



LIMPOPO

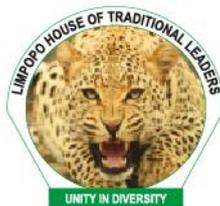
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

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



2022
2023

ANNUAL REPORT





LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

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

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

PROVINCE OF LIMPOPO

VOTE NO. 11

ANNUAL REPORT

2022/2023 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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PUBLISHED: DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS – LIMPOPO

PR: 125/2023

ISBN: 978-0-621-51194-9

TITLE OF PUBLICATION:

Limpopo Department of CoGHSTA Annual Performance Report 2022/2023

2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee	LDP	Limpopo Development Plan
AFS	Annual Financial Statements	LED	Local Economic Development
AG	Auditor General	LGSF	Local Government Support Fund
AO	Accounting Officer	LPT	Limpopo Provincial Treasury
APP	Annual Performance Plan	LUS	Land Use Scheme
B2B	Back to Basics	MEC	Member of Executive Council
BAS	Basic Accounting System	MFMA	Municipal Financial Management Act
BBBEE	Broad Based Black Economic Empowerment	MIG	Municipal Infrastructure Grant
CAC	Central Audit Committee	MISA	Municipal Infrastructure Support Agency
CBD	Central Business District	MOU	Memorandum of Understanding
CD	Chief Director	MPAC	Municipal Public Accounts Committee
CFO	Chief Financial Officer	MPRA	Municipal Property Rate Act
CIPC	Companies and Intellectual Property Commission	MSA	Municipal Systems/Structures Act
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	NSP	National Strategic Planning
CRU	Community Residential Unit	NT	National Treasury
CSD	Central Supply Database	NHBRC	National Home Builders Registration Council
CWP	Community Work Programme	OTP	Office of the Premier
D	Director	OHS	Occupational Health and Safety
DARDLR	Department of Agriculture, Rural Development and Land Reform	PDA	Priority Development Areas
DBSA	Development Bank of Southern Africa	POPIA	Protection of Personal Information Act
DDG	Deputy Director General	PAG	Provincial Accountant General
DDM	District Development Model	PFMA	Public Finance Management Act
DPWRI	Department of Public Works, Roads and Infrastructure	PMS	Performance Management System
DWS	Department of Water and Sanitation	QPRs	Quarterly Performance Reports
		PSiRA	Private Security Industry Regulatory Authority

EAP	Employee Assistance Programme	RM	Records Management
EEP	Employee Equity plan	SAPS	South African Police Service
EIA	Environment Impact Assessment	SEZ	Special Economic Zone
EPWP	Expanded Public Works Programme	SETA	Sector Education and Training Authority
EXCO	Provincial Executive Committee	SDIP	Service Delivery Improvement Plan
FBE	Free Basic Electricity	SMS	Senior Management Services
FLISP	Financial Linked Individual Subsidy Programme	SDF	Spatial Development Framework
FMB	Financial Misconduct Board	SCM	Supply Chain Management
GBVF	Gender Based Violence and Femicide	SALGA	South African Local Government Association
GCCN	Government Common Core Network	SP	Strategic Plan
GDPR	General Data Protection Regulation	STATSA	Statistics South Africa
GEMS	Government Employee Medical Scheme	SH	Social Housing
GITO	Government Information Technology Office	SCOPA	Standing Committee on Public Accounts
GovCHAT	GovChat is the official citizen engagement platform for the South African Government	SPLUMA	Spatial Planning and Land Use Management Act
HH	Household	SIAS	Shared Internal Audit Service
HOD	Head of Department	SITA	State Information Technology Agency
HR	Human Resource	SANDF	South African Defence Force
PH&PHDAs	Priority Human Settlements and Housing Development Areas	TC	Traditional Council
PICC	Provincial Initiation Coordinating Committee	SOP	Standard Operating Procedure
HSDG	Human Settlements Development Grant	TKLA	Traditional and Khoisan Leadership Act
HSS	Housing Subsidy System	UIF&We	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
ICT	Information Communication Technology	VAT	Value Added Tax
IDP	Integrated Development Plan	VBS	Venda Building Society
IGR	Intergovernmental Relations	WSP	Workplace Skills Plan
IIASA	Institute of Internal Auditors South Africa	WSA	Water Service Authority
INEP	Integrated National Energy	WSDP	Water Service Development Plan
IRPD	Integrate Reconstruction and Development Programme	WWTW	Waste Water Treatment Works
ISHS	Integrated Sustainable Human Settlements		
ISUPG	Informal Settlement Upgrading Programme Grant		
RWOPS	Remuneration Works Outside of Public Service		

3. FOREWORD BY THE MEC



Mr. R.B Makamu

Member of Executive Council: CoGHSTA

The commitments made in the Departmental 2020-25 strategic plan (SP) in line with 2019-24 Medium Term Strategic Framework (MTSF) is the basis that Limpopo citizens should judge us on. To this effect, it is crucial that in this report, the achievements are outlined as we prepare to take stock of the 6th Administration performance. Informed by the MTSF, we committed to create integrated human settlements through:

- Creation of housing opportunities;
- Upgrading of informal settlements;
- Transfer of title deeds to beneficiaries;
- Formalisation of settlements;
- Provision of services sites;
- Spatial transformation;
- Local Government Support, and
- Support to institutions of Traditional Leadership

Our ability to deliver on our mandate is dependent on having a stable and well-functioning organisation. In 2021 we finalized the organisational re-engineering process. The final organizational structure gave birth to a new branch which is Traditional Affairs to provide for focused support to the institutions of traditional leadership in pursuance of the developmental agenda of the Province.

To stabilize the institution, we have been hard at work to fill key positions in the department, after a long period where we could not fill vacancies due to an outdated organisational structure. To this effect, we have appointed Head of Department, Dr Modjadji Malahlela from the 1st of January 2023. Her appointment will assist to take the department forward and ensure speedy implementation of programmes. Several senior management and other critical positions have also been filled. We are confident that the appointments will enable us to become a responsive, efficient and effective institution.

In delivering integrated sustainable human settlements two key conditional grants namely the Human Settlements Development Grant (HSDG) and the Informal Settlements Upgrading Partnership Grant (ISUPG) are utilised. The key expenditure drivers in these grants are the Integrated Residential Development Programme (IRDP), the Urban & Rural Housing Programme and serviced sites.

Through these grants, since the beginning of the 6th administrative cycle, 22 006 houses have been delivered against a target of 39 884, which translates to 55% over the MTSF. The impact of Covid 19 has slowed progress as budget allocations were revised downwards and construction was interrupted by state of disaster declaration. Eradication of asbestos in homes has commenced in earnest and the programme will continue in the next financial year. The Department is conducting a province-wide audit of asbestos roofs to enable development of a multi-year plan. To improve the overall performance of the Human Settlements portfolio, the Department has since developed a turn-around strategy. The implementation of the strategy is yielding results. At the core of the turn-around strategy has been to strengthen forward planning and contract management. Some of the milestones already attained include finalisation of a database of five-year development areas per municipality and collaboration with Water Services Authorities on bulk infrastructure development.

Despite an increase in the “missing middle”, the uptake on Finance Linked Individual Subsidy Programme (FLISP) has been lower than anticipated. One of the challenges with the programme is that it is not clearly known and understood by the public. As an intervention, in collaboration with stakeholders, media road shows and other marketing mediums would be utilised to raise awareness to the communities of Limpopo. We understand that this programme is important for providing adequate affordable housing to Citizens.

The Province has noted with appreciation the improvement of our municipal audit outcomes over the years. This improvement is a reflection of accountable

governance. Out of the 27 municipalities, two municipalities, namely, Waterberg and Capricorn District Municipalities attained clean audits. 13 auditees have received unqualified audit opinions with matters of emphasis. 11 auditees received, qualified audit opinions and 1 auditee (Mopani) received a disclaimer. These positive outcomes to a certain extent promote confidence in government's management of public resources.

The Province continues to embrace and institutionalize District Development Model (DDM) within the current intergovernmental relations (IGR) structures through the implementation of the Provincial IGR, Integrated Planning, and Monitoring & Evaluation framework. The implementation of the ideologies of DDM overtime, will ensure improved investment in infrastructure and resources management.

In the last four years, we have endured disasters in various forms and degrees. The Covid-19 pandemic was the worst of them all, claiming lives and livelihoods. There was also Tropical Cyclone Eloise and to a lesser extent Cyclone Freddy. These disasters were punctuated by comparatively minor catastrophes like the Seshego hailstorm and others which struck small areas of our province. The province has also experienced abnormal rainfall since December 2022 overlapping into the year 2023. The rain poured in all five districts leaving several households and infrastructure affected, including loss of life.

As a champion of disaster management in the Province, the Department has continually coordinated capacity initiatives to equip organs of state to respond to disaster and the Community at large to alleviate impact of these realities of the environment. Total estimated cost of the post disaster maintenance and repairs, human settlements, roads and infrastructure, municipal internal streets and culverts for the province is approximately R340.5 million. The National Disaster Management Centre has approved emergency disaster relief grant to eleven municipalities who applied and met all requirements in terms of the conditions of the grant. The Department will monitor implementation of these projects when funds are availed. This disaster experience requires all stakeholders to work together to prevent more disasters, and to further respond on time. We call upon our traditional leaders and municipalities to strengthen land use management and ensure that households are not located on riverbanks or areas which are prone to floods. We further call on municipalities to mainstream disaster risk reduction in their planning and infrastructure provisioning processes.

The Department, together with the provincial House of Traditional Leaders, embarked on the process to develop a three-year plan for traditional councils offices

to be constructed, refurbished and those that will require to be provided with furniture. On the implementation of Traditional and Khoi-San Leadership Act No. 3 of 2019, compliance to Section 16 was met with challenges raised by traditional leaders in the country. The project has been put on hold to allow the sector to engage with the National House of Traditional and Khoisan Leaders to address the concerns raised. Traditional Leadership disputes remain a thorny issue across the country and in order to uproot this thorn, our government is in the process of finalising the establishment of an investigative committee as prescribed by the TKLA to assist in investigating claims and disputes.

Over the medium to long term period the department will focus on addressing community challenges by ensuring that:

- Development initiatives are people-centred;
- Ensure that infrastructure development and maintenance is the priority for economic development in the province i.e. promoting integrated planning by all stakeholders;
- Promote good governance that will earn trust from the public;
- Address challenges of the vulnerable members of the community by prioritising their housing needs within the available resources;
- Drive strategies to transform spatial integration.

The long journey of service delivery is endless. The covenant entered into with the people of Limpopo will ultimately be realised. I would like to express my sincere gratitude to the Hon. Premier and colleagues in the Executive Council, the Portfolio Committee and other Oversight Committees of the Legislature, as well as to Head of Department, management and all staff of CoGHSTA for their invaluable contribution to the strides attained during the reporting period. Indeed, "Development is about people" as Limpopo citizens are the cornerstone of our efforts.

MR. R.B. MAKAMU, MPL

Department of Cooperative Governance, Human Settlements and Traditional Affairs

Date: 31 July 2023

4. REPORT OF THE ACCOUNTING OFFICER



Dr M.M Malahlela
Head of Department

Overview of the operations of the department

This report is the penultimate account of the programmes that were implemented in the current MTSF period. Lessons learnt due to socio-economic changes will shape the strategies to recover in the development agenda of the Government. On the overall, the Department has recorded improvements in the delivery of its mandate through its strategic intent that has been guiding implementation of programmes in line with 2020-2025 strategic plan.

The approval of the new organisational structure was followed by placement and appointments of staff. Strategic posts in management were filled in the midst of the destabilising exit from the system by some of the employees. It is worth noting that this approved organisational structure is not fully funded. The allocation for compensation of employees is for both officials and Traditional Leaders' allowance. Due to this challenge the Department is unable to prioritise and fill all critical positions speedily within the applicable frameworks. Engagements are ongoing with Provincial Treasury to explore a mechanism to ring-fence salaries for Traditional Leaders. We shall not despair as service delivery cannot wait for us to resolve challenges.

The Traditional Affairs branch is faced with legal claims related to leadership disputes. As a result, there is a significant provision for contingent liabilities amounting to R256 030 892.13. Most of these claims are by traditional leaders who are not recognised by government but identified by their respective royal families. They are claiming payment from date of identification and breach of contract. Continuous engagements are unfolding with the sector to clarify applicable prescripts in order to bring about mutual and common interpretation and understanding.

In order to improve the Departments' audit outcomes, 82% of Auditor General (AG) findings were resolved during the period under review. This includes, finalising appointment of Chief Director: Government Information Technology Office (GITO) and Communication Services as well as Director for IT. To ensure efficiency and continuity of systems, IT Governance Framework was approved and new backup firewall procured. Despite the above achievements, the Department's IT infrastructure is aged and obsolete. Consequently, SITA has been appointed to replace switches in three of the buildings. The project will be finalised in the second quarter 2023\24 financial year.

