
| Stationery, printing and office supplies | | 3,395 | 2,462 |
| Total | 5 | 6,546 | 3,800 |

Stationery and protective clothing were purchased in larger quantities as compared to the previous year.

5.5. Property payments

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--------------------|----------|------------------|------------------|
| Municipal services | | 4,299 | 3,916 |
| Other | | 33,923 | 29,055 |
| Total | 5 | 38,222 | 32,971 |

The increase in prices of municipal services is a result of the escalation of municipal rates and taxes. Other relates to cleaning and security costs expenditure incurred for the year. The increase is a result of normal price adjustments included in the cleaning and security contracts.

5.6. Travel and subsistence

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--------------|----------|------------------|------------------|
| Local | | 29,324 | 20,533 |
| Foreign | | 17 | - |
| Total | 5 | 29,341 | 20,533 |

The increase in travel and subsistence is a result of travelling by project managers to monitor various human settlements projects as well as upward changes of transport tariffs set by the Department of Transport. The foreign travel and subsistence were as a result of claims paid to the MEC and staff.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

5.7. Other operating expenditure

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Professional bodies, membership and subscription fees | | 125 | 499 |
| Total | 5 | 125 | 499 |

A decrease in professional bodies, membership and subscription fees is result of members subscribed to non-statutory professional bodies that are not mandatory required to renew their memberships compared to statutory professional bodies. Additionally, the application fee is charged for the first-time applicants.

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

| Name of Commission / Committee of Inquiry | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|--|-------------|--------------------------------|--------------------------------|
| Limpopo Housing | | 767 | 910 |
| Limpopo Rental Housing Tribunal | | 1,588 | 1,279 |
| Risk Management Committee | | 151 | 309 |
| Total | | 2,506 | 2,498 |

The Rental Housing Tribunal and Limpopo Housing are composed of seven members and six members respectively, and the Risk Management Committee has an independent chairperson. Further, the department has Shared Audit Committee comprising of four members paid by the Limpopo Provincial Treasury. An increase is as a result of the claims that were not submitted in the previous financial year and paid in the year under review.

6. Interest and rent on land

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---------------|-------------|--------------------------------|--------------------------------|
| Interest paid | | 1 | 1 |
| Total | | 1 | 1 |

Amount paid to Telkom for interest on overdue account.

7. Payments for financial assets

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|-------------------|-------------|--------------------------------|--------------------------------|
| Debts written off | 7 | 1,240 | 1,149 |
| Total | | 1,240 | 1,149 |

The amount written-off as irrecoverable which relates to the deceased Traditional Leaders. The debt for the service provider who was erroneously paid was prescribed for write off.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

7.1. Debts written off

| | | 2023/24 | 2022/23 |
|-------------------------------|------|--------------|--------------|
| Nature of debts written off | Note | R'000 | R'000 |
| Other debt written off | | 1,240 | 1,149 |
| Total | | 1,240 | 1,149 |
| Total debt written off | 7 | 1,240 | 1,149 |

The amount written-off as irrecoverable relates to deceased Traditional Leaders. The debt for the service provider who was erroneously paid was prescribed for write off.

8. Transfers and subsidies

| | | 2023/24 | 2022/23 |
|------------------------------------|----------|------------------|------------------|
| | Note | R'000 | R'000 |
| Provinces and municipalities | 47,48 | 64 | 56 |
| Departmental agencies and accounts | Annex 1B | - | 1 |
| Non-profit institutions | Annex 1F | 7,274 | 6,186 |
| Households | Annex 1G | 1,535,101 | 1,200,417 |
| Total | | 1,542,439 | 1,206,660 |

The amount of R64 was paid to Polokwane Municipality for rates and taxes. An increase in households is a result of improved performance in Human Settlements as compared to 2022/23 financial year.

9. Expenditure for capital assets

| | | 2023/24 | 2022/23 |
|--------------------------------------|------|----------------|---------------|
| | Note | R'000 | R'000 |
| Tangible capital assets | | 109,606 | 33,950 |
| Buildings and other fixed structures | | 35,988 | 23,188 |
| Machinery and equipment | | 73,618 | 10,762 |
| Intangible capital assets | | | 877 |
| Software | | | 877 |
| Total | | 109,606 | 34,827 |

An increase in the expenditure for building and other fixed structures is as a result of the additional Traditional Councils' Offices that were identified for construction of new offices and refurbishment. An increase in machinery and equipment is as a result of invoices that were not paid that relates to 2022/23 financial year as well as the acquisition of motor vehicles for Senior Traditional Leaders.

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

| | 2023/24 | | |
|--------------------------------------|----------------|----------------|----------------|
| | Voted funds | Aid assistance | Total |
| Name of entity | R'000 | R'000 | R'000 |
| Tangible capital assets | 109,606 | - | 109,606 |
| Buildings and other fixed structures | 35,988 | - | 35,988 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| Name of entity | 2023/24 | | |
|-------------------------|----------------|----------------|----------------|
| | Voted funds | Aid assistance | Total |
| | R'000 | R'000 | R'000 |
| Machinery and equipment | 73,618 | - | 73,618 |
| Total | 109,606 | - | 109,606 |

An increase in the expenditure for building and other fixed structures is as a result of the additional Traditional Councils' Offices that were identified for construction of new offices and refurbishment. An increase in machinery and equipment is as a result of invoices that were not paid that relates to 2022/23 financial year. A post closure journal was passed to increase the expenditure for motor vehicle and to decrease Traditional Councils under machinery and equipment.

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

| Name of entity | 2022/23 | | |
|--------------------------------------|---------------|----------------|---------------|
| | Voted funds | Aid assistance | Total |
| | R'000 | R'000 | R'000 |
| Tangible capital assets | 33,950 | - | 33,950 |
| Buildings and other fixed structures | 23,188 | - | 23,188 |
| Machinery and equipment | 10,762 | - | 10,762 |
| Intangible capital assets | 877 | - | 877 |
| Software | 877 | - | 877 |
| Total | 34,827 | - | 34,827 |

9.3. Finance lease expenditure included in expenditure for capital assets

| | 2023/24 | 2022/23 |
|--------------------------------|----------------|----------------|
| <i>Note</i> | R'000 | R'000 |
| Tangible capital assets | | |
| Machinery and equipment | 587 | 739 |
| Total | 587 | 739 |

Machinery & equipment include finance lease expenditure amounting to R587. A decrease is due to the fact that the department had fewer functional leased machines.

10. Cash and cash equivalents

| | 2023/24 | 2022/23 |
|--|----------------|----------------|
| <i>Note</i> | R'000 | R'000 |
| Consolidated Paymaster General Account | 81,906 | 152,802 |
| Total | 81,906 | 152,802 |

All cash held at the end of 2023/24 is available for use. A decrease resulted from an increase in the overall expenditure of the department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

The department had no borrowing facilities.

11. Prepayments and advances

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|----------------------------|------|------------------|------------------|
| Prepayments (Not expensed) | 13.2 | 5,000 | 5,000 |
| Total | | 5,000 | 5,000 |

Analysis of Total Prepayments and advances

| | | |
|----------------------------------|--------------|--------------|
| Current Prepayments and advances | 5,000 | 5,000 |
| Total | 5,000 | 5,000 |

The R5000 represent an amount paid in advance to the attorneys to defend the department against claims during the Administration (Section 100) intervention.

11.1. Prepayments (Not expensed)

| | | 2023/24 | | | | |
|-------------------------|------|---------------------------------|--|-------------------------|------------------------------------|-------------------------------------|
| | | Amount as at 1 April 2023 | Less: Amounts expensed in current year | Add / Less: Other | Add Current year prepayments | Amount as at 31 March 2024 |
| | Note | R'000 | R'000 | R'000 | R'000 | R'000 |
| Transfers and subsidies | | 5,000 | | | | 5,000 |
| Total | 13 | 5,000 | | | | 5,000 |

The R5 million represent an amount paid in advance to the attorneys to defend the application for summary judgement against the department. The cases are still on-going, and no invoice has been submitted yet to the department. Thus, the prepayments can only be reduced as and when invoices are received from the State Attorneys.