Expenditure on Conditional Grants has improved from 68% in 2021\22 to 89% in 2022\23, with Human Settlements Development Grant (HSDG) spending at 100%. Poor expenditure on conditional grants is due to poor forward planning, insufficient engagements with beneficiaries (municipalities and traditional councils) prior commencement of projects and poor performance by some of the service providers. To address these challenges in the upcoming financial years, the following measures have been put in place:

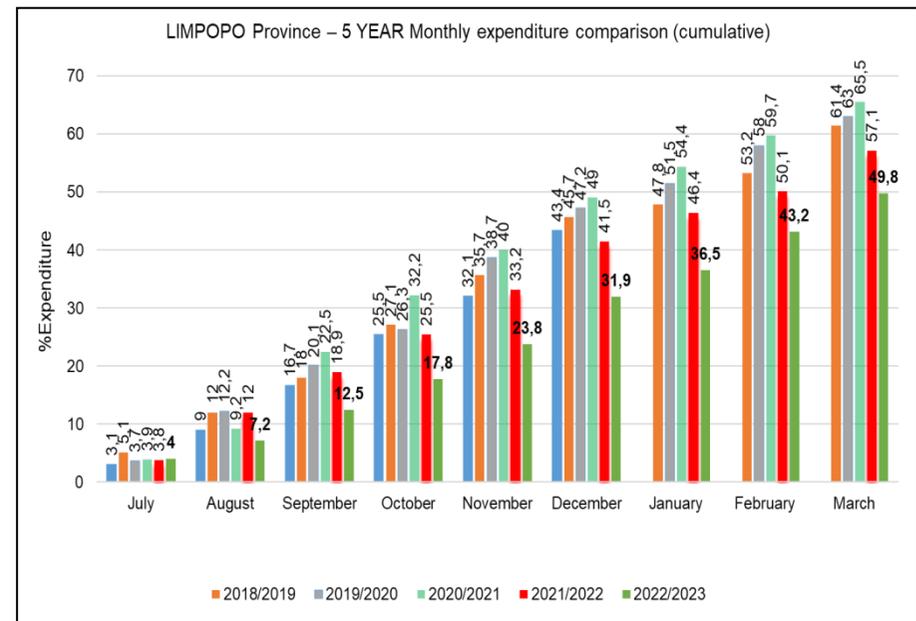
- EPWP: Contracts for the Expanded Public Works Programme (EPWP) participants were concluded before end of the financial year to ensure that participants are on site by 01 April 2023.
- Servicing of sites: Engagements were held with all water service authorities before finalisation of projects to ensure alignment of CoGHSTA funded projects with the Water Services Development Plan (WSDP).
- Contractor performance: A contract management unit has been established but is still to be staffed. Regular meetings with both the project managers and contractors will ensure that challenges are identified early and resolved, and where necessary, the Department shall invoke necessary penalty clauses as per service level agreements.

The total number of housing units delivered as at 31st March 2023 is 5 066 against the target of 4 973. The over achievement is attributed to budget adjustment as the programme performed better than other infrastructure projects in the HSDG. The Department replaced asbestos roof sheeting houses as part of disaster management intervention due to storm damages in Polokwane municipality. It further registered 1 926 titled deeds for households, which will improve their economic leverage from possession of assets.

Progress has been made regarding investment on Provincial Human Settlements and Housing Priority Development Areas (PHS&HPDAs) with eleven completed development plans which will guide integrated urban infrastructure development in Fetakgomo Tubatse, Northam, Thohoyandou node, Polokwane CBD and surrounding settlements, Greater Giyani, Tzaneen Core, Nkowankowa Node, Musina Makhado SEZ, Musina Town, Lephalale/Marapong. Three informal settlements (Letsitele, Raphuthi and Jacob Zuma) with 2 029 erven were successfully formalised within the set timeframe. The achievement manifests the improvement on stakeholder engagement on the part of the Department.

There is general stability in municipalities, with some concerns in Lephalale, Thabazimbi and Mopani. Vacancy rate of senior managers reduced from 32% as at December 2022 to 28% as at 31 March 2023. The main challenge is non-compliance with Regulations in some municipalities. All 22 local municipalities are implementing the Community Works Programme (CWP) and there are 30 898 participants in the Province against a targeted 29 250.

Access to basic services is still critical for the economy and households alike. Provincial allocation for 2022/2023 Municipal Infrastructure Grant (MIG) was adjusted upwards by R75.337 million from R3,362,772,000 to R3,438,109,000 during the stopping and reallocation process as follows: R175.953 million was stopped from 7 municipalities and R251.290 million was reallocated to 9 municipalities. Expenditure as at end of March 2023 amounted to R1.712 billion, translating to 49.8% of the total allocation. This expenditure is below the straight-line projection of 75% by 25.2% as illustrated below with five-year trends:



However, despite these infrastructure investments, there is regression in terms of provision of quality basic services such as water and sanitation in the Province, mainly due to infrastructure maintenance issues and water sources. Access to water has declined by 9.4% between 2015 and 2021 (from 78.8% to 69.4%). The decline is mainly caused by ageing infrastructure which has affected sustainable and reliable water supply.

The Premier has established a Provincial Initiation Coordinating Committee (PICC) has been established and it consists of eight (8) members, including Senior Traditional Leaders. Due to the suspension of initiations schools as a result of the COVID 19 pandemic, the 2022 season saw a huge increase in the number of initiates. A total of 79 529 initiates were admitted in various schools. Unfortunately, the province recorded 04 deaths during the previous season. The challenge faced was the increase of illegal initiations schools. In preparation for 2023 season, the PICC received initiation school applications to the tune of 519 (305 for males and

214 for females). To date, 465 (272 for males and 193 for females) have been approved by the PICC.

Together with the House of Traditional Leaders, an MTEF plan on prioritization has been completed. This improves on turnaround time on construction of traditional council offices. Same plan has been submitted to Department of Public Works, Roads and Infrastructure (DPWRI) as implementing agent to ensure multi-year planning. Approval was also granted to DPWRI to appoint social facilitators when a need arises.

Overview of the financial results of the department

Overall Departmental expenditure is 91% compared to 80% during the 2021/22 financial year. Cleared Irregular Expenditure amounting to R1,4 billion which was related to Division of Revenue Act (DORA) non-compliance. Current balance to be processed for condonation is R534,351 million.

Departmental receipts

Departmental receipts	2022/2023			2021/2022		
	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	1,559	1,090	1,559	1,055	504
Interest, dividends and rent on land	1,386	1,386	886	1,264	3,741	(2,477)
Sale of capital assets	1,144	1,144	0	1,027	0	1,027
Financial transactions in assets and liabilities	1,702	1,702	372	1,702	83,034	(81,332)
Total	5,791	5,791	2,348	5,552	87,830	(82,278)

The revenue budget estimate was R5.8 million (2022: R5.6 million) and actual collection amounted to R2.3 million (2022: R87.8 million) resulting in an under collection by R3.4 million (2022: R82.3 million-over collection). The under collection was as a result of recoveries of interest from Housing Development Agency (HDA)

as well as auction of assets that did not take place within the financial year under review.

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

A total amount of R1,1 million (2022: R1.3 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			2021/2022		
	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	321 147	295 693	25 454
Human Settlements	1,456,762	1,310,523	146,239	1 232 774	868 265	364 509
Co-operative Governance	288,625	279,033	9,592	279 078	270 685	8 393
Traditional institutional Development	531,505	476,131	55,374	529 201	453 417	75 784
Total	2,615,772	2,372,052	243,720	2 362 200	1 888 060	474 140

The Department had an adjusted appropriation of R2.6 billion (2022: R2.3 billion) during the year and the total expenditure was R2.3 billion (2022: R1.9 billion) resulting in underspending of R243 million (2022: R474 million). Adjustment budget was as a result of approved rollover budget (R309 million) and reduction of current year (R144 million) due to slow performance on conditional grants mainly.

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 under Informal Settlement Upgrading Partnership Grant (ISUPG). In addition, the challenges in construction of traditional councils

offices, which was delayed by availability of land.

Virements/roll overs

Provincial Treasury approved virements submitted to address writing-off of debts as well as costs associated with early retirement without penalty.

An amount of R308.9 million on conditional grants was received as roll over.

During the period under review, no amount was incurred as unauthorised expenditure.

Fruitless and wasteful expenditure identified during 2021\22 amounting to R6,496 million regarding Marapong CRU project is yet to be cleared as the investigation was concluded early in 2023.

An amount of R108 million related to procurement of land in Tubatse in 2015/16 remains uncleared. The investigation by the Directorate for Priority Crime Investigation (DPCI) is underway. According to the latest update by DPCI, the case is with the Regional Head for Specialised Commercial Crime Unit of NPA for further guidance. A total R0.992 thousand approved for write off in respect of interest charged by a service provider.

Public Private Partnerships

In the implementation of Departmental programmes, there was no Public Private Partnerships entered into in the current and previous financial year.

Discontinued key activities / activities to be discontinued

There were no key activities discontinued

New or proposed key activities

In the 2023\24 financial year, the department will procure vehicles for Senior Traditional Leaders as part of support for the sector to operate efficiently in dealing with community matters. There is an amount of R55 million earmarked for this purpose and a policy will also be developed to ensure uniformity and management of this important asset.

Supply Chain Management

The Department did not have unsolicited bid proposals concluded for the year under review.

Transversal SCM processes and systems are in place to prevent and manage irregular expenditure. We have also developed departmental SCM standard operating procedures to foster consistent application of SCM transcripts.

A checklist has been developed and utilised for SCM monitoring tool as issued by Provincial Treasury to ensure that all the procurement processes are adhered to. The main challenge that was experienced was the high vacancy rate in the SCM unit. The vacancy rate has been reduced by filling some of the vacant posts through the placement process and the position of the Chief Director SCM was filled.

Gifts and Donations received in kind from non-related parties

	2022/23	2021/22
	R'000	R'000
Donations received in-kind (not included in the main note)		
(Treasury Regulation 21.2.4)		
<i>List in-kind donations received</i>		
Laptop bag	1	-
Online training	3	-
Token of appreciation	-	-
Total	4	-

Exemptions and deviations received from the National Treasury

None

Events after the reporting date

None

Other

Delivery of results depends on the ability of the Department to address the service delivery bottlenecks timeously. For 2023/24, focus is on planning for bulk services to unlock the challenge on availability of bulk infrastructure that has affected provision of serviced sites. This will ensure a credible multi-year pipeline of projects to be agreed upon with municipalities, which will in turn strengthen integrated planning.

Together with the Provincial House of Traditional Leaders, an approved list of traditional councils to benefit in the 2023/2024, 2024/2025 and 2025/2026 financial years has been finalised. This will enable forward-planning to take place and further ensuring improvement on servicing the sector and expenditure of earmarked funds.

Consequence Management

There were investigations instituted internally and externally to deal with unwanted expenditures. Corrective steps have also been taken as the investigations are being concluded. To enhance control measures, standard operating procedures have also been developed to ensure optimum compliance.

Employment Equity

Meeting employment equity targets at SMS level has been challenging with representation at 42% compared to 47% in 2021\22. In consultation with relevant structures, an attempt will be made to record progress in this area. The Department is performing better at organisational level with 58% of personnel being females.

Skills Development

“Training and development” is the motto for learning organisations and to date 125 employees at different levels have been awarded bursaries. Other programmes that are contributing to skills development are implemented through learnerships and workshops.

Acknowledgement

This report reflects the efforts made by various branches in improving the department’s performance and ensuring that its mandate is fulfilled. 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 Cooperative Governance, Human Settlements and Traditional Affairs

Date: 31 May 2023

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 2023.

Yours faithfully

DR. M.M MALAHLELA

Accounting Officer: Department of Cooperative Governance, Human Settlements and Traditional Affairs

Date: 31 May 2023

6. STRATEGIC OVERVIEW

6.1 Vision

Integrated Sustainable Human settlements.

6.2 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.

6.3 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 in order 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.

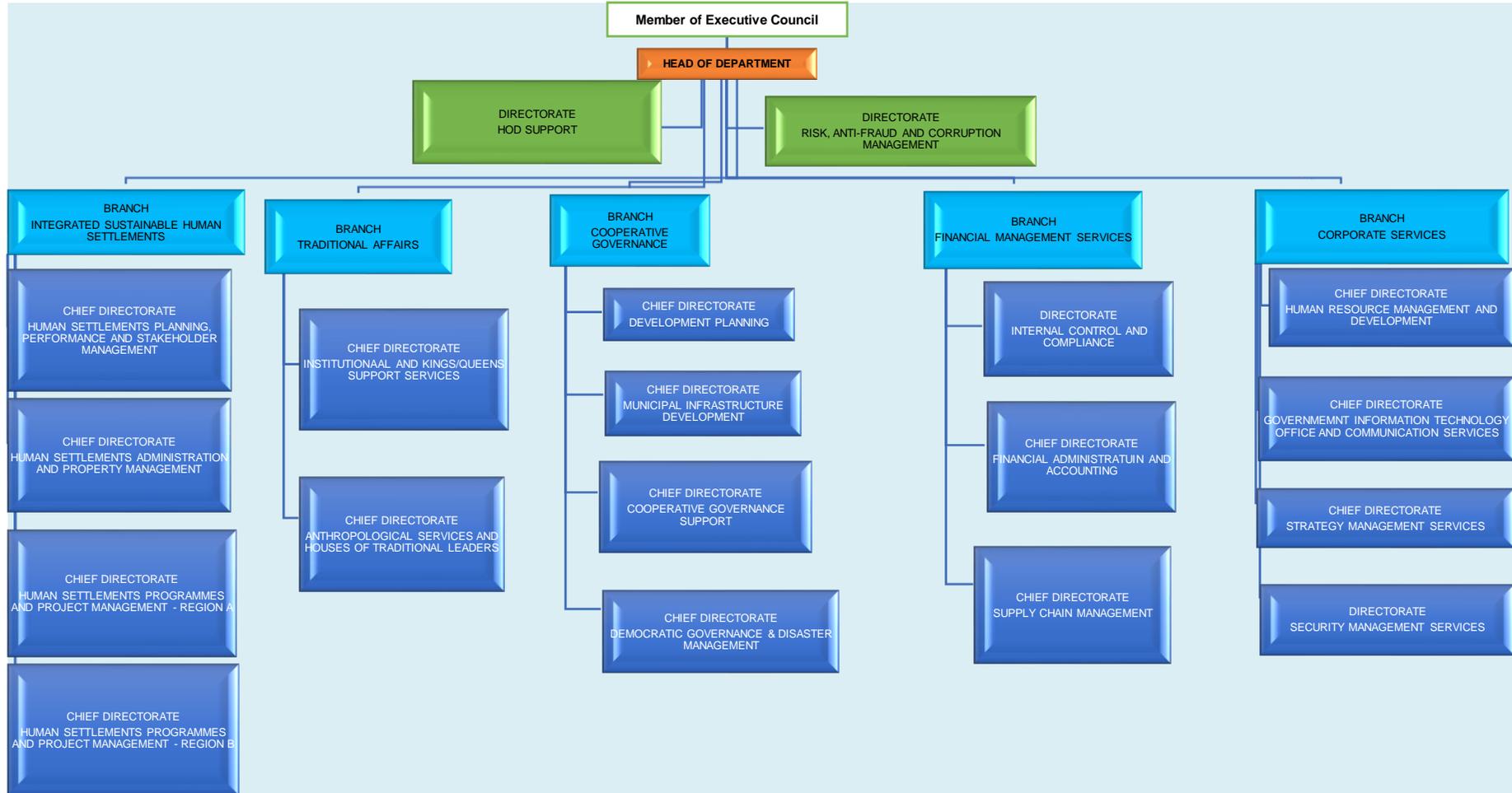
Legislature and policy mandates

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 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.

Relevant Act	Key Responsibilities
H. Disaster Management Act 2002	<p>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;</p> <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	<p>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.</p>
J. Local Government Municipal Property Rates Act No. 6 of 2004	<p>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 policies; to make provision for an objections and appeals process and to provide for matters connected therewith.</p>
K. Spatial Planning and Land Use Management Act, 2013	<p>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.</p>
L. Intergovernmental Relations Framework Act No.13 of 2005	<p>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.</p>
M. Traditional and Khoi-San Leadership Act, 3 of 2019 (TKLA)	<p>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.</p>
N. The Customary Initiation Act 2 of 2021	<p>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.</p>

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 nonracial 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 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.
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 MEC

None



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 XXXX of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The period under review began with the President abolishing the Covid-19 measures that remained in place from the previous quarter of the 2021/22 financial year. The state of disaster that was declared since 27 March 2021 was abolished, and state of normalcy was being restored across all sectors of the public service. On the other hand, infrastructure damages from the summer rain falls dented provision of this crucial resource for development. It was also, a period in which the transition period of the newly elected Local Government Councils was wrapped up.

2.1.1 Human Settlements

The programme is mandated 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. Funding for programmes to ensure improved access to these services is through conditional grants. The programmes's performance remained slow 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. On the other hand, Limpopo socio-economic status propels provision of basic services to be prioritised urgently. To change the trajectory, the Department has resolved to prioritise the provision of bulk services through 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. A database of engineering consultants has been finalised to address bulk service provision in accordance with conditional grants' requirements. In addition, through District One Plans and priority development areas, this will assist in accelerating availability of bulk infrastructure and further contributes to spatial transformation and maintenance of good environment practices.

In order to ensure that the under-performance in low-cost housing programmes is not repeated, municipalities have been requested to submit 5-year development areas. This will assist in determining areas that are ready for implementation while those without Geotech, are prepared for the outer years. The municipalities were also requested to cluster units to avoid long distances travelled in between units thus ensuring faster roll out of projects. This should improve the turnaround time on implementation of infrastructure projects.

The housing delivery performance showed a remarkable improvement after the implementation of the recovery plan which targeted contractors' performance and early establishments of sites. The Department has since registered a remarkable progress on investment on Human Settlements in the Housing Priority Development Areas.

The Limpopo Premier declared that CoGHSTA must ensure that all asbestos roofs in the province are removed to improve the living conditions of citizens. The Department successfully removed and replaced asbestos roof in Seshego.

In order to ensure improved controls, the Department has complied with requirements of DORA which also ensures intergovernmental protocols are promoted. This is as a result of Provincial Treasury condoning irregular expenditure of R1.4 billion.

2.1.2 Cooperative Governance

The programme is mainly focused on ensuring that municipalities are supported to deliver on their mandates as well as monitoring and evaluating compliance matters in accordance with applicable legislative framework. Support to municipalities is mainly focused on development planning, municipal infrastructure development, Democratic Governance and Disaster Management.

There's general stability in municipalities. However, there are sporadic incidents where conflicts in Councils threaten the very stability as a result of Local Government elections and some evidence of poor performance as reported by Auditor General. It is worth noting that, there is an improvement in 2021\2022 financial year municipal audit outcomes. All municipalities have established Municipal Public Account Committees (MPAC) which meet quarterly. MPAC reports progress on Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&We) cases referred to the committee by council for investigation. What is of great concern is municipalities that have regressed on their previous audit outcomes.

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. This will ensure that confidence is built throughout the systems of local government.

Local government is also mandated to collect revenue to complement equitable share funding. The Province's municipalities have a low revenue base, mainly due to socio-economic conditions which in a long run will affect financial viability of some municipalities. Therefore, prioritising economic development initiatives is imperative. This can be achieved by improved coordination of resources as outlined in the DDM and other strategic programmes that prioritise economic activities.

2.1.3 Traditional Affairs

Traditional councils (TCs) are provided with support in the form of construction of offices, support staff to assist with administration in TCs, 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.

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. During the year, there were two cases of headmen whose salaries were terminated in 2012; one was due to removal by the Royal family and the second one was due to failure to sign the payroll. The department lost both cases, on the first case the court declared that the traditional council that initiated the termination Council does not have the power to remove the headmen. The Court stressed that the headmen's royal family is the only one that has the power to remove the headmen. On the second case, court declared that signing of payroll is a departmental policy and does not apply to public office bearers. The two cases provide a lesson to the department on legislative requirements for the removal and termination of headmen/woman's allowances and traditional leaders generally. The Department will ensure that going forward, legal processes are stringently complied with when removing traditional leaders and explore other control measures to ensure compliance with applicable legislations and regulations.

The Traditional and Khoi-San Leadership Act, 3 of 2019 (TKLA) commenced with effect from 01 April 2021 as determined by the President under Proclamation No. 38, published in Government Gazette No. 43981 of 11 December 2020. The TKLA makes provision for the statutory recognition of Khoi-San leaders and communities, as well as the establishment of Khoi-San leadership structures. The Limpopo Traditional Leadership and Institutions Act, 6 of 2005 will therefore have to be amended or repealed to address the conflicts. The department has developed a draft bill which is in the process of being evaluated by all stakeholders concerned.

Construction & refurbishment of traditional councils remains one of the cornerstones of the provincial government. The project 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.

The initiation season for 2022 went well after its suspension during the Covid 19 pandemic. The Provincial Initiation Coordinating Committee (PICC) has been able to ensure compliance and the minimization of deaths. However, illegal initiation schools were recorded.

2.2 Service Delivery Improvement Plan

During the reporting period, the Department started implementing the new organisational structure in the third quarter of the financial year. The service delivery model for the Department was developed and approved prior to the finalisation of the new organisational structure which outlines the CoGHSTA's operations and how services will be provided to its clients in accomplishment of its mandate. The development or review of a comprehensive Service Delivery Implementation Plan (SDIP) has commenced and will be finalised in the new financial year for approval and implementation.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
None	None	None	None	None

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

Current/actual arrangements	Desired arrangements	Actual achievements
Community Engagement	MEC Imbizo	None

Service Delivery Information Tool

Current/actual information tools	Desired information tools	Actual achievements
CoGHSTA News	Print Media, Electronic	Vutivi, CoGHSTA Today/ News

Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Departmental Toll-Free number	Short Messaging System (SMS)	The department resolved 100% of all complaints received.
Walk-ins, e-mail & Social Media		

2.3 Organisational environment

During this period, the Department was able to finalise the implementation process of the reviewed organisational structure. The last step of the implementation process, being the placement process was completed on the 1st of October 2022. The Department's approved organisational structure is not fully funded, therefore filling of vacant posts will be incremental. In addition, the compensation of employees includes the allowance of traditional leaders which are classified as abnormal appointments, and which therefore, erodes the allocation of personnel funding. The Chief Financial Officer (CFO) resigned during the year, while the posts of HOD, Deputy Director General for Human Settlements were filled including that of Chief Directors, Supply Chain Management as well as GITO & Communication Services.

In order to improve internal control systems, the following policies were developed:

- Resource Center Policy
- Anti-Fraud and Corruption Policy
- Whistle Blowing Policy
- Security Policy
- Communication Policy
- Preferential Procurement Policy

In addition, Internal Control and Contract Management units were established. The process of capacitating these units has started.

2.4 Key policy developments and legislative changes

The Preferential Procurement Policy Framework Act 5 Of 2000, and Its Regulations.

In the case: **Minister of Finance vs Afribusines NPC [2022] ZACC 4.**

- The Preferential Procurement Regulations 2017 as issued by the Finance Minister on the 20th January 2017 has been declared unlawful by the Constitutional court.

The Supreme Court of Appeal held that regulation(s) 3(b), 4 and 9 of the PPR 2017 are unlawful. The Minister of Finance appealed the decision of the SCA to the Constitutional Court which dismissed the appeal on the 16 February 2022 and upheld that the Minister exceeded the powers to regulate in terms s5 of PPPFA.

This judgement had a negative impact on procurement for infrastructure projects which commenced late in the financial year. The Department has since developed a Preferential Procurement Policy which provides guidelines for fair, equitable, transparent, competitive and cost-effective Supply Chain Management (SCM) systems

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 2022/23 FINANCIAL YEAR.

Capable, Ethical and Developmental Department

- 59% of bids awarded to blacks, youths, and women owned SMMEs was achieved against the national target of 30%
- Resolved 100% queries and complaints logged through Presidential, Premier and Departmental Hotline.
- 42% of females representation at SMS level was recorded.

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

- Infrastructure investments were made in the PHDA's
- Two informal settlements have General Plans to enable installation of municipal services in the outer years.
- 3 Informal settlements were formalized at Jacob Zuma and Raphuti (Thabazimbi) and Letsitele (Tzaneen);
- 1 926 title deeds registered to ensure secure tenure for beneficiaries;

- 5 066 breaking new ground houses completed; and
- Asbestos roofs replaced as part of improved environment management

Improved quality of life for the people of the province.

- Municipalities were supported in submission of AFS, guided through implementation of municipal property rates and maintaining functionality of District IGR Structures;
- All municipalities were supported in developing legally compliant IDP's to promote alignment to DDM
- District municipalities were supported to maintain functional disaster management centers;
- Commenced with review of Provincial disaster management plan;
- All local municipalities were supported in the implementation of service programmes to improve access to basic service by households;
- 5 Districts supported on the development of One Plans *as per the requirements of District Development Model* and Local Economic Development Initiatives; and
- 30 898 of work opportunities were created through Community Works Programme (CWP)

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

The Department has been struggling to achieve the national threshold on SMS women representation. The Department only reached 42% against the target of 46% of women representation at SMS level. Challenges encountered are that women are in high demand in other departments and sectors, thus some have resigned in order to pursue greener pastures. In some instances, women SMS members retired.

Over 500 officials were trained on various programmes including allocation of bursaries. In addition, there were 55 officials that were processed for recognition of qualifications. Compliance on performance management and financial disclosure is high. Deviations are attended through available remedial channels.

Programme: Administration								
Sub-programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
1.1. Professional, Meritocratic and Ethical Department	Professional and ethical conduct by employees	1.1.1 Compliance report on Batho Pele principles in provision of services	Directorates comply to Batho Pele principles in provisioning of services	Directorates are compliant to Batho Pele principles in provisioning of services	4	1	None	None
	Service delivery queries resolved	1.1.2 Percentage of service delivery cases resolved	100%	100% Resolved queries and complaints	100%	100%	None	None

Programme: Administration								
Sub-programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Employees appointed	1.1.3 Number of employees appointed	6	0	30	24	6	Underperformance is attributed to internal capacity within HR Recruitment, non-availability of internal system to conduct qualification verification, delays in accessing results for security vetting, competency, and reference checks.
	Employees trained	1.1.4 Number of employees trained as per WSP	94 Bursary holders administered	115	200	574	374	Additional training initiatives implemented as per needs: <ul style="list-style-type: none"> Modified cash standards appointed for Committee members Public Leadership & Governance trainings offered by Office of the Premier through WITS University

Programme: Administration								
Sub-programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								and the National School of Government
	Attended to Employee Wellness cases	1.1.5. Percentage of employee wellness cases attended	100%	100%	100 %	100%	None	None
	Equity targets attained	1.1.6. Percentage of women in SMS represented	46%	46%	46 %	42%	4%	Three female SMS members resigned from the department during the financial year, even though there were three (3) women appointments at SMS.
		1.1.7. Percentage of people with disabilities represented	1%	0.9%	1.2 %	0.9%	0.3%	Underperformance was as a result of people with disabilities not applying for advertised positions.
	Promoted awareness on corruption practices in the	1.1.8. Number of Anti-Fraud and Corruption awareness workshops	New Indicator	8	8	8	None	None

Programme: Administration								
Sub-programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	department	conducted within the department.						

4.1.2 Sub-Programme: Financial Management

Purpose: To give financial management support and advisory services for effective accountability.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The bulk of underspending of 11% is on conditional grants i.e. Informal Settlement Upgrading Partnership Grant (ISUPG) and EPWP Grant. This was due to poor performance by some contractors due to unavailability of sites for provision of serviced sites, as well as unavailability of bulk in some areas to be services. The overall underspending is because there is no activity at the kingships (Vhavhenda and Bapedi) due to Royal Family disputes as well as construction of the traditional council offices as construction was on hold due to unavailability of construction site at Majeje and dispute over area of jurisdiction at Davhana traditional councils. Sites were handed over to service providers on the 27th and 29th November 2022 respectively. Compliance reports are prepared and submitted to oversight bodies for review of performance. Provincial Treasury has condoned irregular expenditure of R1.4 billion related to DORA non-compliance when transferring funds to other entities implementing projects on behalf of the Department.

Programme: Administration								
Sub-programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
1.2 Improved governance and efficient	All undisputed invoices paid within 30	1.2.1 Percentage of undisputed invoices paid within 30 days	92%	99.6%	100%	100%	None	None

Programme: Administration								
Sub-programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
financial management systems	days							
	Bids awarded to pre-qualified designated groups	1.2.2 Percentage of bids awarded to pre-qualified designated groups	70%	52.7%	30%	59%	29%	Most of the service providers appointed on the database are women and youth
	Monitored budget expenditure of programmes	1.2.3 Percentage of allocated budget spent	96%	80%	100%	91%	9%	<ul style="list-style-type: none"> Underspending on Informal Settlements Upgrading Partnership Grant (ISUPG), due non-performance by some contractors and the service projects were unable to commence on time due to unavailability of sites that are ready for development. Delays in procurement of switches for departmental IT network, Construction of Traditional Councils as well as purchase of computer equipment for Traditional Councils

Programme: Administration Sub-programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								officials due to PPPFA judgement. <ul style="list-style-type: none"> The under spending on program 4 is due to late appointments of service providers for construction of 8 new Traditional Council offices.
	Zero material audit findings	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	Unqualified audit opinion without matters of emphasis	Material misstatements on Annual Financial statements as a result of misinterpretation of the MCS

Linking performance with budgets

The programme spent lower at 90% of the adjusted allocation compared to 92% in 2021\22 financial year, with Corporate Services contributing a significant under expenditure. The overall under spending was due to delayed reconciliation of invoices between the department, Vodacom and MTN after the transition as well as procurement of switches which SITA has since issued a purchase order to Supplier and delays in equipment delivery (estimated delivery of 6 weeks due to equipment not manufactured in South Africa). Achievement of filling of vacant posts and employment equity were negatively affected by implementation of the reviewed organisational structure.