11.2. Advances paid (Expensed) ("advances expensed" not permitted from 1 April 2024)

| | 2023/24 | | | | |
|-----------------|------------------------------------|--|----------------|------------------------------------|-------------------------------------|
| | Amount as at 1 April 2023 | Less: Received in the current year | Less: Other | Add Current year advances | Amount as at 31 March 2024 |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Public entities | 68,933 | | -58,494 | | 10,439 |
| Other entities | 8,430 | | - | | 8,430 |
| Total | 77,363 | - | -58,494 | - | 18,869 |

The amount of R18,869 (2023: R77,363) represent amount paid in advance to HDA and municipalities in respect of projects they are undertaken on behalf of the department.

Reasons for prepayments

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

Housing Development Agency (HDA)

- The HDA has an existing Implementation Protocol (IP) with the Limpopo CoGHSTA that was signed in on 29th July 2010. HDA provides support for land assembly and Housing Programme Implementation.
- HDA appointed service providers for rural housing projects and their various milestones needs to be paid.
- HDA is responsible for the vitalisation of distressed mining towns, and various service providers were appointed for this project.
- HDA is responsible for the construction of Marapong community residential units, and various service providers were appointed for this project.
- HDA is an implementing agent for removal of asbestos and repair of identified units in Seshego, Greater Letaba, Elias Motswaledi and Mogalakwena for 2100 unit/sites (Limpopo Disaster Project).
- The money was advanced to make it possible for HDA to perform these various tasks on behalf the department.

Risima Housing Finance

Risima Housing Finance is assisting the Department in implementing the Finance Linked Individual Subsidy Programme (FLISP) project which caters for middle income citizen in the province who wants to build or upgrade their houses. The money was necessary for the general public to access it at Risima anytime they need it.

Municipalities

Municipalities were paid during 2017 in order to revitalise the mining towns. The money was necessary to pay various services providers for construction of roads and storm water drainage system, upgrading of package plant, and construction of water and sewer infrastructure.

Reports from these three entities are requested for control to check on the use of money and record of balance available."

2022/23

| | Amount as at 1 April 2022 | Less: Received in the current year | Add / Less: Other | Add Current year advances | Amount as at 31 March 2023 |
|-----------------|--|---|----------------------------------|--|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Public entities | 33,774 | - | 35,159 | - | 68,933 |
| Other entities | 8,730 | - | -300 | - | 8,430 |
| Total | 42,504 | - | 34,859 | - | 77,363 |

12. Receivables

| | | 2023/24 | | | 2022/23 | | |
|-------------------------|-------------|----------------|-------------------------|---------------|----------------|-------------------------|---------------|
| | | Current | Non- current | Total | Current | Non- current | Total |
| | <i>Note</i> | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | 12.1 | 71,148 | | 71,148 | 70,144 | - | 70,144 |
| Trade receivables | 12.2 | 30 | | 30 | 544 | - | 544 |
| Recoverable expenditure | 12.3 | 152 | | 152 | 165 | - | 165 |
| Staff debt | 12.4 | 2,262 | 162 | 2,424 | 928 | 210 | 1,138 |
| Other receivables | 12.5 | 15,000 | | 15,000 | 15,000 | - | 15,000 |
| Total | | 88,592 | 162 | 88,754 | 86,781 | 210 | 86,991 |

The increase in receivables is a result of new debts raised regarding claims recoverable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

12.1. Claims recoverable

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|------------------------|-------------|--------------------------------|--------------------------------|
| National departments | | 254 | 187 |
| Provincial departments | | 70,894 | 69,957 |
| Total | 12 | 71,148 | 70,144 |

The increase in receivables is a result of new debts raised regarding claims recoverable.

12.2. Trade receivables

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|-------------------|-------------|--------------------------------|--------------------------------|
| Service providers | | 30 | 544 |
| Total | 12 | 30 | 544 |

A service provider were erroneously paid and attempts are being made to recover the money. The decrease is a result of debt written off as irrecoverable.

12.3. Recoverable expenditure

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|----------------------------|-------------|--------------------------------|--------------------------------|
| Sal: Tax Debt | | 1 | 1 |
| Disallowance Miscellaneous | | 133 | 133 |
| Sal: Medical Aid | | 9 | 7 |
| Sal: Pension Fund | | 9 | 24 |
| Total | 12 | 152 | 165 |

The balance results from the late interface of transactions between the financial systems.

12.4. Staff debt

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|------------------------------------|-------------|--------------------------------|--------------------------------|
| Traditional Allowance overpayments | | 2,062 | 644 |
| Tax debts | | 19 | 33 |
| Bursary debts | | 79 | 75 |
| Staff overpayments | | 264 | 386 |
| Total | 12 | 2,424 | 1,138 |

Staff debts increased due to natural attrition of Traditional Leaders.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

12.5. Other receivables

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Fruitless and wasteful expenditure | | | |
| Fruitless & wasteful expenditure that was paid to service provider. | | 15,000 | 15,000 |
| Total | 12 | 15,000 | 15,000 |

Fruitless & wasteful expenditure that was paid to the service provider.

12.6. Impairment of receivables

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---------------------------------------|-------------|--------------------------------|--------------------------------|
| Estimate of impairment of receivables | | 15,226 | 15,908 |
| Total | | 15,226 | 15,908 |

The reduction is a result of a debts that were written off as irrecoverable.

13. Voted funds to be surrendered to the Revenue Fund

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Opening balance | | 243,713 | 474,140 |
| As restated | | 243,713 | 474,140 |
| Transferred from statement of financial performance (as restated) | | 172,112 | 243,720 |
| Voted funds not requested/not received | <i>1.1</i> | - | -7 |
| Paid during the year | | -243,713 | -474,140 |
| Closing balance | | -172,112 | -474,140 |

A decrease in amount to be surrendered is a result of an increase in expenditure (improved performance in Human Settlements) compared to the previous financial year.

13.1. Reconciliation on unspent conditional grants

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|--|-------------|--------------------------------|--------------------------------|
| Total conditional grants received | <i>1.2</i> | 1,591,477 | 1,340,602 |
| Total conditional grants spent | | -1,530,935 | -1,196,140 |
| Unspent conditional grants to be surrendered | | 60,542 | 144,462 |
| Due by the Provincial Revenue Fund | | 60,542 | 144,462 |

A roll-over was applied for the balance of R60,542.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

14. Statutory Appropriation to be surrendered to the Revenue Fund

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|------------------------|-------------|--------------------------------|--------------------------------|
| Opening balance | | - | 2,096 |
| As restated | | - | 2,096 |
| Paid during the year | | | -2,096 |
| Closing balance | | - | - |

All funds from Statutory Appropriation were received. The treatment of Statutory Appropriation is new and has not been required in the prior year.

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

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|---|-------------|--------------------------------|--------------------------------|
| Opening balance | | 484 | 85,665 |
| As restated | | 484 | 85,665 |
| Transferred from statement of financial performance (as restated) | | 4,072 | 2,347 |
| Paid during the year | | -4,249 | -87,528 |
| Closing balance | | 307 | 484 |

A decrease in departmental revenue and NRF receipts is a result of revenue timeously paid over to the Fund in the year under review.

16. Payables - current

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|-------------------|-------------|--------------------------------|--------------------------------|
| Advances received | 16.1 | 2,720 | - |
| Clearing accounts | 16.2 | 177 | 225 |
| Total | | 2,897 | 225 |

The increase is as a result of payments made by Senior Traditional Leaders for the top up of motor vehicles.