Sub-programme expenditure

Sub- Programme Name	2021/2022			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	158,234	143,136	15 071	192,020	170,615	21,405
Office of the MEC	6,638	6,370	289	6,887	6,214	673
Office of the HOD	28,013	24,183	3 829	13,150	8,457	4,693
Financial Management	126,284	120,026	6 185	124,727	118,983	5,744
Total	319,169	293,715	25 374	336,784	304,269	32,515

Strategy to overcome areas of under performance

The Department has reviewed and approved the Employment Equity Plan which will guide the process of targeting and prioritising positions for women as well as people living with disability. The department is also in the process of procuring a security system to assist with qualifications verification in order to deal with delays experienced with verification of candidates' qualifications and security checks.

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

Not Applicable

Reporting on the Institutional Response to the COVID-19 Pandemic

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 a 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 emphasis commitment to priority development areas as identified during the strategic focus of the current electoral cycle. The review has been completed in order 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 of time.

Programme: Human settlements Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
2.1. Spatial transformation through multi-priority development areas	Multiyear Human Settlements Development Plan available	2.1.1. Multiyear Human Settlements Development Plan reviewed	Reviewed Multiyear human settlements Development plan	Multiyear human settlements Development plan reviewed	Reviewed Multiyear human settlements development plan	Reviewed Multiyear human settlements development plan.	None	None

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

The target for Breaking New Ground (BNG) was achieved owing to improved performance by contractors and repriorisation of funds within the HSDG to this programme. Community Residential Units programme was affected by the bulk route that is cutting through servitudes that belong to Exxaro. A wayleave application has been made pending the finalisation of the requirements of Environmental Impact Assessment (EIA) study being considered by Limpopo Economic Development, Environment and Tourism (LEDET).

Servicing of sites is continually affected by availability of bulk infrastructure to enable reticulation to individual sites. Engagements were held with all water service authorities to ensure alignment of Departments' funded projects with the Water Services Development Plan (WSDP). In addition, for the 2023/24, focus is on planning for bulk services to unlock the challenge of bulk that has affected provision of serviced sites. This will ensure a credible multi-year pipeline of projects to be agreed with municipalities, which will in turn strengthen integrated planning.

Programme: Human Settlements								
Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
2.2. Adequate housing and improved quality living environments	Supported Municipalities for human settlements accreditation	2.2.1 Number of municipalities supported for human settlements accreditation	1 municipality supported on level 1	0	2 Municipalities Supported on Level 1 and 2 accreditations	0	2	Post accreditation support to Polokwane and Lephalale Municipalities not fully implemented due to Implementation Protocol not concluded.
	Land acquired	2.2.2 Hectares of land acquired	0	0	40ha	12ha	28ha	Delay in finalizing Kikvorsfontein (32ha) after restarting the negotiation process with the estate due to passing of the owner.
	Integrated Implementation Programmes for priority development areas	2.2.3 Number of integrated implementations programmes for priority development areas completed per year	New Indicator	New Indicator	2	11	9	Additional support from Housing Development Agency appointed by NDHS yielded more implementation

Programme: Human Settlements								
Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								programmes for the PDA's
	Acquired land during 2014 - 2019 falling within the PDAs rezoned	2.2.4 Percentage of land acquired during 2014-2019 within the PDA's rezoned	New indicator	New Indicator	0	Customised output Indicator: The indicator is zero because the land pieces acquired in the 2014-2019 were rezoned in the prior years		
	Investment of the total Human Settlements in PDAs	2.2.5 Percentage of investment of the total Human Settlements allocation in PDAs	New indicator	New Indicator	20	27	13	Investment through acquisition of land in Lephalale and engineering services roll over projects
	Informal Settlements upgraded	2.2.6 Number of informal settlements upgraded to Phase 3 of the Informal Settlements Upgrading Programme (ISUP)	New indicator	New Indicator	2 informal settlements upgraded to phase 3	2 informal settlements upgraded to phase 3	None	None
	Informal settlements with approved layouts	2.2.7 Number of informal settlements with approved layouts	2 informal settlements with approved layouts	4 informal settlements with approved layouts	3 informal settlements with approved layouts	3 informal settlements with approved layouts	None	None

Programme: Human Settlements								
Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Breaking New Ground (BNG) houses	2.2.8 Number of Breaking New Grounds (BNG) houses delivered	4 486	4 272	4 973	5 066	93	Reprioritized the allocated funds within HSDG for funding of Rural Housing project due to improved performance by service providers
	Serviced Sites	2.2.9 Number of serviced sites delivered	2 835	2 525	6 055	379	5 676	Relocations of projects due to change of development areas by municipalities and land dispute. Projects in Sekhukhune stopped due to EIA compliance
	Community Residential Units delivered	2.2.10 Number of Community Residential Units (CRU) delivered	New indicator	New indicator	44	0	44	The CRU in Marapong was delayed by contractor performance and units could not be certified due to lack of bulk as a result of change of

Programme: Human Settlements								
Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								reservoir location by municipality.
	Job opportunities created	2.2.11 Number of job opportunities created through construction of houses and servicing of sites	471	916	3 150	1 284	1 866	Contractors are using regular labourers without replacing them and cannot be double counted. Majority of contractors are also not reporting on jobs created.

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

Security of tenure to promote economic activity and ensure dignity had an injection of additional 1 926 title deeds registered for households. Challenges currently experienced to fast track the issuing of these Title Deeds include: Untraceable beneficiaries, Family disputes on ownership, Delay in issuing of exemption certificates and power of attorney by Municipalities as well as original township title deeds not available. To ensure improved delivery on title deeds, feasibility assessments are conducted to determine readiness of projects before conveyancers are appointed as well as workshop municipal officials and councillors on the importance of issuing title deeds during and after construction.

Approved 5 331 subsidy applications in preparation for construction of houses in the 2023\24 financial year. 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 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	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	New Indicator	30	52	22	Overachievement due to rollover title deeds that were in the process of registration at Deeds Office.
	Title deeds registered 1994 to 2014	2.3.2 Number of post-1994 title deeds registered	New indicator	New Indicator	836	1 009	173	Overachievement due to rollover title deeds that were in the process of registration at Deeds Office.
	Title deeds registered post 2014 to 2019	2.3.3 Number of post 2014 title deeds registered	New indicator	New Indicator	150	753	603	Overachievement due to rollover title deeds that were in the process of registration at Deeds Office.
	New Title deeds registered	2.3.4 Number of new title deeds registered	New indicator	New Indicator	984	111	873	Delays in signing documents by Polokwane Municipality.
	Reports compiled by Rental Disputes Tribunal and Housing Advisory Panel	2.3.5 Number of reports compiled by Rental Disputes Tribunal and		1	1	1	1	0

Programme: Human Settlements								
Sub-programme: Housing Asset Management and Property management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		Housing Advisory Panel						
	Approved beneficiary Subsidy Applications	2.3.6 Number of Housing Subsidy Applications approved through Housing Subsidy System	3 069	2 829	5 000	5 331	331	Overachievement due to change of development areas by municipalities after approvals. The approvals are kept on the HSS for future allocations.
	Households that received subsidies through FLISP	2.3.7 Number of households that received subsidies through FLISP	35	35	50	76	26	Improved marketing programme by RISIMA

Linking performance with budgets

Programmes overall spending amounted to 89% of the revised allocation compared to 70% in 2021\22. Significant under spending was recorded in conditional grants i.e. EPWP and ISUPG. The underspending was influenced by readiness of projects for implementation as bulk infrastructure was not available for servicing of sites in identified municipalities. The HSDG was spend in full after adjustment within the grant and targets on houses to be delivered was not affected. EPWP grant performance was affected by contracts that were renewed during the third quarter after approval on rollover budget.

Sub-programme expenditure

Sub- Programme Name	2021/2022			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Housing Needs, Research and Planning	51 117	49 416	1 701	119,648	118,301	1,347
Housing Development, Implementation, Planning and Targets	1 142 694	780 928	361 766	1,283,441	1,138,703	144,738
Housing Asset Management and Property Management	38 963	37 127	1 836	53,673	53,519	154
Total	1 232 774	867 471	365 303	1,456,762	1,310,523	146,239

Strategy to overcome areas of under performance

- As part of improved project planning, 5-year housing development areas has been commissioned in collaboration with municipalities. This will ensure that geo-technical studies are conducted for prioritized areas to enable delivery.
- Engagements were held with all water service authorities to ensure alignment of CoGHSTA funded projects with the Water Services Development Plan.
- In 2023/24, focus is on planning for bulk services to unlock the challenge of bulk that has affected provision of serviced sites. This will ensure a credible multi-year pipeline of projects to be agreed with municipalities, which will in turn strengthen integrated planning.
- Contracts for the EPWP participants were concluded before end of financial year to ensure that participants are on site by 01 April 2023.
- Market FLISP funding through media road shows and other marketing mediums to raise awareness to the communities of Limpopo.
- Finalise EIA study for bulk affected projects.

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:

- **Number of rental social units delivered:** There is no approved restructuring zones in municipalities except Polokwane and there is no Accredited Social Housing Institution in other municipalities.

Reporting on the Institutional Response to the COVID-19 Pandemic

Not Applicable

4.3 Programme 3: Cooperative Governance

Purpose of programme : The Programme aims to provide technical and oversight support to municipalities on 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

4.3.1 Sub-Programme: Municipal Infrastructure Development

Purpose: To coordinate municipal infrastructure development

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

On capacity to deliver on basic services, municipalities have been supported on infrastructure delivery programmes through implementation of Municipal Infrastructure Grant (MIG). All 25 municipalities that receive this grant have been monitored on performance and interventions plans coordinated through DBSA, MISA and DWS programmes. Access to water has declined by 9.4% between 2015 and 2021 (from 78.8% to 69.4%). The decline is mainly caused by ageing infrastructure affecting sustainable and reliable water supply. The province is 10.6% below the Limpopo Development Plan target. Given the current economic conditions the numbers of indigents is likely to increase negatively affecting revenue collection by municipality.

Programme: Co-operative Governance								
Sub-programme: Municipal Infrastructure Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
3.1. Improved capacity to deliver basic services, quality Infrastructure to increase household access to basic services	Additional households provided with basic services	3.1.1. Number of reports on additional households provided with basic services	1	1	1	1	None	None
	Municipalities monitored on the implementation of indigent policies	3.1.2. Number of municipalities monitored on the	New Indicator	22	22	22	None	None

Programme: Co-operative Governance Sub-programme: Municipal Infrastructure Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		implementation of indigent policies						
	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	None
	Districts monitored on the spending of conditional grants	3.1.4. Number of Districts monitored on the spending of National Grants	New Indicator	4	5	4	1	1 district (Waterberg) does not receive conditional grant funding.

4.3.2 Sub-Programme: Co-operative Governance Support

Purpose: To monitor and evaluate performance of municipalities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

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. All municipalities have appointed Audit Committees. Also, they have established Financial Misconduct Boards and training was provided to all municipalities.

AGSA concluded the audits in all 27 audits. Four (4) municipal audits have improved whilst four (4) have regressed. For the first time in the past 5 years the province has 2 clean audits. AGSA reported that UIF&We closing balances continue to show an increasing trend in 2021-22 due to non-compliance with SCM and contract management regulations. To improve accountability, it is imperative that all assurance providers remain committed to fulfilling their monitoring, governance and oversight roles. A culture of responsiveness, consequence management, good governance and accountability should be shared vision for all involved. The role of local government leadership and the responsibility placed upon these leaders necessitates ethical values of responsibility, accountability, fairness and transparency as underpinning governance principles. Support will be provided to municipalities on reduction of Consultancy fees and prevent renewal of VAT Consultancy, implementation of cost containment measures and reduction of UIFWe, implementation of AG action plans and full utilisation of the NT web-based system and governance structures to perform effective oversight on the implementation of MFMA

The province has not recorded 100% filling of posts in all managerial positions over the past five years. A total of 125 out of 174 (72%) positions are filled as at 31st March 2023.

Programme: Co-operative Governance								
Sub-programme: Co-operative Governance Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	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	01	1	None	None
	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	04	4	None	None
	Municipalities guided to comply with the MPRA	3.2.3. Number of municipalities guided to comply with the MPRA (<i>Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 4)</i>	22	22	22	22	None	None

Programme: Co-operative Governance								
Sub-programme: Co-operative Governance Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	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	0	None
	Capacity building interventions conducted in municipalities	3.2.5. Number of capacity building interventions conducted in municipalities (<i>Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5)</i>	New Indicator	2	1	1	None	None
	Municipalities supported to comply with MSA Regulations on the appointment of senior managers	3.2.6. Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers (<i>Linked to MTSF 2019 – 2024, Priority 1)</i>	New Indicator	27	27	27	None	None
	Municipalities supported to institutionalize the performance	3.2.7. Number of municipalities supported to institutionalize the performance	New Indicator	27	27	27	None	None

Programme: Co-operative Governance								
Sub-programme: Co-operative Governance Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	management system	management system (PMS) (Linked to MTSF 2019 – 2024, Priority 1)						
	Municipalities supported to reduce unauthorized, irregular, wasteful and fruitless expenditure	3.2.8. Number of municipalities supported to reduce Unauthorized, Irregular, Wasteful and Fruitless expenditure (Linked to MTSF 2019 – 2024, Priority 1)	New Indicator	5	10	10	None	None
	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 MTSF 2019 – 2024, Priority 1)	New Indicator	5	27	27	None	None

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

Community feedback meetings: on average over 450 community meetings were conducted by ward committees.

Disaster management: The Province experienced abnormal rainfall since December 2022, overlapping into the year 2023. The rain has been pouring in all five districts leaving several households and lifeline structures affected, including loss of life. Disaster management centers were supported by stakeholders (Department of Social development, SANDF and SAPS to relieve some of the hardships experienced. National state of flooding disaster across the country was declared on Monday, 13 February 2023 to enable an intensive, coordinated response to the impact of floods that affected Mpumalanga, Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, Northern Cape, and North West.

Programme: Co-operative Governance								
Sub-programme: Democratic Governance and Disaster Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
3.3. Improved support and intergovernmental Planning	Functional District IGR Structures	3.3.1 Number of reports compiled on functionality of 5 District IGR Structures	4	4	4	4	None	None
	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	None
	Municipalities supported to maintain functional ward committees	3.3.3 Number of municipalities supported to maintain functional ward committees (MTSF 2019 – 2024, Priority 1)	New Indicator	22	22	22	None	None

Programme: Co-operative Governance								
Sub-programme: Democratic Governance and Disaster Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Reports on functionality of disaster management advisory forum	3.3.4 Number of reports compiled on functionality of disaster management advisory forum	26	4	4	4	None	None
	Municipalities supported to respond to community concerns.	3.3.5 Number municipalities supported to respond to community concerns.	New Indicator	27	27	27	None	None

4.3.4 Sub-Programme: Development Planning

Purpose: To provide and facilitate provincial development and planning.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

SPLUMA Compliance: Municipalities are at different stages of compliance and are being supported by both COGHSTA and DARDLR.

Community Works Programme: All 22 local municipalities are implementing the programme and there are 30 898 participants in the Province against a targeted 29 250.

Local Economic Development: Most municipalities have reviewed their LED strategies except Thabazimbi, Modimolle Mookgophong, Mogalakwena, Waterberg and Makhuduthamaga. The challenge relates to high vacancy rates in most municipalities.

IDP Process and DDM: Municipalities have reviewed and adopted IDP's for 2022\23. Final IDPs will be assessed upon adoption. District municipalities are finalizing review/improvement of the One Plans for submission by end May 2023.

Programme: Co-operative Governance								
Sub-programme: Development Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
3.4. Improved Perception (Community based) on governance in municipalities	5 Municipalities supported on Local Economic Development (LED)	3.4.1. Number of LED initiatives / interventions implemented in municipalities	6	5	5	5	None	None
	Municipalities supported with development of credible and implementable IDPs	3.4.2. Number of municipalities with legally compliant IDPs	27	27	27	27	None	None
	Municipalities supported with implementation of SDF	3.4.3. Number of Municipalities supported with implementation of SDF in line with SPLUMA	22	27	27	27	None	None
	Municipalities supported with demarcation of sites	3.4.4. Number of Municipalities supported with demarcation of sites	22	22	22	22	None	None

Programme: Co-operative Governance								
Sub-programme: Development Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	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	None
	22 municipalities supported with the readiness to implement SPLUMA	3.4.6. Number of municipalities supported with Implementation of SPLUMA	22	22	22	22	None	None
	District Municipality supported to develop One Plan	3.4.7. Number of Districts monitored on the implementation of One Plans (<i>MTSF 2019 – 2024, Priority 5: Spatial integration, human settlements and local government</i>)	New Indicator	5	5	5	None	None
	Work opportunities	3.4.8. Number of municipalities	New Indicator	New Indicator	22	22	None	None

Programme: Co-operative Governance Sub-programme: Development Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	reported through Community Works Programme (CWP)	supported to implement the Community Works Programme (CWP)						

Linking performance with budgets

Actual expenditure of the adjusted appropriation for 2022\23 is at 97% same as 2021\22 financial year. The overall underspending is on Consultants item (Municipal Diagnostic study and Disaster Communication system). These interventions for municipalities have not affected negatively the support to municipalities to be functional and stable. Under spending was of the allocation for Training of Councilors which commenced in February 2023.

Sub-programme expenditure

Sub- Programme Name	2021/2022			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Local Governance	226 573	219 147	7 426	235,827	230,570	5,257
Development Planning	52 505	51 537	968	52,798	48,463	4,335
Total	279 078	270 684	8 394	288,625	279,033	9,592

Strategy to overcome areas of under performance

The Annual Performance Plan has been aligned to the receiving Districts of Conditional grants by National Departments.

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

CoGTA 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:

- a. Number of local communities implementing GovChat programme for community engagement and service delivery improvement**
 - GOVCHAT is introduced as a pilot programme and therefore not included in the Annual Performance Plans 2021/2022.
- b. Number of municipalities supported on Fire Brigade services and;**
- c. Number of municipalities supported to promote participation in community based local governance processes.**

The exclusion of the two output indicators is due to the significant budget cuts in the final departmental allocation so much so that in hindsight, reconsideration have a bearing on how the indicators are implemented in the financial year 2021/2022 and over the MTEF period.

Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable

4.4 Programme 4: Traditional Institutional Development

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:

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

Purpose: To promote the affairs of Traditional Leadership and institutions

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Facilitated strategic planning session for the newly elected Limpopo House of Traditional Leaders. Supported Traditional Councils with allocation of Administrative Support, construction and refurbishment of Traditional Councils and processed recognition of traditional leaders as per recommendations by Royal Families. Anti GBVF Intervention/campaigns for traditional leadership were delayed by approval of programme due to end of term of provincial house of traditional leaders.

Programme: Traditional Institutional Development								
Sub-programme: Traditional Institutional Administration and Administration of Houses of Traditional Leaders								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	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.	New Indicator	185	201	201	None	None
	Sittings of the Provincial House of Traditional Leaders.	4.1.2. Number of reports for the sittings of the provincial House of Traditional Leaders.	New Indicator	2	2	2	None	None
	Traditional leadership disputes referred to the house by	4.1.3 Percentage of Traditional leadership	100%	44%	100%	100%	None	None

Programme: Traditional Institutional Development								
Sub-programme: Traditional Institutional Administration and Administration of Houses of Traditional Leaders								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	the Premier processed.	succession disputes 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)	New Indicator	3	4	2	2	The new Houses of Traditional Leaders were constituted during the year and the programmes for interventions were restarted.

Linking performance with budgets

The programme has spent 90% of the adjusted allocation compared to 86% in 2021\22 financial year. The overall underspending is because there is no activity at the kingships (Vhavhenda and Bapedi) due to Royal Family disputes as well as construction of the traditional council offices as construction was on hold due to unavailability of construction site at Majeje and dispute over area of jurisdiction at Davhana traditional councils. Sites were handed over to service providers on the 27th and 29th November 2022 respectively.

Sub-programme expenditure

Sub- Programme Name	2021/2022			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Traditional Institutional Admin	524 125	449 188	74 937	513,936	463,804	50,132
Administration of Houses of Traditional Leaders	5 076	4 229	847	17,569	12,327	5,242
Total	529 201	453 417	75 784	531,505	476,131	55,374

Strategy to overcome areas of under performance

- Signed memorandum of understanding with Department of Social Development to facilitate collaboration on Anti GBVF Intervention/campaigns

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

CoGTA 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:

Number of Rapid Response Structures to Gender Based Violence and Femicide (GBVF) at community level /local platforms established (wards) (Final M&E Plan for NSP on GBVF) (Pillar 1: Accountability, Coordination and Leadership)

- The indicator is not supported as is implemented within the special programmes and not C-operative Governance.

Reporting on the Institutional Response to the COVID-19 Pandemic

Not Applicable

5. 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 R'000	Amount spent by the public entity R'000	Achievements of the public entity
Housing Development Agency	<ul style="list-style-type: none"> a) Military Veterans b) Rural Housing c) Distressed Mining Towns d) Vingerskraal informal settlement upgrading e) Land assembly and acquisition f) Disaster Housing (Asbestos replacement) 	R190, 319	R151,201	<ul style="list-style-type: none"> a) 13 Military veterans house. b) 251 Rural houses c) Mining Town: Motetema WWTW <ul style="list-style-type: none"> • Overall progress 21%. • Construction of Bulk Sewer line: Burgersfort Ext 54& 58. • Overall progress: 30%. d) Serviced 1 000 sites in Vingerkraal e) Facilitated acquisition of land in Lephalale. f) Replacement of 1 000 asbestos roofs in Seshego Township.

5.2. Transfer payments to all organisations other than public entities

None

6. 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	996,440	991,734	4,706	100%
Informal Settlements Upgrading Partnership Grant	342,563	203,164	139,399	59%
Extended Public Works Programme	1,597	1104	493	69%
Total	1,340,600	1,196,002	144,598	89.21%

The table/s below details the conditional grants and earmarked funds received during for the period 1 April 2022 to 31 March 2023.

Conditional Grant: Human Settlement 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"> • 5 066 houses delivered through relevant housing programmes • 1 926 title deeds registered • Job opportunities created through construction projects • Acquired 12Ha of land for human settlements development • Three informal settlements with approved layouts • Reviewed multiyear human settlements development plan
Amount per amended DORA	R 996,440 million
Amount received (R'000)	R 996,440 million
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	R 991,734 million
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	Rolled units over from previous year.
Measures taken to improve performance	Not applicable
Monitoring mechanism by the receiving department	Quarterly performance reviews, monthly reports

Conditional Grant: Informal Settlements Upgrading Partnership Grant

Department who transferred the	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	<ul style="list-style-type: none"> i. Number of settlements provided with permanent municipal engineering services and/ or any other ii. Alternate engineering services iii. Number of serviced sites developed iv. Number of social & economic amenities. The specific types of amenities must only be provided in collaboration with municipality and the community v. Number of sites transferred to end users
Actual outputs achieved	<ul style="list-style-type: none"> • 379 Serviced sites • Engineering Infrastructure (Design of bulk sewer)
Amount per amended DORA	R 342,563 million
Amount received (R'000)	R342,563 million
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	R 203,164

Reasons for the funds unspent by the entity	Relocations of projects due to change of development areas by municipalities and land disputes. Projects in Sekhukhune stopped due to EIA compliance
Reasons for deviations on performance	(i) Delays in relocations of Capricorn Projects due to land dispute and encroachment to the landfill at Elias Motsoaledi. (ii) Delays in approval of wayleave by Transnet.
Measures taken to improve performance	Project relocated to Waterberg, contracts concluded were revised and extension was granted till September 2023.
Monitoring mechanism by the receiving department	Quarterly performance reviews, monthly reports

Conditional Grant: Extended Public Works Programme

Department who transferred the	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	1 324 beneficiaries
Amount per amended DORA	R 1,597 million
Amount received (R'000)	R 1,597 million
Reasons if amount as per DORA was not received	None
Amount spent by the department	R1,104 million
Reasons for the funds unspent by the entity	Contracts of participants were reinstated after approval of roll-over
Reasons for deviations on performance	Delay in appointment of participants
Measures taken to improve performance	Beneficiaries contracts were extended for Six (6) month extension from 1 st April 2023 and contract will end on 30 September 2023.
Monitoring mechanism by the receiving department	Quarterly performance reviews, monthly reports

7. DONOR FUNDS

7.1. Donor Funds Received

None

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

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 at 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 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 Risk Management Committee (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.

During the financial year under review, 10 (39%) strategic risks were identified, there was no significant progress in the management of risks and that has affected the department's performance.



In order to address this problem, the department in its risk assessment for financial year 2023/24, 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 2023/24 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

The Department met with the Portfolio Committee to discuss performance, in all instance detailed reports were provided. Details of meeting and purpose are tabled below:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
09 June 2022 Briefing on: <ul style="list-style-type: none"> • APP and Budget for 2022\2023, • Quarter 3 and 4 performance for 2021\2024 • Provincial Committee on Traditional Disputes (Kgatla 	None	21 October 2022 Briefing on: <ul style="list-style-type: none"> • 2022\203 Quarter 1 performance • Annual Report 2021\2022 • Investigations conducted by the Department 	None

Commission) Litigations			
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8. SCOPA RESOLUTIONS

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>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>All five Departmental officials that were implicated in the matter were cleared of any wrongdoing in as far as internal processes were concerned. There was no evidence detected that the officials were in any way involved in negotiations on the purchase price or dealing with valuers as the Department had relied on the guidance that was provided by HDA and the National Department of Human Settlements. The HDA was the entity responsible for identifying the property, obtaining valuations (appointment of valuers) and recommending the purchase price to the Seller of the Property. A letter was sent to the National Department of Human Settlements (together with the report), for the latter to implement some of the recommendations applicable to them and the HDA.</p> <p>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>
2016/17	10	8	2	<p>Fruitless and wasteful expenditure</p> <p>Irregular expenditure</p>	<p>Fruitless and wasteful expenditure regarding procurement of land in Tubatse. The investigation by the Directorate for Priority Crime Investigation (DPCI) is underway. The case is currently with Regional Head for Specialised Commercial Crime Unit of NPA for further guidance.</p> <p>Treasury condoned R61 962 238 out of R111 670 454, this relates to non-compliance with PPPFA on BBBEE. The closing balance of R49 708 216 relating to payment of pay progression is before the Courts. The Department is still waiting for the declaratory order from the Courts.</p>

Financial year	No. of resolutions	No. resolved	No. not resolved	Unresolved matters	Progress
2017/18	7	4	3	<p>Key audit findings:</p> <ul style="list-style-type: none"> The departure from MCS by adhering to the HSS guide to report on housing expenditure was not disclosed as required by MCS. Amount for impairment of receivables misstated. Irregular expenditure identified by audit not disclosed. 	<p>The audit reports as well as the management reports are reviewed to ensure that there are no repeat audit findings and to ensure that all recommendations of the AG are implemented.</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 SOP's developed for the main functions in the SCM unit.</p>
				Annual Financial Statements, Performance Reports and Annual Report	<p>On a quarterly basis, interim financial statements are compiled with the necessary appropriate notes and supporting information. These are submitted to Treasury for review. Recommendations are implemented.</p> <p>Regular expenditure reports are issued for management to track their spending patterns.</p>
				Venda Building Society (VBS)	<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>