16.1. Advances received

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|--------------------|-------------|--------------------------------|--------------------------------|
| Other institutions | Annex 8B | 2,720 | - |
| Total | | 2,720 | - |

Advances paid for the top up of motor vehicles for Senior Traditional Leaders.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

16.2. Clearing accounts

| Description | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|-----------|------------------|------------------|
| Sal: Government Employees Housing Scheme | | - | 7 |
| Sal: ACB Recalls | | - | 51 |
| Sal: Income Tax | | 177 | 157 |
| Payable: Advance | | - | 10 |
| Total | 21 | 177 | 225 |

A decrease is as a result of timeous payments to deduction institutions (third parties) in the financial year of 2023/24.

17. Net cash flow available from operating activities

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|------|------------------|------------------|
| Net surplus/(deficit) as per Statement of Financial Performance | | 176,184 | 246,067 |
| Add back non-cash/cash movements not deemed operating activities | | -138,479 | -526,528 |
| (Increase)/decrease in receivables | | -1,811 | 140 |
| Increase/(decrease) in payables - current | | 2,672 | 180 |
| Proceeds from sale of capital assets | | -984 | - |
| Expenditure on capital assets | | 109,606 | 34,827 |
| Surrenders to Revenue Fund | | -247,962 | -561,668 |
| Voted funds not requested/not received | | - | -7 |
| Net cash flow generated by operating activities | | 37,705 | -280,461 |

The decrease is as a result of unspent funds surrendered to the Revenue Fund in 2022/23 financial year.

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

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|------|------------------|------------------|
| Consolidated Paymaster General account | | 81,906 | 152,802 |
| Total | | 81,906 | 152,802 |

The decrease is as a result of unspent funds surrendered to the Revenue Fund in 2022/23 financial year.

19. Contingent liabilities and contingent assets

19.1. Contingent liabilities

| Liable to | Nature | Note | 2023/24 R'000 | 2022/23 R'000 |
|-------------------------------|--------|----------|------------------|------------------|
| Claims against the department | | Annex 3B | 273,415 | 273,636 |
| Other | | Annex 3B | 2,123 | 2,123 |
| Total | | | 275,538 | 275,759 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

Housing guarantees were all cancelled as the loans were settled. Claims against the state reflect a lesser amount as a result of the assessment that was conducted by the department to determine the correct estimates. Other reflects over-payments to Traditional Leaders. The over-payments are still under investigation. The department has an approved Standard Operating Procedure (SOP) on how to deal with litigation cases and contingent liabilities. The department (Legal Services) has assessed and categorised each case and recommend whether the claimed amount should remain in the register as is or not. The cases against the department by headmen/headwomen who are identified by their royal families but not recognised by government and gazetted that they are appointed in line with applicable legislation i.e TKLA 3 of 2019 (TLGFA Act 23 of 2003), were assessed to an estimated amount of zero. This determination was made in line with TKLA on the process for appointment of traditional leaders. All other cases were assessed to the claimed amount except the Kobe Enos & Other case SCA1204/2021 (Bahananwa) which is on appeal. A decrease in claims against the department is a result of the case amounting to R481 which was settled/paid. An adjustment was made to account for R260 difference for March 2023 to March 2024 in respect of Kobe Enos and others.

We are not certain of any reimbursement that would be involved at this stage.

It is not practicable to determine the Plaintiff's legal fees, sheriff fees, legal costs, and other related costs (including interest).

19.2. Contingent assets

| Nature of contingent asset | Note | 2023/24 R'000 | 2022/23 R'000 |
|----------------------------------|------|------------------|------------------|
| Recovery of overpayment | | 735 | 735 |
| Recovery of subsidised transport | | 30 | 30 |
| Lost assets | | 74 | 100 |
| Total | | 839 | 865 |

A reduction in lost assets emanate from the purchase of laptops by the officials of the department who lost them.

20. Capital commitments

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--------------------------------------|------|------------------|------------------|
| Buildings and other fixed structures | | 20,540 | 57,586 |
| Machinery and equipment | | 40,797 | 11,685 |
| Total | | 61,337 | 69,271 |

Capital commitments include commitments for construction of new and refurbishment of Traditional Councils' Offices as well as machinery equipment.
The decrease is as a result of Traditional Councils that were completed in the year under review. Machinery and equipment increased as a result of the orders issued during the year under review, but the items ordered were not delivered.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

21. Accruals and payables not recognised

21.1. Accruals

| | | 2023/24 | | | 2022/23 |
|--|-------------|---------------|--------------|---------------|---------------|
| | | 30 Days | 30+ Days | Total | Total |
| Listed by economic classification | <i>Note</i> | R'000 | R'000 | R'000 | R'000 |
| Goods and services | | 4,929 | - | 4,929 | 9,520 |
| Transfers and subsidies | | 6,116 | - | 6,116 | 3,536 |
| Total | | 11,045 | - | 11,045 | 13,056 |

| | | 2023/24 | 2022/23 |
|--|-------------|---------------|---------------|
| Listed by programme level | <i>Note</i> | R'000 | R'000 |
| Programme 1: Administration | | 3,713 | 8,306 |
| Programme 2: Human Settlements | | 6,416 | 3,950 |
| Programme 3: Cooperative Governance | | 50 | 363 |
| Programme 4: Traditional Institutional Development | | 866 | 437 |
| Total | | 11,045 | 13,056 |

21.2. Payables not recognised

| | | 2023/24 | | | 2022/23 |
|--|-------------|---------------|--------------|---------------|--------------|
| | | 30 Days | 30+ Days | Total | Total |
| Listed by economic classification | <i>Note</i> | R'000 | R'000 | R'000 | R'000 |
| Goods and services | | 4,239 | 121 | 4,360 | 31 |
| Transfers and subsidies | | 48,426 | 9,180 | 57,606 | 1,522 |
| Total | | 52,665 | 9,301 | 61,966 | 1,553 |

| | | 2023/24 | 2022/23 |
|--|-------------|---------------|--------------|
| Listed by programme level | <i>Note</i> | R'000 | R'000 |
| Programme 1: Administration | | 2,574 | 31 |
| Programme 2: Human Settlements | | 58,464 | 1,522 |
| Programme 3: Cooperative Governance | | 422 | - |
| Programme 4: Traditional Institutional Development | | 506 | - |
| Total | | 61,966 | 1,553 |

22. Employee benefits

| | | 2023/24 | 2022/23 |
|--------------------|-------------|----------------|----------------|
| | <i>Note</i> | R'000 | R'000 |
| Leave entitlement | | 56,087 | 56,573 |
| Service bonus | | 22,812 | 21,290 |
| Performance awards | | 16,376 | 13,468 |
| Capped leave | | 22,643 | 22,483 |
| Other | | 454 | 1,152 |
| Total | | 118,372 | 114,966 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

Other employee benefits include long service awards of R454 (2023: R1,152) and pay progression amounting to R13, 468 (2023: R13, 468). Leave entitlement includes negative values amounting to R213 (2023: R119). The increase in total value is caused by newly appointed and promoted staff.

23. Lease commitments

23.1. Operating leases

| 2023/24 | | | | |
|--|-------|--------------------------------------|-------------------------|---------------|
| Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | | 33,625 | | 33,625 |
| Later than 1 year and not later than 5 years | | 32,929 | | 32,929 |
| Total lease commitments | | 66,554 | | 66,554 |

| 2022/23 | | | | |
|--|-------|--------------------------------------|-------------------------|---------------|
| 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 | | 31,752 | | 31,752 |
| Later than 1 year and not later than 5 years | | 66,554 | | 66,554 |
| Total lease commitments | | 98,306 | | 98,306 |

Lease agreement for Hensa Towers Building was renewed for a period of five years.

No assets were subleased.

23.2. Finance leases **

| 2023/24 | | | | |
|--|-------|--------------------------------------|-------------------------|--------------|
| Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| R'000 | R'000 | R'000 | R'000 | R'000 |
| Not later than 1 year | | | 1,910 | 1,910 |
| Later than 1 year and not later than 5 years | | | 88 | 88 |
| Total lease commitments | | | 1,998 | 1,998 |

| 2022/23 | | | | |
|--------------------------------|-------|--------------------------------------|-------------------------|-------|
| Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| R'000 | R'000 | R'000 | R'000 | R'000 |
| | | | | |
| | | | | |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

| | R'000 | R'000 | R'000 | R'000 | R'000 |
|--|-------|-------|-------|--------------|--------------|
| Not later than 1 year | | | | 6,835 | 6,835 |
| Later than 1 year and not later than 5 years | | | | 245 | 245 |
| Total lease commitments | | | | 7,080 | 7,080 |

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on *Public Private Partnerships*.

A contract on equipment entered into expires at the end of two years (MTN cellphones) and three years (machinery and equipment).

No assets were subleased.

23.3. Operating lease future revenue

| 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 | 146 | | | 146 |
| Later than 1 year and not later than 5 years | 38 | | | 38 |
| Total operating lease revenue receivable | 184 | | | 184 |

| 2022/23 | | | | |
|---|------------|--------------------------------------|-------------------------|------------|
| 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 | 133 | | | 133 |
| Later than 1 year and not later than 5 years | 184 | | | 184 |
| Later than 5 years | | | | |
| Total operating lease revenue receivable | 317 | | | 317 |

Rent paid by MTN to the department for towers.

24. Accrued departmental revenue

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--|------|------------------|------------------|
| Interest, dividends and rent on land | | 47 | 261 |
| Transactions in financial assets and liabilities | | 1,771 | 1,402 |
| Other | | 2,272 | 780 |
| Total | | 4,090 | 2,443 |

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Accrued departmental revenue of R1,794 relates to the amount to be recovered from the Department of Military Veterans for the top up of standard Breaking New Ground (BNG) houses constructed for military veterans and Dinners Club for amount owed to the department at the end of the year under review. Furthermore, other also include amount owed by the LEDET.

24.1. Analysis of accrued departmental revenue

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 2,443 | 2,201 |
| Less: amounts received | | 267 | 415 |
| Add: amounts recorded | | 900 | 321 |
| Less: amounts written off/reversed as irrecoverable | | - | 444 |
| Department of Military Veterans | | 1,014 | 780 |
| Closing balance | | 4,090 | 2,443 |

Accrued departmental revenue of R1,014 relates to the amount to recoverable from the Department of Military Veterans for the top up of standard BNG houses constructed for military veterans.

25. Unauthorised, Irregular and Fruitless and wasteful expenditure

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|---|------|------------------|------------------|
| Irregular expenditure - current year | | 39,430 | 86,012 |
| Fruitless and wasteful expenditure - current year | | 1 | 1 |
| Total | | 39,431 | 86,013 |

The amount of R1 is in respect of a penalty charge incurred. Irregular expenditure was incurred as a result of unfair disqualification of bids/inconsistencies of evaluation on additional database for low-cost housing (recurring contracts). The treatment of disclosed amounts is in line with the requirements as directed by National Treasury. The reduction is due to the fact that two of the contracts from the low-cost housing's contract ended on the 31 March 2023 and they did not incur any expenditure. The rest of expenditure relates to the non-compliance to Supply Chain Management policies. An amount of R633 for the financial year 2017/18 was confirmed as irregular and condoned by Limpopo Provincial Treasury in the year under review. The irregular expenditure was triggered by non-compliance to various pieces of legislation with the SCM environment. The comparative figure was updated with irregular expenditure confirmed in the year under review, yet it was incurred in 2022/23 financial year. Irregular expenditure to the value of R 1,137,758,000 that relates to the year under review, as a result of non-compliance with SCM is still under assessment and is not yet confirmed. Fruitless and Wasteful expenditure to the value of R 19,270,000 that relates to the year under review is still under assessment and is not yet confirmed.

26. Related party transactions

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|---|------|------------------|------------------|
| In-kind goods and services (provided)/received | | | |
| Shared Internal Audit Services | | 3,034 | 3,040 |
| Audit Committee Services | | 387 | 385 |
| Limpopo Provincial Treasury | | 114 | - |
| DPWRI | | 1,735 | - |
| LEDET | | 1,248 | - |
| Total | | 6,518 | 3,425 |

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Provincial Department of Public Works, Roads and Infrastructure

The Department utilised the office buildings belonging to the Provincial Department of Public Works, Roads and Infrastructure.

The department of Public Works, Roads and Infrastructure does not charge the Department any rental for the use of buildings. The department is an implementing agent for CoGHSTA for construction and refurbishment of Traditional Council office. Mr Seroka DT was seconded to the department with effect from 01/05/2024.

Shared Internal Audit Services

The Department makes use of shared internal audit services provided by the Limpopo Provincial Treasury.

Shared Audit Committee

The department make use of shared audit committee services provided by the Limpopo Provincial Treasury. 160,3 hours were spent

National Home Builders Registration Council

The entity is a member of the same economic entity as CoGHSTA that ensure quality assurance of the construction of low cost housing.

Housing Development Agency (HDA)

The entity is an agency of the same economic entity as CoGHSTA that implements the projects relating to Human Settlements.

Limpopo Rental Housing Tribunal

Limpopo Rental Housing Tribunal is a board that was appointed by the MEC in terms of section 9(4) of the Rental Housing Act No. 50 of 1999 as amended.

The MEC Advisory Panel

Limpopo Housing Advisory panel which was appointed by the MEC in terms of Housing Act No 2 of 2006.

LEDET: Matlala CM was seconded to LEDET in the year under review.

Limpopo Provincial Treasury

The Limpopo Provincial Treasury donated LOGIS scanners to the department of CoGHSTA in the period under review.

All Provincial Departments and Public Entities operate together to attain mutual objectives determined by the Provincial Legislature.

27. Key management personnel

| | 2023/24 | 2022/23 |
|--|----------------|----------------|
| | R'000 | R'000 |
| Political office bearers (<i>provide detail below</i>) | 2,159 | 2,096 |
| Officials: | | |
| Level 15 to 16 | 7,946 | 5,564 |
| Level 14 | 15,357 | 16,226 |
| Other with significance influence | 2,430 | 2,422 |
| Family members of key management personnel | 1,410 | 1,444 |
| Total | 29,302 | 27,752 |

An increase is a result of an official who was seconded from the Department of Public Works, Roads and Infrastructure (DPWRI).

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28. Impairment (other than receivables, accrued departmental revenue, loans and investments)

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|------------------------------|-------------|--------------------------------|--------------------------------|
| Traditional council building | | - | 699 |
| Total | | - | 699 |

The property has been fair valued by an independent Valuer. Thus, no impairment is raised for the year under review.

29. Provisions

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|--------------|-------------|--------------------------------|--------------------------------|
| Retentions | | 6,814 | 3,364 |
| Total | | 6,814 | 3,364 |

Retention based on 10% of expenditure held by the department in respect of Traditional Councils' Offices.

29.1. Reconciliation of movement in provisions - Current year

| | 2023/24 | | | |
|------------------------|-------------------|--------------------|--------------------|-------------------------|
| | Retentions | Provision 2 | Provision 3 | Total provisions |
| | R'000 | R'000 | R'000 | R'000 |
| Opening balance | 3,364 | | | 3,364 |
| Increase in provision | 3,450 | | | 3,450 |
| Closing balance | 6,814 | | | 6,814 |

Retention in respect of construction of the Traditional Council Offices will be settled to service providers when all legal contractual obligations are complied with.