Financial year	No. of resolutions	No. resolved	No. not resolved	Unresolved matters	Progress
2018/19	6	3	3	Stagnant in the audit report	<p>The Executing Authority has developed clean audit plan for Executive Management to implement during the 2022\23 financial year. To ensure that the incumbent Accounting Officer address the issues raised during the audit, the HOD was instructed to put systems in place to ensure proper records management, accurate application of applicable prescripts and review of financial statements on a quarterly basis. The department has focused on financial management challenges to improve the audit outcome and provide capacity support to address these challenges by:</p> <ol style="list-style-type: none"> Ensuring that there is continuous training of staff on the preparation of annual financial statements based on the modified cash accounting standard as offered by Provincial Treasury. Preparation of quarterly Financial Statements to be reviewed by the Department itself, Provincial Treasury as well as Internal Audit together with the necessary supporting documents validating the balances reported. Also requesting a high-level review of the financial statements from the AG before they start on the actual field work. Involving the Internal Control unit to take part in the review of financial statements as well as advising on all matters relating to the audit process. 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 2019 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. The root causes of the findings were thoroughly assessed to make sure that mitigation measures identified addresses the finding.
				Significant uncertainties	<p>The department has a total of 339 litigation cases against the department. Out of the 339 cases, 204 are from Headmen/women claiming payment of allowances and there are other fifty-seven (57) Traditional Affairs cases which emanates from the Kgatla Commission making up 94% of the total cases. The 6% is made up of twenty-one (21) 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. These cases have been dormant since 2012.</p> <p>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</p>

Financial year	No. of resolutions	No. resolved	No. not resolved	Unresolved matters	Progress
					<p>categories of cases, especially those that have been dormant for a prolonged period of time.</p> <p>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. 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>
				Irregular expenditure	<p>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>The current balance for irregular expenditure amounts to R465 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 (FMB).</p> <p>Appropriate actions are taken based on the outcome of the investigations and Financial Misconduct Board recommendations.</p>
2019/20	07	0	07	Resolution status	The Department ensured that out of 32 resolutions 24 are fully resolved. Those that were not resolved are in progress at various stages towards being resolved. The Executing Authority therefore did not take any action against anyone.
				Irregular expenditure	<p>The investigation was conducted by the Department. The error of failing to include BBBEE scores was tested to verify the outcome of the inclusion of scores, and the results amounted to the same rating on functionality only as price is the quantum and the same for all bidders. The error was corrected and in all the following bids, BBBEE scores were included.</p> <p>The Accounting Officer could not act against any official as there was no one who was found to be liable in law.</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.</p>
				Annual financial statements, performance and annual report	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.
				Stagnant in the audit outcomes	The Executing Authority has developed clean audit plan for Executive Management to implement during the 2022\23 financial year. To ensure that the incumbent Accounting Officer address the issues raised during the audit, the HOD was instructed to put

Financial year	No. of resolutions	No. resolved	No. not resolved	Unresolved matters	Progress
					<p>systems in place to ensure proper records management, accurate application of applicable prescripts and review of financial statements on a quarterly basis. The department has focused on financial management challenges to improve the audit outcome and provide capacity support to address these challenges by:</p> <ul style="list-style-type: none"> g) Ensuring that there is continuous training of staff on the preparation of annual financial statements based on the modified cash accounting standard as offered by Provincial Treasury. h) Preparation of quarterly Financial Statements to be reviewed by the Department itself, Provincial Treasury as well as Internal Audit together with the necessary supporting documents validating the balances reported. i) Also requesting a high-level review of the financial statements from the AG before they start on the actual field work. j) Involving the Internal Control unit to take part in the review of financial statements as well as advising on all matters relating to the audit process. k) 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 2019 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>The root causes of the findings were thoroughly assessed to make sure that mitigation measures identified addresses the finding.</p>
				Impairment of receivables	<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>
				Significant uncertainty	<p>The department has a total of 339 litigation cases against the department. Out of the 339 cases, 204 are from Headmen/women claiming payment of allowances and there are other fifty-seven (57) Traditional Affairs cases which emanates from the Kgatla Commission making up 94% of the total cases. The 6% is made up of twenty-one (21) 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</p>

Financial year	No. of resolutions	No. resolved	No. not resolved	Unresolved matters	Progress
					<p>certain invoices. These cases have been dormant since 2012.</p> <p>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>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. 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>
				Achievement of planned targets	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.
				Talana and Tubatse housing projects	This investigation was commissioned by Premier
				Tubatse land acquisition	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
				Marapong housing projects	The recommendations of the BOWMANS report implicated 5 officials in the department. No criminal charges were levelled against any of the officials as the report did not find any element of criminality. Consequence management has been implemented in this matter
2020/2021	1	0	1	Irregular expenditure	The investigation into this irregular expenditure is still underway and appropriate action will be taken based on the outcome of the final report and recommendations.

Financial year	No. of resolutions	No. resolved	No. not resolved	Unresolved matters	Progress
				Stagnant of audit outcomes	<p>The Executing Authority has developed clean audit plan for Executive Management to implement during the 2022\23 financial year. To ensure that the incumbent Accounting Officer address the issues raised during the audit, the HOD was instructed to put systems in place to ensure proper records management, accurate application of applicable prescripts and review of financial statements on a quarterly basis. The department has focused on financial management challenges to improve the audit outcome and provide capacity support to address these challenges by:</p> <ul style="list-style-type: none"> l) Ensuring that there is continuous training of staff on the preparation of annual financial statements based on the modified cash accounting standard as offered by Provincial Treasury. m) Preparation of quarterly Financial Statements to be reviewed by the Department itself, Provincial Treasury as well as Internal Audit together with the necessary supporting documents validating the balances reported. n) Also requesting a high-level review of the financial statements from the AG before they start on the actual field work. o) Involving the Internal Control unit to take part in the review of financial statements as well as advising on all matters relating to the audit process. 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 2019 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>The root causes of the findings were thoroughly assessed to make sure that mitigation measures identified addresses the finding.</p>
				Annual financial statements	<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>
				Impairment of receivables	<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</p>

Financial year	No. of resolutions	No. resolved	No. not resolved	Unresolved matters	Progress
					Department and settlement depend on what the said entity had collected.
				Significant uncertainty	<p>The department has a total of 339 litigation cases against the department. Out of the 339 cases, 204 are from Headmen/women claiming payment of allowances and there are other fifty-seven (57) Traditional Affairs cases which emanates from the Kgatla Commission making up 94% of the total cases. The 6% is made up of twenty-one (21) 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. These cases have been dormant since 2012.</p> <p>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>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. 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>
				Achievement of planned targets	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.
Total	40	24 (60%)	15 (40%)		

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 according to the newly approved organisational structure to coordinate work of assurance providers, governance as well as the financial systems. The Department is in the process of staffing the unit. The unit performs the following functions:

- a) Coordination of assurance provider's activities within the department.
- b) Ensure availability of Accounting Officer's report
- c) Secretariat to the Financial Misconduct Board
- d) Consolidate internal control universe and monitor its implementation
- e) Manage stakeholder relations between the department and assurance providers
- f) Manage and Monitor financial systems

Summary of audit work done

Assurance and Consulting Audit Services

Q1		
Annual Review	Financial Statements	

Q2
Housing Construction

Q3
Supply Chain Management

Q4
Existence and effectiveness of governance processes

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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 and 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.

Annual Reports Review Follow Up	Traditional Councils Follow Up	Interim Financial Statements Effectiveness of Risk Management Process Follow Up	Assessment of Risk Profile POPIA Follow Up
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Fraud Audit

Q1	Q2	Q3 S&T Fraud Examination	Q4
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Information Systems Audit

Q1	Q2	Q3	Q4 Follow up audit
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Performance Audit

Q1	Q2	Q3	Q4
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KEY ACTIVITIES AND OBJECTIVES OF THE 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. Impact of COVID-19 on Audit Committee Activities

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 2022/2023, the AC met five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. All the AC meetings have taken place as planned through 2022/2023 AC Annual Schedule. As resolved the during 2022 AC Annual Strategic Planning Workshop, briefing sessions between Members of Executive Council (MECs) and Cluster Chairpersons were held from 27 – 28 October 2022 and 10 November 2022. 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. However, two (2) CAC meetings were held physically including the very last CAC held 07 December 2022 to bid farewell to the outgoing CAC and Cluster Chairpersons. A plan is in place to hold one of the Cluster AC meetings

physically as part of strengthening oversight on the work of Departments by the ACs.

1.3. 2023 Audit Committee Annual Strategic Planning Workshop and Orientation Program

The 2023 AC Annual Strategic Planning Workshop was held face-to-face to discuss numerous issues affecting the work of the AC during 06 – 08 February 2023. The Strategic Planning workshop included an Orientation Program for all AC members to familiarise them to the Limpopo Provincial Government operations including taking them through what is expected from them as the newly appointed AC members in their respective roles. Departments were requested to prepare Presentations on their mandate to brief the newly appointed AC members. Honourable MEC for Treasury who was also Acting Premier presented to the workshop to outline the Executive Council (EXCO) expectations to the newly appointed AC members and made a commitment that the AC is enjoying unconditional support from EXCO.

In an effort to enhance and integrate risk-based audit approach, the Independent Risk Management Committee Chairpersons were represented by Chairperson of COGHSTA who presented the Overview of the Provincial Risk Management including progress made on the Provincial Risk Profile. The three (3) day workshop has resulted in the members taking a total of eight (8) resolutions coupled with thirty-eight (38) resolutions that were carried forward from the 2022 AC annual strategic planning workshop which makes up a total of forty-five (45) resolutions to be implemented by various AC stakeholders. Slow implementation of the AC resolutions remains a concern. Continued Professional Development (CPD Hours) item was rendered by the Institute of Internal Audit South Africa (IIASA) as required by best practices and the AC Charter that AC members must be provided with CPD hours. All the protocol documents such as the AC Charter, Internal Audit Charter, and Reporting Frameworks were reviewed and adopted during day two (2) of the workshop.

1.4. CAC Chairperson Meetings

During the current financial year, the CAC Chairperson managed to attend only one (1) EXCO meeting during August 2022. Despite a need for the CAC Chairperson to attend such meetings, they are based on invite from EXCO Secretariat depending on issues being discussed. However, a great emphasis is made that the CAC Chairperson must be invited to attend EXCO at least quarterly to present CAC Reports detailing all the Clusters AC activities. Contradictory to the previous financial year wherein CAC Chairperson managed to attend three (3) HOD Forums, the CAC Chairperson was not able to attend any HOD Forum in the current financial year as no invite was extended to the Chairperson. Invitations to these structures 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. As per best practices and PFMA / Treasury Regulations provisions, the CAC Chairperson was part of the panellist for the appointment of the Chief Audit Executive (CAE) to head Shared Internal Audit Services (SIAS). Moreover, the CAC Chairperson was involved in the recruitment process of the newly appointed seventeen (17) AC Members.

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 4.72 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight improvement from the previous evaluation period which yielded an average score of 4.71 rating. 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 SIAS has recorded a highest average score of 4.97 as compared to 4.92 in the last financial year followed by the AC with the second highest average score of 4.61 while Management remained steady at an average score of 4.5. 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 remains priority of the AC members to deal with the above issues as they conclude the current PFMA audit and start a new session. The newly appointed AC members were robustly orientated with the mandate of each Department with most Hon. MECs taking a lead role and attending the induction and orientation program for their respective Departments. This was done in a breakaway session per Cluster to ensure completeness of the process.

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. 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 the previous year 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. Due to challenges when engaging into doing business with the state, most of the AC members no longer opt to be appointed through the PERSAL and rather use BAS system to receive their payments.

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 2022	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Annual Performance Report, b. Draft Annual Financial Statements, c. Fourth Quarterly Risk Management Report, d. Fourth Quarterly Internal Audit Progress Report.
2.	June 2022	CAC Meeting to consider Clusters AC Reports	e. Clusters AC Reports reporting on matters pertaining to Draft Annual Performance Report including Draft AFS
3.	July 2022	Review of Draft Audit and Management Reports	f. Draft Management Reports, g. Draft External Audit Reports.
4.	August 2022	CAC Meeting to consider Clusters AC Reports	h. Clusters AC Reports on matters pertaining to External Audit Reports.
5.	August / September 2022	Review of First Quarter Performance Information including Financial & Non-Financial Reports	a. First Quarter Accounting Officer's Report to the AC (Financial & Non-Financial),

No.	Period	Nature of The AC Meeting	Information / Documents Reviewed
			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 2022	CAC Meeting to consider Clusters AC Reports	f. Clusters AC Reporting on matters concerning to First Quarter Reports
7.	October / November 2022	AC Briefing Sessions between AC Chairpersons and Hon. MECs to discuss AC Matters.	
8.	November 2022	Review of Second Quarter Performance Reports (Financial and Non-Financial)	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 2022	CAC Meeting to consider Clusters AC Reports	f. Clusters AC Reports on matters pertaining to Second Quarter Audit Committee Reports as per paragraph 7 above.
10.	February 2023	AC Annual Strategic Planning Workshop	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.	March 2023	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.	March 2023	CAC Meeting to consider Clusters AC Reports	j. Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above.

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.

2. OBJECTIVES OF THE AUDIT COMMITTEE

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
PREVIOUS CLUSTER 2 AUDIT COMMITTEE MEMBERS						
S.A Ngobeni	<ul style="list-style-type: none"> • Masters in Commerce: Taxation • Master in Business Administration (MBA) • UNISA - B Compt (honours) CTA • B Com Accounting • Directors Programme • Certificate in Portfolio Management & Investment Analysis. • Higher Diploma in Computer Auditing. • Certificate in Mining Taxation 	External	Not applicable	01 February 2017 Re-appointed 01 February 2020	N/A	5

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
PREVIOUS CLUSTER 2 AUDIT COMMITTEE MEMBERS						
S.P Mzizi	<ul style="list-style-type: none"> ACG (CGISA) ACMA, CGMA (CIMA) Post Grad Diploma: Corporate Law B Com Hons: Financial Management BTech: Cost and Management Accounting Post Graduate Certificate in Corporate Governance Higher Diploma in Education 	External	Not applicable	01 Feb 2020	N/A	5
M.G Mathabathe	<ul style="list-style-type: none"> Certified Internal Auditor (CIA) Post-Grad. Diploma: Internal Audit B Tech Internal Audit Advanced Diploma in Accounting Sciences N Dip Auditing Cert. Information System Auditor (CISA) Cert. Information Security Manager (CISM) 	External	Not applicable	01 Feb 2020	N/A	5
K.M Ramukumba	<ul style="list-style-type: none"> CA (SA) MBA. B Com: Honours (Fin. Acc.) B Com: Financial Accounting Project Management Certificate Advanced Banking Services Certificate 	External	Not applicable	01 February 2017 Re-appointed February 2020	N/A	5

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
CURRENT CLUSTER 2 AUDIT COMMITTEE MEMBERS.						
TC Modipane	<ul style="list-style-type: none"> CA (SA) B Com Honours (CTA) B Com (Accounting) Higher Diploma in Auditing Certificate in Business Development Systems 	External	Not applicable	01 February 2020 Re appointed 01 January 2023	To date	1

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
CURRENT CLUSTER 2 AUDIT COMMITTEE MEMBERS.						
	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 <p>Bcompt. Accounting Degree</p>	External	Not applicable	01 January 2023	To date	1
ADV. L.T Nevondwe	<ul style="list-style-type: none"> • Bachelor of Laws (LLB) (Univen) • Masters of Laws (LLM) (Univen) 	External	Not applicable	1 January 2023	To date	
A.M.M Badimo	<ul style="list-style-type: none"> • Master in Business Administration (MBA) • Master of Science • B. Science: Hons Computer Science • B. Science: Computer Science • CISM (Certified Information 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 Blockchain Expert (CBE) • F. Inst D (IoDSA) 	External	Not applicable	13 April 2019 – 31 December 2020 Re-appointed: 01 January 2021 Re – appointed 01 February 2023.	To date	

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 20ZZ.