Reconciliation of movement in provisions - Prior year

| | 2022/23 | | | |
|------------------------|-------------------|--------------------|--------------------|-------------------------|
| | Retentions | Provision 2 | Provision 3 | Total provisions |
| | R'000 | R'000 | R'000 | R'000 |
| Opening balance | 189 | - | - | 189 |
| Increase in provision | 3,175 | - | - | 3,175 |
| Closing balance | 3,364 | - | - | 3,364 |

Retention in respect of construction of the Traditional Council Offices will be settled to service providers when all legal contractual obligations are complied with.

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Provision based on 10% expenditure incurred on construction of some of the Traditional Councils' Offices.

30. Movable Tangible Capital Assets

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

| 2023/24 | | | | | |
|--|-----------------|-------------------|---------------|---------------|-----------------|
| | Opening balance | Value adjustments | Additions | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 109,855 | - | 71,043 | 58,375 | 122,523 |
| Transport assets | 29,251 | - | 55,323 | 53,132 | 31,442 |
| Computer equipment | 44,718 | - | 7,216 | 4,871 | 47,063 |
| Furniture and office equipment | 29,626 | - | 8,291 | 134 | 37,783 |
| Other machinery and equipment | 6,260 | - | 213 | 238 | 6,235 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 109,855 | - | 71,043 | 58,375 | 122,523 |

A difference of R114 for office equipment (non-cash additions) is due to transfer-in of assets (i.e., hand scanners) from Limpopo Provincial Treasury. A difference of R76 for computer equipment (non-cash additions) is due to purchase of lost laptops by officials who lost them. A large portion of disposal came as result of motor vehicles for Senior Traditional Leaders that were treated in and out in the Asset Register for the year under review. The error is to account for disposed assets that were omitted during migration from BAUD asset register to LOGIS system.

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

| 2022/23 | | | | | |
|--|-----------------|--------------------|---------------|-----------|-----------------|
| | Opening balance | Prior period error | Additions | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 99,177 | | 10,725 | 47 | 109,855 |
| Transport assets | 28,575 | - | 676 | - | 29,251 |
| Computer equipment | 40,048 | - | 4,717 | 47 | 44,718 |
| Furniture and office equipment | 24,343 | - | 5,283 | - | 29,626 |
| Other machinery and equipment | 6,211 | - | 49 | - | 6,260 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 99,177 | - | 10,725 | 47 | 109,855 |

30.2. Minor assets

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

| | 2023/24 | | | | | |
|-----------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------|
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | 13 | - | 18,027 | - | 18,040 |
| Additions | - | - | - | 5 | - | 5 |
| Disposals | - | - | - | -494 | - | -494 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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2023/24

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Total Minor assets | - | 13 | - | 17,538 | - | 17,551 |
| | | | | | | |
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| Number of minor assets at cost | - | 4 | - | 9,680 | - | 9,684 |
| Total number of minor assets | - | 4 | - | 9,680 | - | 9,684 |

Number of minor assets at cost includes machinery and equipment as well as library books.

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

2022/23

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | 13 | - | 18,027 | - | 18,040 |
| Total Minor assets | - | 13 | - | 18,027 | - | 18,040 |
| | | | | | | |
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| Number of minor assets at cost | - | 4 | - | 9,927 | - | 9,931 |
| Total number of minor assets | - | 4 | - | 9,927 | - | 9,931 |

31. Intangible Capital Assets

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

2023/24

| | Opening balance | Additions | Disposals | Closing balance |
|--|--------------------|-----------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 3,333 | - | - | 3,333 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 3,333 | - | - | 3,333 |

No new intangible capital assets were acquired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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

| | 2022/23 | | | | |
|--|-----------------|--------------------|------------|-----------|-----------------|
| | Opening balance | Prior period error | Additions | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 2,456 | - | 877 | - | 3,333 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 2,456 | - | 877 | - | 3,333 |

32. Immovable Tangible Capital Assets

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

| | 2023/24 | | | |
|--|-----------------|------------|---------------|-----------------|
| | Opening balance | Additions | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 54,828 | 300 | 46,189 | 8,939 |
| Dwellings | - | - | - | - |
| Non-residential buildings | 54,821 | 300 | 46,189 | 8,932 |
| Other fixed structures | 7 | - | - | 7 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 54,828 | 300 | 46,189 | 8,939 |

The R46,189 disposals result from 9 Traditional Councils (TCs) that were transferred in the period under review. These include Dikgale TC, Mametja TC, Manthata TC, Masia TC, Mudavula TC, Nyavana TC, Rambuda TC, Seakamela TC and Seloance TC. The transfers were done directly by the department to the TCs. The addition came as a result of the property that has been fair valued by the Independent Valuer.

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

| | 2022/23 | | | | |
|--|-----------------|--------------------|------------|-----------|-----------------|
| | Opening balance | Prior period error | Additions | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 53,883 | - | 945 | - | 54,828 |
| Dwellings | - | - | - | - | - |
| Non-residential buildings | 53,876 | - | 945 | - | 54,821 |
| Other fixed structures | 7 | - | - | - | 7 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 53,883 | - | 945 | - | 54,828 |

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32.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

| | | 2023/24 | | | |
|--------------------------------------|---------|---------------------------------------|---------------------|---|--|
| | Note | Opening balance 1 April 2023 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2024 |
| | Annex 7 | R'000 | R'000 | R'000 | R'000 |
| Heritage assets | | - | - | - | - |
| Buildings and other fixed structures | | 275,883 | 64,154 | - | 340,037 |
| Land and subsoil assets | | - | - | - | - |
| Total | | 275,883 | 64,154 | - | 340,037 |

The capital work-in-progress (CWIP) for the Traditional Councils' Offices that are under construction. The professional valuer from the DPWRI has conducted the assessment of Matlala Ramoshebo Traditional Council and arrived at the replacement cost of R2,900 for repair of the building. Buildings and other infrastructures include CRUs (Marapong, Tshikota and Talana) still in construction.

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

| | | 2022/23 | | | | |
|--------------------------------------|------|------------------------------------|--------------------------|---------------------|---|--|
| | Note | Opening balance 1 April 2022 | Prior period error | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2023 |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Heritage assets | | - | - | - | - | - |
| Buildings and other fixed structures | | 26,785 | 226,855 | 23,188 | 945 | 275,883 |
| Land and subsoil assets | | - | - | - | - | - |
| Total | | 26,785 | 226,855 | 23,188 | 945 | 275,883 |

33. Principal-agent arrangements

33.1. Department acting as the principal

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|---|------|------------------|------------------|
| Risima (Admin fees) | | 148 | 202 |
| H D A (Transfer transactions plus fees) | | 66,991 | 190,445 |
| Total | | 67,139 | 190,647 |

Risima Housing Finance Corporation

"Provide a description of the nature:

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Risima Housing Finance is assisting the Department in implementing the Finance Linked Individual Subsidy Programme project to low-cost housing market and lower-middle income households.

Circumstances:

Risima is the only viable financial service provider in the province to assist qualifying beneficiaries who are unable to get assistance from the banks.

Significant judgment applied:

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit. CoGHSTA is a principal.

Significant terms and conditions:

CoGHSTA has entered into a service level agreement /protocol with Risima ending on 31 March 2023. This protocol explains the mandates of each party.

Significant risks:

There is a risk of failure to achieve the deliverables in terms of the protocol.

Benefits/purpose relating to the arrangements with the agents:

Risima is to provide innovative and affordable housing to low-cost housing market.

Risima will facilitates housing finance accessible for lower-middle income households."

Housing Development Agency

"Provide a description of nature:

The Housing Development Agency (HDA) has an existing Implementation Protocol (IP) with the Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA) that was signed in on 29th July 2010. HDA provides support for land assembly and Housing Programme Implementation. The department acting as the principal, entered into a binding arrangement with HDA to undertake the following transactions: - MTOP -R10,486, Distressed Mining Towns -R17,006, Bela-Bela- Vingerskraal ISUPG programme- R15,348, and Disaster Housing -Asbestos -R24,150.

Circumstances:

HDA is one of the state entities that provides support for land assembly and Housing Programme Implementation.

Significant judgment applied:

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit. CoGHSTA is a principal.

Significant terms and conditions:

CoGHSTA has entered into various service level agreements with HDA. These service level agreements explain the mandates of each party.

Significant risks:

There is a risk of failure to achieve the deliverables in terms of the protocol /service level agreements.

Benefits/purpose relating to the arrangements with the agents

H D A will assist in the construction of RDP houses in identified areas where CoGHSTA lacks capacity."

Department of Public Works, Roads and Infrastructure

"Provide a description of nature:

The department entered into an agreement with Department of Public works, Roads and Infrastructure in the construction and refurbishment of various Traditional councils.

Circumstances:

Exco in the province approved the Infrastructure Delivery Management Systems which served as a framework for delivery of infrastructure in the province

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Significant judgment applied:

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit. CoGHSTA is a principal.

Significant terms and conditions:

CoGHSTA has entered into a service level agreement with DPWRI. These service level agreements explain the mandates of each party.

Significant risks:

There is a risk of failure to achieve the deliverables in terms of the protocol /service level agreements.

Benefits/purpose relating to the arrangements with the agents:

DPWR&I will assist in the construction of traditional councils in identified in the province as CoGHSTA lacks this capacity.

Risima Housing Finance Corporation

If the principal-agent arrangement is terminated, the implementing agent will be entitled to payment for work done which was not paid subject to the principal satisfaction with the quality of the said work. Any balance of resources will be surrendered to the Department as the principal.

Housing Development Agency

If the principal-agent arrangement is terminated, the implementing agent will be entitled to payment for work done which was not paid subject to the principal satisfaction with the quality of the said work. Any balance of resources will be surrendered to the Department as the principal.

Department of Public Works, Roads and Infrastructure

If the principal-agent arrangement is terminated, the service providers employed by the implementing agent will be entitled to payment for work done which was not paid subject to the client satisfaction with the quality of the said work. The delivery of the infrastructure programmes will be ceased.

As at 31 Mar 2024, the resources that are under the custodianship of the agents are as follows:

• **Housing Development Agency**

Resources amounting to R10,439 (2023: R68,933) have been recorded by the agent.

• **Risima Housing Finance**

Resources amounting to R0.00 (2023: R7,614) have been recorded by the Agent.

Fees paid amounted to R148 (2023: R202).

• **Department of Public Works**

There are no resources that have been recorded by the agent.

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33.2. Department acting as the agent

33.2.1. Revenue received for agency activities

| | Note | 2023/24 R'000 | 2022/23 R'000 |
|--------------|------|------------------|------------------|
| LGSETA | | - | 512 |
| Total | | - | 512 |

34. Prior period errors

34.1. Correction of prior period errors

| | Note | 2022/23 | | |
|---|----------------------|--------------------------------------|-----------------------|----------------|
| | | Amount before error correction | Prior period error | Restated |
| | | R'000 | R'000 | R'000 |
| Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.) | | | | |
| Non-residential buildings | 32 | 64,970 | -10,149 | 54,821 |
| Buildings and other infrastructures | 32 | 26,785 | 10,149 | 36,934 |
| Dwellings/CRU | Annexure 7 | - | 216,706 | 216,706 |
| Bulk services | Annex 6 & Note 35 | - | 668,032 | 668,032 |
| REC:DOM:CLMS:P/DEPT:LP CLAIM REC | Annexure 4 | - | 316 | 316 |
| Net effect | | 91,755 | 885,054 | 976,809 |

The error is to correct the Traditional Council that was considered complete in the 2022/23 financial year while not complete. Dwellings represent CRUs (Marapong, Tshikota and Talana) still in construction. The error is to account for disposed assets that were omitted during migration from BAUD asset register to LOGIS system.

| | Note | 2022/23 | | |
|---|------|--------------------------------------|-----------------------|---------------|
| | | Amount before error correction | Prior period error | Restated |
| | | R'000 | R'000 | R'000 |
| Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.) | | | | |
| Finance lease | 23.2 | 1,033 | 6,047 | 7,080 |
| Employee benefits (other) | 22 | 14,620 | -13,468 | 1,152 |
| Employee benefits (performance award) | 22 | - | 13,468 | 13,468 |
| Net effect | | 15,653 | 6,047 | 21,700 |

The error occurred as a result of exclusion of MTN cellphone lease contract in the commitments. The correction is necessary to arrive at those correct value of commitments. Performance awards was included in other employee benefits. The correction was necessary to account for it in the correct item line.

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35. Inventories (Effective from date to be determined by the accountant-General)

35.1. Inventories for the year ended 31 March 2024

2023/24

| | Insert major category of inventory | Insert major category of inventory | Bulk Services | RDP houses | Total |
|---------------------------------|--|--|------------------|----------------|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | 668,062 | 97,238 | 765,300 |
| Add: Additions/Purchases - Cash | - | - | 426,779 | 1,094,379 | 1,521,158 |
| (Less): Issues | - | - | - | -917,213 | -917,213 |
| Closing balance | - | - | 1,094,841 | 274,404 | 1,369,245 |

The amount of R274.404 (2023: R97, 238) is composed of work-in-progress of houses which are still at various stages of construction (foundation, wall plate, roof and finishings). Furthermore, R1,094,841 represent bulk services still in progress and not yet transferred to the municipalities.

Inventories for the year ended 31 March 2023

2022/23

| | Insert major category of inventory | Insert major category of inventory | Bulk Services | RDP Houses | Total |
|---------------------------------|--|--|----------------|---------------|----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | 245,623 | 71,038 | 316,661 |
| Add: Additions/Purchases - Cash | - | - | 422,409 | 767,687 | 1,190,096 |
| (Less): Issues | - | - | - | -747,839 | -747,839 |
| Add/(Less): Adjustments | - | - | - | 6,352 | 6,352 |
| Closing balance | - | - | 668,032 | 97,238 | 765,270 |

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The amount of R97,238 (2022: R71, 038) is composed of work-in-progress of houses which are still at various stages of construction (foundation, wall plate, roof and finishings). Furthermore, R668,032 represent bulk services still in progress and not yet transferred to the municipalities

35.2. Houses ready for use

| | Quantity | 2023/24 | Quantity | 2022/23 |
|------------------------------------|----------|----------|----------|----------|
| | | R'000 | | R'000 |
| Add: Ready for use in current year | 7,023 | 917,213 | 5,066 | 747,839 |
| Less: Issued to beneficiaries | (7,023) | -917,213 | (5,066) | -747,839 |
| Closing balance | - | - | - | - |

7,023 represents the number of happy letters that were distributed to the beneficiaries.