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, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- xxxxxx
- xxxxxxxxxx

The following were areas of concern:

- xxxxxx
- xxxxxx

In-Year Management and Monthly/Quarterly Report

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

- xxxxxx
- xxxxxx

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

(Full Name of Chairperson)
Chairperson of the Audit Committee
(Name of Department)

(Date)

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?	No	N/A
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.

2. OVERVIEW OF HUMAN RESOURCES

The department implemented its Human resources (HR) Plan for the 2020-2023 MTEF period which comprised of the priorities:

Recruitment and Staffing

The 2022/2023 Annual Recruitment Plan aimed to fill 30 posts. However, the Department managed to recruit 24 employees during 2022/2023 Financial Year. There were resignations and retirements that took place and that had an impact on the stability of the workforce with regards to filling vacant posts. The vacancy rate was reduced from 12.8 % to 5.4% after PERSAL clean-up.

Employment Equity

The Department struggled to achieve the 50% threshold as set by Cabinet on females at Senior Management Positions. However, the percentage was down from 47% to 42% as at the end of 31 March 2023. The challenge encountered was the resignation of females at SMS level. There are no females and males with Disabilities on Senior Management positions. The overall female representation was at 58 % and 0.9% for people with disabilities overall.

Training and Development

The Workplace Skills plan was approved for 2022/2023 financial year and the 1 % that was allocated for skills development. A total of 574 officials were trained. Recognition of qualifications were processed for 55 officials, however only 41 qualified for compensation. officials. The Department administered 125 internal bursaries that aimed at improving internal staff skills, of which, 26 bursary holders completed their studies. A total of 22 interns were placed in the Department funded by various SETA's and 85 experiential learners have been placed in the Department to gain work experience.

Performance Management

The Department managed to implement the performance management system for 2021/2022 as employees completed their performance instruments on time. Grade progressions were implemented in line with Resolution 3 of 2009.

Job Evaluation

No job evaluation was conducted as the organizational structure was being reviewed.

Retention

No employee was retained as the Provincial Personnel Management Committee led by Provincial Treasury and Office of the Premier does not allow Departments to use counteroffer strategies.

Health & Wellness

The Employee Wellness Unit managed to implement the Three Pillars as determined by DPSA. To ensure that employees participated in the employee wellness programs, GEMS was roped in to conduct screening sessions and blood donations. Occupational Health and Safety representatives were appointed and trained on OHS legislations and responsibilities. A report was compiled after they conducted inspections in

all buildings. The report was presented to Executive Management to address the issues. Some issues were addressed whereas others need funds to accomplish. Management is trying all avenues to ensure that the identified challenges are dealt with. Employees also participated in sports activities to keep themselves healthy. They attended Provincial and National tournaments organised by Office of the Premier and DPSA respectively. There are also practice sessions attended each Wednesday in the afternoon.

Administration of Conditions of Service and Remunerations

The unit responsible ensured that attendance registers, leave management and pension payment coordination are processed in accordance with applicable regulations.

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 2022 and 31 March 2023

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	306 308.00	174 942.00	0.00	0.00	57.10	591.00
Human Settlements	1 310 536.00	102 782.00	0.00	0.00	7.80	571.00
Co-Operative Governance	277 892.00	264 934.00	0.00	0.00	95.30	508.00
Tradition Institutions Develop	475 625.00	432 034.00	0.00	0.00	90.80	196.00
Total as on Financial Systems (BAS)	2 370 361.00	974 692.00	0.00	0.00	41.10	304.00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

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)	41 047.00	4.20	198.00	207 308.00
Skilled (level 3-5)	76 473.00	7.70	268.00	285 347.00
Highly skilled production (levels 6-8)	403 072.00	40.80	946.00	426 080.00
Highly skilled supervision (levels 9-12)	226 461.00	22.90	261.00	867 667.00
Senior and Top management (levels 13-16)	47 222.00	4.80	38.00	1 242 684.00
11 Contract (Levels 3-5)	426.00	0.00	2.00	213 000.00
12 Contract (Levels 6-8)	334.00	0.00	1.00	334 000.00
13 Contract (Levels 9-12)	1 338.00	0.10	2.00	669 000.00
14 Contract (Levels >= 13)	1 667.00	0.20	2.00	833 500.00
18 Contract Other	2 420.00	0.20	48.00	50 417.00
20 Abnormal Appointment	174 070.00	17.60	1 440.00	120 882.00
Total	974 530.00	98.50	3 206.00	303 971.00

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

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	144 148.00	80.20	503.00	0.30	5 784.00	3.20	10 212.00	5.70
PR2: CGHT: HUMAN SETTLEMENT	87 192.00	79.10	138.00	0.10	3 192.00	2.90	4 019.00	3.60
PR3: CGHT: CORPORATIVE GOVERNANCE	588 655.00	85.00	218.00	0.00	22 021.00	3.20	33 278.00	4.80
STATUTORY	5 341.00	86.30	0.00	0.00	169.00	2.70	152.00	2.50
TOTAL	825 336.00	83.50	859.00	0.10	31 166.00	3.20	47 661.00	4.80

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

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
01 Lower skilled (Levels 1-2)	29 080.00	70.80	94.00	0.20	3 726.00	9.10	4 784.00	11.70
02 Skilled (Levels 3-5)	56 465.00	73.80	114.00	0.10	5 098.00	6.70	8 076.00	10.60
03 Highly skilled production (Levels 6-8)	326 921.00	80.60	424.00	0.10	14 374.00	3.50	27 433.00	6.80
04 Highly skilled supervision (Levels 9-12)	191 709.00	81.10	227.00	0.10	6 200.00	2.60	6 897.00	2.90
05 Senior management (Levels >= 13)	41 245.00	84.60	0.00	0.00	1 527.00	3.10	471.00	1.00
11 Contract (Levels 3-5)	425.00	99.80	0.00	0.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	334.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	1 337.00	92.40	0.00	0.00	0.00	0.00	0.00	0.00
14 Contract (Levels >= 13)	1 332.00	74.40	0.00	0.00	240.00	13.40	0.00	0.00
18 Contract Other	2 417.00	99.60	0.00	0.00	0.00	0.00	0.00	0.00
20 Abnormal Appointment	174 070.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	825 336.00	83.50	859.00	0.10	31 166.00	3.20	47 661.00	4.80

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

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

The Department has 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 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION, Permanent	325.00	296.00	8.90	0.00
PR2:CGHT:HUMAN SETTLEMENT, Permanent	190.00	180.00	5.30	0.00
PR3:CGHT:CORPORATIVE GOVERNANCE, Permanent	1 341.00	1 274.00	5.00	0.00
STATUTORY, Permanent	19.00	16.00	15.80	2.00
TOTAL	1 875.00	1 766.00	5.80	2.00

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	219.00	198.00	9.60	0.00
02 Skilled (Levels 3-5), Permanent	278.00	268.00	3.60	0.00
03 Highly Skilled Production (Levels 6-8), Permanent	987.00	946.00	4.20	0.00
04 Highly Skilled Supervision (Levels 9-12), Permanent	284.00	261.00	8.10	0.00
05 Senior Management (Levels >= 13), Permanent	52.00	38.00	26.90	0.00
09 Other, Permanent	48.00	48.00	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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
TOTAL	1 875.00	1 766.00	5.80	2.00

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	508.00	480.00	5.50	0.00
ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent	8.00	8.00	0.00	0.00
AUXILIARY AND RELATED WORKERS, Permanent	2.00	2.00	0.00	0.00
CARTOGRAPHERS AND SURVEYORS, Permanent	1.00	1.00	0.00	0.00
CIVIL ENGINEERING TECHNICIANS, Permanent	1.00	1.00	0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	69.00	63.00	8.70	0.00
CLIENT INFORM CLERKS(SWITCHBOARD RECEIPT INFORM CLERKS), Permanent	1.00	1.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED, Permanent	8.00	8.00	0.00	0.00
COMMUNITY DEVELOPMENT WORKERS, Permanent	4.00	0.00	100.00	0.00
ENGINEERING SCIENCES RELATED, Permanent	2.00	2.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	76.00	75.00	1.30	0.00
FINANCE AND ECONOMICS RELATED, Permanent	8.00	5.00	37.50	0.00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	39.00	36.00	7.70	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	156.00	149.00	4.50	0.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1.00	1.00	0.00	0.00
HUMAN RESOURCES & ORGANISATION DEVELOPMENT & RELATED PROFESSIONALS, Permanent	11.00	8.00	27.30	0.00
HUMAN RESOURCES CLERKS, Permanent	11.00	11.00	0.00	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
HUMAN RESOURCES RELATED, Permanent	374.00	371.00	0.80	0.00
LEGAL RELATED, Permanent	5.00	4.00	20.00	0.00
LIGHT VEHICLE DRIVERS, Permanent	1.00	1.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL, Permanent	174.00	159.00	8.60	0.00
MESSENGERS PORTERS AND DELIVERERS, Permanent	9.00	8.00	11.10	0.00
MOTOR VEHICLE DRIVERS, Permanent	1.00	1.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	10.00	10.00	0.00	0.00
OTHER OCCUPATIONS, Permanent	258.00	241.00	6.60	2.00
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	5.00	3.00	40.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	18.00	14.00	22.20	0.00
SECURITY GUARDS, Permanent	91.00	88.00	3.30	0.00
SENIOR MANAGERS, Permanent	23.00	15.00	34.80	0.00
TOTAL	1 875.00	1 766.00	5.80	2.00

Notes

- The CORE classification, as prescribed by the DPSA, is be used for completion of the 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.

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 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	100

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	29	23	79	6	21
Total	47	37	79	10	21

Table 3.3.2 SMS post information as on 30 September 2022

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	0	0	1	100
Salary Level 16	0	0	0	0	0
Salary Level 15	4	2	50	2	50
Salary Level 14	12	9	75	3	15
Salary Level 13	32	22	69	10	31
Total	49	33	67	16	33

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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	1	0	1
Salary Level 16	0	0	0
Salary Level 15	2	0	1
Salary Level 14	3	0	2
Salary Level 13	10	0	4
Total	16	0	8

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
The Department went through restructuring and positions could only be advertised after confirmation of placement for existing employees.

Reasons for vacancies not filled within twelve months
Remaining posts will be filled within 12 months with exception of 2 which will be re-advertised.
One post awaiting approval process.

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 20YY and 31 March 20ZZ

Reasons for vacancies not advertised within six months
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None

Reasons for vacancies not filled within six months

The department struggled with verification of qualifications from SAQA which was not Tax compliant, and help was sought from OTP to use their MIE system.

Delayed results from SAPS Fingerprint Clearance.
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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 2022 and 31 March 2023

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
01 Lower Skilled (Levels 1-2)	219.00	0.00	0.00	4.00	100.00	0.00	0.00
02 Skilled (Levels 3-5)	278.00	0.00	0.00	4.00	100.00	0.00	0.00
03 Highly Skilled Production (Levels 6-8)	987.00	0.00	0.00	1.00	100.00	0.00	0.00
04 Highly Skilled Supervision (Levels 9-12)	284.00	0.00	0.00	1.00	100.00	0.00	0.00
05 Senior Management Service Band A	30.00	0.00	0.00	0.00	0.00	0.00	0.00
06 Senior Management Service Band B	14.00	0.00	0.00	0.00	0.00	0.00	0.00
07 Senior Management Service Band C	7.00	0.00	0.00	0.00	0.00	0.00	0.00
08 Senior Management Service Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
09 Other	48.00	0.00	0.00	0.00	0.00	0.00	0.00
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
17 Contract Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1 875.00	0.00	0.00	10.00	100.00	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 2022 and 31 March 2023

Gender	African	Asian	Coloured	Total
Female	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00

Employees with a disability	0.00
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0.00	N/A	N/A	N/A
N/A	0.00	N/A	N/A	N/A
N/A	0.00	N/A	N/A	N/A
N/A	0.00	N/A	N/A	N/A
Total number of employees whose salaries exceeded the level determined by job evaluation				0.0
Percentage of total employed				0 %

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 2022 and 31 March 2023

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

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	214.00	0.00	17.00	7.90
02 Skilled (Levels 3-5) Permanent	284.00	0.00	14.00	4.90
03 Highly Skilled Production (Levels 6-8) Permanent	972.00	6.00	27.00	2.80
04 Highly Skilled Supervision (Levels 9-12) Permanent	266.00	0.00	9.00	3.40
05 Senior Management Service Band A Permanent	23.00	2.00	3.00	13.00
06 Senior Management Service Band B Permanent	9.00	2.00	0.00	0.00
07 Senior Management Service Band C Permanent	5.00	0.00	1.00	20.00
08 Senior Management Service Band D Permanent	1.00	0.00	0.00	0.00
09 Other Permanent	2.00	48.00	2.00	100.00
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	1.00	0.00	0.00	0.00
17 Contract Band D Permanent	0.00	1.00	0.00	0.00
TOTAL	1 782.00	60.00	74.00	4.20

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	511.00	2.00	18.00	3.50
ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent	8.00	0.00	0.00	0.00
AUXILIARY AND RELATED WORKERS Permanent	2.00	0.00	0.00	0.00
CARTOGRAPHERS AND SURVEYORS Permanent	1.00	0.00	0.00	0.00

Critical occupation	Number of employees at beginning of period 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
CIVIL ENGINEERING TECHNICIANS Permanent	1.00	0.00	0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	55.00	0.00	5.00	9.10
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS) Permanent	1.00	0.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED Permanent	8.00	0.00	0.00	0.00
ENGINEERING SCIENCES RELATED Permanent	2.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS Permanent	76.00	0.00	1.00	1.30
FINANCE AND ECONOMICS RELATED Permanent	3.00	0.00	0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS Permanent	36.00	1.00	2.00	5.60
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	160.00	0.00	6.00	3.80
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	0.00	1.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	9.00	0.00	0.00	0.00
HUMAN RESOURCES CLERKS Permanent	10.00	0.00	0.00	0.00
HUMAN RESOURCES RELATED Permanent	348.00	0.00	4.00	1.10
LEGAL RELATED Permanent	5.00	0.00	1.00	20.00
LIGHT VEHICLE DRIVERS Permanent	1.00	0.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL Permanent	184.00	0.00	14.00	7.60
MESSENGERS PORTERS AND DELIVERERS Permanent	8.00	0.00	0.00	0.00
MOTOR VEHICLE DRIVERS Permanent	1.00	0.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	15.00	0.00	2.00	13.30
OTHER OCCUPATIONS Permanent	201.00	52.00	12.00	6.00
RISK MANAGEMENT AND SECURITY SERVICES Permanent	5.00	0.00	1.00	20.00

Critical occupation	Number of employees at beginning of period 1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	25.00	0.00	0.00	0.00
SECURITY GUARDS Permanent	95.00	0.00	7.00	7.40
SENIOR MANAGERS Permanent	11.00	4.00	1.00	9.10
TOTAL	1 782.00	60.00	74.00	4.20

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.