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Statement of conditional grants received

| Name of grant | 2023/24 | | | | | | | | | 2022/23 | |
|---|---|------------|------------------|-------------------|-----------------|-------------------------------|----------------------------|-------------------------|--|---|----------------------------|
| | GRANT ALLOCATION | | | | | SPENT | | | | | |
| | Division of Revenue Act / Provincial grants | Roll overs | DORA Adjustments | Other Adjustments | Total Available | Amount received by department | Amount spent by department | Under- / (Overspending) | % of available funds spent by department | Division of Revenue Act / Provincial grants | Amount spent by department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Human Settlement Development | 946,060 | 4,706 | 250,000 | - | 1,200,766 | 1,200,766 | 1,199,962 | 804 | 99.9% | 996,442 | 991,734 |
| Informal Settlement Upgrading Partnership | 281,341 | 139,399 | - | -31,798 | 388,942 | 388,942 | 329,204 | 59,738 | 84.6% | 342,563 | 203,164 |
| EPWP | 1,960 | - | - | -191 | 1,769 | 1,769 | 1,769 | - | 100.0% | 1,597 | 1,242 |
| TOTAL | 1,229,361 | 144,105 | 250,000 | -31,989 | 1,591,477 | 1,591,477 | 1,530,935 | 60,542 | | 1,340,602 | 1,196,140 |

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36. Statement of conditional grants and other transfers paid to municipalities

| Name of municipality | 2023/24 | | | | | | | 2022/23 | |
|------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|--|--------------------------|-----------------|
| | GRANT ALLOCATION | | | | 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 |
| | | | | | | | | | |
| Polokwane Municipality | 419 | - | - | 419 | 64 | - | | 1,522 | 56 |
| TOTAL | 419 | - | - | 419 | 64 | - | | 1,522 | 56 |

R64 was paid to Polokwane Municipality for rates and taxes.

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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| Name of Municipality | 2023/24 | | | | | | | | | | | 2022/23 | |
|------------------------|--------------------------|------------|--------------|-----------------|-----------------|----------------|--|-------------------------------|----------------------------|---------------|--|--------------------------|------------------|
| | GRANT ALLOCATION | | | | TRANSFER | | | SPENT | | | | | |
| | DoRA and Other transfers | Roll overs | Adjust-ments | Total Available | Actual transfer | Funds withheld | Re-allocations by National Treasury or National department | Amount received by department | Amount spent by department | Unspent funds | % of available funds spent by department | DORA and other transfers | Actual transfers |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Polokwane Municipality | 419 | - | - | 419 | 64 | - | | - | - | - | | 1,522 | 56 |
| Departmental Agencies | 16 | - | - | 16 | - | - | | - | - | - | | - | -- |
| TOTAL | 435 | - | - | 435 | 64 | - | | - | - | - | | 1,522 | 56 |

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| Departmental Agency or Account | 2023/24 | | | | | | 2022/23 | |
|--------------------------------|---------------------|------------|-------------|-----------------|-----------------|----------------------------------|--------------|-----------------|
| | TRANSFER ALLOCATION | | | | TRANSFER | | | |
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| SABC | 16 | - | - | 16 | - | | 14 | - |
| Penalties | | | | | | | - | 1 |
| TOTAL | 16 | - | - | 16 | - | | 14 | 1 |

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ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| | 2023/24 | | | | | | 2022/23 | |
|--------------------------------|---------------------|------------|-------------|-----------------|-----------------|----------------------------------|--------------|-----------------|
| | TRANSFER ALLOCATION | | | | EXPENDITURE | | | |
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Non-profit institutions | | | | | | | | |
| Transfers | | | | | | | | |
| Non-profit institutions | 12,886 | - | - | 12,886 | 7,274 | 56.4% | 5,088 | 6,186 |
| Total | 12,886 | - | - | 12,886 | 7,274 | 56.4% | 5,088 | 6,186 |
| TOTAL | 12,886 | - | - | 12,886 | 7,274 | | 5,088 | 6,186 |

The amount of R7,274 was paid to various Traditional Councils in the form of salary subsidies.

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ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

| Household | 2023/24 | | | | | | 2022/23 | |
|---|---------------------|----------------|----------------|------------------|------------------|----------------------------------|------------------|------------------|
| | TRANSFER ALLOCATION | | | | EXPENDITURE | | | |
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Transfers | | | | | | | | |
| H/H Empls/Ben:Leave gratuity | 6,432 | - | - | 6,432 | 4,166 | 64.8% | 5,261 | 4,278 |
| Total | 6,432 | - | - | 6,432 | 4,166 | | 5,261 | 4,278 |
| Subsidies | | | | | | | | |
| Human Settlements Development | 946,060 | 4,706 | 250,000 | 1,200,766 | 1,199,962 | 99.9% | 996,442 | 991,734 |
| Informal Settlement Upgrading Partnership | 281,341 | 139,399 | (31,798) | 388,942 | 329,204 | 84.6% | 342,563 | 203,164 |
| EPWP | 1,960 | | (191) | 1,769 | 1,769 | 100.0% | 1,597 | 1,242 |
| Total | 1,229,361 | 144,105 | 218,011 | 1,591,477 | 1,530,935 | | 1,340,602 | 1,196,140 |
| TOTAL | 1,235,793 | 144,105 | 218,011 | 1,597,909 | 1,535,101 | | 1,345,863 | 1,200,418 |

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ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

| | | 2023/24 | 2022/23 |
|---|---|------------|----------|
| Name of organisation | Nature of gift, donation or sponsorship | R'000 | R'000 |
| <u>Received in kind</u> | | | |
| | | | |
| Donations | | | |
| Laptop | BCX | - | 1 |
| Online training | Ethic Institute | - | 3 |
| LOGIS scanners | Limpopo Provincial Treasury | 114 | - |
| TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED | | 114 | 4 |

The amount of R114 denotes the transfer in of LOGIS scanners from the Limpopo Provincial Treasury.

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ANNEXURE 1K

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

| Grant Type | Apr 2023 | May 2023 | Jun 2023 | Jul 2023 | Aug 2023 | Sept 2023 | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Total |
|--|---------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|---------------|----------------|---------------|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Human Settlements Development | 38,107 | 86,342 | 152,769 | 127,204 | 198,824 | 154,377 | 145,834 | 42,058 | 83,260 | 444 | 150,022 | 20,722 | 1,199,963 |
| Informal Settlements Upgrading Partnership Grant | 9,386 | 14,267 | 11,633 | 11,124 | 11,317 | 6,883 | 6,756 | 11,085 | 108,841 | 20,301 | 54,897 | 62,713 | 329,203 |
| EPWP | - | 516 | 252 | 252 | 252 | 252 | - | - | - | 245 | - | - | 1,769 |
| TOTAL | 47,493 | 101,125 | 164,654 | 138,580 | 210,393 | 161,512 | 152,590 | 53,143 | 192,101 | 20,990 | 204,919 | 83,435 | 1,530,935 |

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

| Nature of liability | Opening balance 1 April 2023 | Liabilities incurred during the year | Liabilities paid / cancelled / reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing balance 31 March 2024 |
|--|------------------------------------|--|---|---|-------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | 273,636 | 260 | 481 | - | 273,415 |
| Various cases | | | | | |
| Subtotal | 273,636 | 260 | 481 | - | 273,415 |
| Other | | | | | |
| Over-payments of salaries of Traditional Leaders | 2,123 | - | - | - | 2,123 |
| Subtotal | 2,123 | - | - | - | 2,123 |
| TOTAL | 275,759 | 260 | 481 | - | 275,538 |

A decrease in claims against the department is a result of the case amounting to R481 which was settled/paid. An adjustment was made to account for R260 difference for March 2023 to March 2024 in respect of Kobe Enos and others.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 4
CLAIMS RECOVERABLE**

| Government entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash-in-transit at year end 2023/24 * | |
|---|-------------------------------|---------------|---------------------------------|------------|---------------|---------------|--|--------|
| | | | | | | | Receipt date up to six (6) working days after year end | Amount |
| | 31/03/2024 | 31/03/2023 | 31/03/2024 | 31/03/2023 | 31/03/2024 | 31/03/2023 | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| Department | | | | | | | | |
| GAUTENG DEPT OF INFRASTRUCTURE | 121 | - | - | 121 | 121 | 121 | | - |
| DEPARTMENT OF PUBLIC WORKS | - | - | 60 | 60 | 60 | 60 | | - |
| LIMPOPO PROVINCIAL TREASURY | - | 69,646 | 69,646 | - | 69,646 | 69,646 | | - |
| NATIONAL PROSECUTING AUTHORITY | - | - | 32 | - | 32 | - | | - |
| NATIONAL DEPARTMENT OF WATER AND SANITATION | - | - | 41 | - | 41 | - | | - |
| LEDET | - | - | 1,248 | - | 1,248 | - | | - |
| GAUTENG DEPT OF HOME AFFAIRS | - | - | - | 127 | - | 127 | | - |
| DEPT PME GAUTENG | - | - | - | 85 | - | 85 | | - |
| OFFICE OF THE PREMIER LIMPOPO | - | - | - | 104 | - | 104 | | - |
| Subtotal | 121 | 69,646 | 71,027 | 498 | 71,148 | 70,144 | | - |

The annexure signifies the receivables (interdepartmental debts) owed to the department of CoGHSTA.

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024**

**ANNEXURE 5
INTERGOVERNMENT PAYABLES**

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash-in-transit at year end 2023/24 * | |
|--|-------------------------------|------------|---------------------------------|--------------|------------|--------------|--|--------|
| | | | | | | | Payment date up to six (6) working days after year end | |
| | 31/03/2024 | 31/03/2023 | 31/03/2024 | 31/03/2023 | 31/03/2024 | 31/03/2023 | | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| DEPARTMENTS | | | | | | | | |
| Current | | | | | | | | |
| DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT | - | - | - | 1,788 | - | 1,788 | | |
| Subtotal | - | - | - | 1,788 | - | 1,788 | | |
| TOTAL INTERGOVERNMENT PAYABLES | - | - | - | 1,788 | - | 1,788 | | |

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**ANNEXURE 6
INVENTORIES**

| | Insert major category of inventory | Insert major category of inventory | Bulk Services | RDP Houses | Total |
|--|--|--|------------------|----------------|------------------|
| Inventories for the year ended 31 March 2024 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | 668,032 | 97,238 | 765,270 |
| Add: Additions/Purchases - Cash | | | 426,779 | 1,094,379 | 1,521,158 |
| (Less): Issues | - | - | - | -917,213 | (917,213) |
| Closing balance | - | - | 1,094,811 | 274,404 | 1,369,215 |

The amount of R274,404 (2023: R97, 238) is composed of work-in-progress of houses which are still at various stages of construction (foundation, wall plate, roof and finishings) Furthermore, R1,094,841 represent bulk services still in progress and not yet transferred to the municipalities. R244,872 represent CRUs (Marapong, Tshikota and Talana) still in construction.

| | Insert major category of inventory | Insert major category of inventory | Bulk Services | RDP Houses | Total |
|--|--|--|----------------|---------------|----------------|
| Inventories for the year ended 31 March 2023 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | 245,623 | 71,038 | 316,661 |
| Add: Additions/Purchases - Cash | - | - | 422,409 | 767,687 | 1,190,096 |
| (Less): Issues | - | - | - | (747,839) | (747,839) |
| Add/(Less): Adjustments | - | - | - | 6,352 | 6,352 |
| Closing balance | - | - | 668,032 | 97,238 | 765,270 |

The amount of R97,238 (2022: R71,038) is composed of work-in-progress of houses which are still at various stages of construction (foundation, wall plate, roof and finishings). Furthermore, R668,032 represent bulk services still in progress and not yet transferred to the municipalities.

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ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2024

| | Opening balance | Current year CWIP | Ready for use (Asset Register) / Contract terminated | Closing balance |
|---|-----------------|-------------------|---|-----------------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 275,884 | 64,154 | | 340,038 |
| Dwellings | 216,706 | 28,166 | | 244,872 |
| Non-residential buildings | 59,178 | 35,988 | | 95,166 |
| TOTAL | 275,884 | 64,154 | | 340,038 |

The work-in-progress for the Traditional Councils' Offices that are under construction. Dwellings represent CRUs (Marapong, Tshikota and Talana) still in construction.

Movement in capital work in progress for the year ended 31 March 2023

| | Opening balance | Prior period error | Current year CWIP | Ready for use (Asset Register) / Contract terminated | Closing balance |
|---|-----------------|-----------------------|----------------------|---|-----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 215,775 | 10,149 | 50,905 | (945) | 275,884 |
| Dwellings | 188,990 | | 27,716 | | 216,706 |
| Non-residential buildings | 26,785 | 10,149 | 23,189 | (945) | 59,178 |
| TOTAL | 215,775 | 10,149 | 50,905 | (945) | 275,884 |

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The work-in-progress for the Traditional Councils' Offices that are under construction. Dwellings represent CRUs (Marapong, Tshikota and Talana) still in construction.

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ANNEXURE 8A

INTERENTITY ADVANCES PAID (Note 11.2)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|----------------------------|-------------------------------|---------------|---------------------------------|--------------|---------------|---------------|
| | 31/3/2024 | 31/03/2023 | 31/3/2024 | 31/03/2023 | 31/3/2024 | 31/03/2023 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| PUBLIC ENTITIES | | | | | | |
| Housing Development Agency | 16,046 | 61,447 | - | | 16,046 | 61,447 |
| Risima Housing Finance | - | 7,614 | - | | - | 7,614 |
| Subtotal | 16,046 | 69,061 | | | 16,046 | 69,061 |
| OTHER ENTITIES | | | | | | |
| FETAKGOMO | | | - | 8,429 | 8,429 | 8,429 |
| Subtotal | | | - | 8,429 | 8,429 | 8,429 |
| TOTAL | 16,046 | 69,061 | - | 8,429 | 24,475 | 77,490 |

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ANNEXURE 8B

INTERENTITY ADVANCES RECEIVED (Note 16.1)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|--|-------------------------------|------------|---------------------------------|------------|--------------|------------|
| | 31/3/2024 | 31/03/2023 | 31/3/2024 | 31/03/2023 | 31/3/2024 | 31/03/2023 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| OTHER ENTITIES | | | | | | |
| Current | | | | | | |
| Top up for motor vehicles for Senior Traditional Leaders | 2,720 | - | - | - | 2,720 | - |
| Total | 2,720 | - | - | - | 2,720 | - |

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ANNEXURE 10

DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE CLASSIFICATION

| | <i>Note</i> | 2023/24 R'000 | 2022/23 R'000 |
|-------------------------|-------------|------------------|------------------|
| Inventories | | | |
| Assets for distribution | | 1,529,166 | 1,194,897 |
| Total | | 1,529,166 | 1,194,897 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 11.2)

| Name of Entity | Sector of the entity | Description of the item paid for | Classification category | Total Contract Value | Balance outstanding as at 31 March 2023 | 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 2024 |
|---------------------------------------|----------------------|---|-------------------------|----------------------|---|--|--|-----------------|---|
| | | | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Prepayments | | | | | | | | | |
| Espag Magwai | Legal services | Payment of security funds for the purpose of defending the legal claim. | Goods and services | 5,000 | 5,000 | 21/11/2013 | - | - | 5,000 |
| Total prepayments | | | | 5,000 | 5,000 | | | | 5,000 |
| Advances | | | | | | | | | |
| Housing Development Agency | Housing Agency | Housing construction services | Public entities | | 61,447 | 66,991 | (124,109) | 6,111 | 10,440 |
| Risima Housing Finance Corporation | Public Entity | Implementation of low-cost housing market and lower-middle income households. | Public entities | | 7,614 | - | (7,614) | - | - |
| Fetakgomo-Tubatse Municipality | Municipality | Construction of stormwater drainages | Other institutions | | 8,429 | - | - | - | 8,429 |
| Total advances | | | | | 77,490 | 66,991 | (131,723) | 6,111 | 18,869 |
| TOTAL PREPAYMENTS AND ADVANCES | | | | | 82,490 | 66,991 | (131,723) | 6,111 | 23,869 |