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 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	22	30
Resignation	11	15
Expiry of contract	7	9.2
Dismissal – operational changes	0	0
Dismissal – misconduct	1	1.2
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	1.2
Retirement	32	43
Transfer to other Public Service Departments	0	0
Other	0	0
Total	74	100
Total number of employees who left as a % of total employment	4.2%	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	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	511.00	11.00	2.20	154.00	30.10
ARCHITECTS TOWN AND TRAFFIC PLANNERS	8.00	0.00	0.00	7.00	87.50

Occupation	Employees 1 April 2022	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	2.00	0.00	0.00	0.00	0.00
CARTOGRAPHERS AND SURVEYORS	1.00	0.00	0.00	1.00	100.00
CIVIL ENGINEERING TECHNICIANS	1.00	0.00	0.00	1.00	100.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	55.00	0.00	0.00	51.00	92.70
CLIENT INFORM CLERKS (SWITCHBOARD RECEPTION CLERKS)	1.00	0.00	0.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED	8.00	0.00	0.00	4.00	50.00
ENGINEERING SCIENCES RELATED	2.00	0.00	0.00	2.00	100.00
ENGINEERS AND RELATED PROFESSIONALS	76.00	0.00	0.00	67.00	88.20
FINANCE AND ECONOMICS RELATED	3.00	2.00	66.70	2.00	66.70
FINANCIAL AND RELATED PROFESSIONALS	36.00	1.00	2.80	7.00	19.40
FINANCIAL CLERKS AND CREDIT CONTROLLERS	160.00	0.00	0.00	139.00	86.90
HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT & RELATED PROFESSIONALS	9.00	0.00	0.00	2.00	22.20
HUMAN RESOURCES CLERKS	10.00	0.00	0.00	10.00	100.00
HUMAN RESOURCES RELATED	348.00	0.00	0.00	352.00	101.10
LEGAL RELATED	5.00	0.00	0.00	3.00	60.00
LIGHT VEHICLE DRIVERS	1.00	0.00	0.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL	184.00	0.00	0.00	155.00	84.20
MESSENGERS PORTERS AND DELIVERERS	8.00	0.00	0.00	6.00	75.00
MOTOR VEHICLE DRIVERS	1.00	0.00	0.00	0.00	0.00
OTHER ADMINISTRATIVE & RELATED CLERKS AND ORGANISERS	15.00	0.00	0.00	9.00	60.00
OTHER OCCUPATIONS	201.00	0.00	0.00	8.00	4.00

Occupation	Employees 1 April 2022	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
RISK MANAGEMENT AND SECURITY SERVICES	5.00	0.00	0.00	2.00	40.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	25.00	0.00	0.00	21.00	84.00
SECURITY GUARDS	95.00	0.00	0.00	20.00	21.10
SENIOR MANAGERS	11.00	0.00	0.00	0.00	0.00
TOTAL	1 782.00	14.00	0.80	1 023.00	57.40

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2021	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
01 Lower Skilled (Levels 1-2), Permanent	214.00	0.00	0.00	186.00	86.90
02 Skilled (Levels 3-5), Permanent	284.00	0.00	0.00	191.00	67.30
03 Highly Skilled Production (Levels 6-8), Permanent	972.00	1.00	0.10	457.00	47.00
04 Highly Skilled Supervision (Levels 9-12), Permanent	266.00	12.00	4.50	189.00	71.10
05 Senior Management (Levels >= 13), Permanent	38.00	1.00	2.60	0.00	0.00
09 Other, Permanent	2.00	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	1 782.00	14.00	0.80	1 023.00	57.40

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 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - SENIOR OFFICIALS AND MANAGERS	11.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	17.00
02 - PROFESSIONALS	205.00	0.00	0.00	0.00	312.00	2.00	0.00	1.00	520.00
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	297.00	0.00	0.00	0.00	342.00	0.00	0.00	3.00	642.00
04 - CLERKS	45.00	0.00	0.00	0.00	139.00	1.00	0.00	0.00	185.00
05 - SERVICE SHOP AND MARKET SALES WORKERS	63.00	1.00	0.00	0.00	27.00	0.00	0.00	0.00	91.00
08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
09 - LABOURERS AND RELATED WORKERS	189.00	0.00	0.00	0.00	120.00	0.00	0.00	0.00	309.00
TOTAL	812.00	1.00	0.00	0.00	946.00	3.00	0.00	4.00	1 766.00

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	3.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	4.00
02 Senior Management, Permanent	20.00	0.00	0.00	0.00	13.00	1.00	0.00	0.00	34.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	136.00	1.00	0.00	0.00	122.00	0.00	0.00	2.00	261.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	431.00	0.00	0.00	0.00	511.00	2.00	0.00	2.00	946.00
05 Semi-skilled and discretionary decision making, Permanent	118.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00	268.00
06 Unskilled and defined decision making, Permanent	80.00	0.00	0.00	0.00	118.00	0.00	0.00	0.00	198.00
07 Not Available, Permanent	20.00	0.00	0.00	0.00	28.00	0.00	0.00	0.00	48.00
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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
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	812.00	1.00	0.00	0.00	946.00	3.00	0.00	4.00	1 766.00

Table 3.6.3 Recruitment for the period 1 April 2022 and 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	3.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	4.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	6.00
07 Not Available, Permanent	20.00	0.00	0.00	0.00	28.00	0.00	0.00	0.00	48.00
Contract (Top Management), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Contract (Professionally qualified), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
TOTAL	29.00	0.00	0.00	0.00	31.00	0.00	0.00	0.00	60.00
Employees with disabilities	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0

Table 3.6.4 Promotions for the period 1 April 2022 and 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Professionally qualified and experienced specialists and mid-management, Permanent	108.00	1.00	0.00	0.00	91.00	0.00	0.00	1.00	201.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	175.00	0.00	0.00	0.00	281.00	2.00	0.00	0.00	458.00
Semi-skilled and discretionary decision making, Permanent	63.00	0.00	0.00	0.00	128.00	0.00	0.00	0.00	191.00
Unskilled and defined decision making, Permanent	74.00	0.00	0.00	0.00	112.00	0.00	0.00	0.00	186.00
TOTAL	420.00	1.00	0.00	0.00	613.00	2.00	0.00	1.00	1 037.00
Employees with disabilities	6.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	12.00

Table 3.6.5 Terminations for the period 1 April 2022 and 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Senior Management, Permanent	1.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	3.00
Professionally qualified and experienced specialists and mid-management, Permanent	5.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	9.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	12.00	0.00	0.00	0.00	15.00	0.00	0.00	0.00	27.00
Semi-skilled and discretionary decision making, Permanent	6.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	14.00
Unskilled and defined decision making, Permanent	4.00	0.00	0.00	0.00	13.00	0.00	0.00	0.00	17.00
Not Available, Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Contract (Professionally qualified), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
TOTAL	31.00	0.00	0.00	0.00	42.00	0.00	0.00	1.00	74.00
Employees with Disabilities	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

Table 3.6.6 Disciplinary action for the period 1 April 2022 and 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	01
One month suspension without salary, final written warning	01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	01
Demotion, three months suspension without salary and final written warning	01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	01

Table 3.6.7 Skills development for the period 1 April 2022 and 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	126	1	0	0	154	2	0	4	287
Professionals	112	0	0	0	135	0	0	0	247
Technicians and Associate Professionals	12	0	0	0	17	0	0	0	29
Clerks	87	0	0	0	204	0	0	0	291
Service and Sales Workers	3	0	0	0	4	0	0	0	7
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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	1	0	0	0	6	0	0	0	7
TOTAL	341	1	0	0	520	2	0	4	868
Employees with disabilities	1	0	0	0	3	0	0	0	4

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 2022

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	-	-	-	-
Salary Level 16	2	2	2	100
Salary Level 15	2	2	2	100
Salary Level 14	8	8	8	100
Salary Level 13	19	19	19	100
Total	31	31	31	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
None

Notes

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
None

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 2022 and 31 March 2023

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	806.00	0.00	0.00	0.00
Female	0.00	938.00	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	3.00	0.00	0.00	0.00
White					
Male	0.00	0.00	0.00	0.00	0.00
Female	0.00	3.00	0.00	0.00	0.00
People with disability	0.00	15.00	0.00	0.00	0.00
Total	0.00	1 766.00	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 2022 and 31 March 2023

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	198.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	0.00	268.00	0.00	0.00	0.00	0.00
Highly skilled production (level 6-8)	0.00	946.00	0.00	0.00	0.00	0.00
Highly skilled supervision (level 9-12)	0.00	261.00	0.00	0.00	0.00	0.00
Total	0.00	1673.00	0.00	0.00	0.00	0.00

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 and 31 March 2023

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	149.00	0.00	0.00	0.00
HUMAN RESOURCES CLERKS	0.00	11.00	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	0.00	8.00	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
MESSENGERS PORTERS AND DELIVERERS	0.00	8.00	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	159.00	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	10.00	0.00	0.00	0.00
AUXILIARY AND RELATED WORKERS	0.00	2.00	0.00	0.00	0.00
OTHER OCCUPATIONS	0.00	241.00	0.00	0.00	0.00
LEGAL RELATED	0.00	4.00	0.00	0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS	0.00	36.00	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	480.00	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	14.00	0.00	0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	0.00	63.00	0.00	0.00	0.00
HUMAN RESOURCES RELATED	0.00	371.00	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	15.00	0.00	0.00	0.00
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	0.00	1.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS	0.00	75.00	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	2.00	0.00	0.00	0.00
MOTOR VEHICLE DRIVERS	0.00	1.00	0.00	0.00	0.00
SECURITY GUARDS	0.00	88.00	0.00	0.00	0.00
TOTAL	0.00	1 766.00	0.00	0.00	0.00

Notes

- 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;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 and 31 March 2023

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	24.00	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	3.00	0.00	0.00	0.00	0.00
Band D	0.00	2.00	0.00	0.00	0.00	0.00
Total	0.00	40.00	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 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2023		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 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.00	0.00	0.00	0.00	0.00	0.00

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
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

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 2022 to 31 December 2022

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	4 468.00	????	515.00	?????	50.00	8 249.00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

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

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 2022 to 31 December 2022

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	33454	1263	26.00

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

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 2022
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 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/2023 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2022/2023	1 216.00	15.00	81 067.00
Current leave payout on termination of service for 2022/2023	1 509.00	50.00	30 180.00
Total	2,725.00	65.00	111,247

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
Community Development workers and all field workers	<ul style="list-style-type: none"> • Condom Distributions • Conducting Health Screenings

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
	<ul style="list-style-type: none"> • Commemorations of Calendar events (Candlelight Memorial, TB, and World AIDS day) • Awareness Campaigns (Pamphlets, Posters & intranet messages)

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: Strategic HRM 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		05 Employees
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓ Yes		HIV & Aids 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		List is available
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓	No	
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		245 Employees Tested
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓ Yes		Monthly, Quarterly and Annual Report

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Total number of Collective agreements	None
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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 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	00	0%

Outcomes of disciplinary hearings	Number	% of total
Verbal warning	00	0%
Written warning	00	0%
Final written warning	01	100%
Suspended without pay	03	100%
Fine	00	0%
Demotion	01	100%
Dismissal	01	100%
Not guilty	00	0%
Case withdrawn	00	0%
Total	06	100%

Total number of Disciplinary hearings finalised	03
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Contravention of code of conduct (fraud)	01	100%
Contravention of code of conduct (conducting business with state)	01	100%
Gross dereliction of duty and gross dishonesty	01	100%
Total	03	100%

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	06	100%
Number of grievances not resolved	00	100%
Total number of grievances lodged	06	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	01	100%
Number of disputes dismissed	02	100%
Total number of disputes lodged	05 (03 pending)	100%

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	00
Total costs working days lost	00
Amount recovered because of no work no pay (R'000)	00

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	00
Number of people whose suspension exceeded 30 days	00
Average number of days suspended	00
Cost of suspension(R'000)	00

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 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training (Internship & experiential learning programme)	Total
Legislators, senior officials and managers	Female	113	0	156	0	156
	Male	125	0	127	0	127
Professionals	Female	137	0	135	0	135
	Male	124	0	112	0	112
Technicians and associate professionals	Female	271	0	17	0	17
	Male	171	0	12	0	12
Clerks	Female	115	4	204	71	279
	Male	80	1	87	24	112
Service and sales workers	Female	3	0	3	0	3
	Male	1	0	1	0	1
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	150	0	6	0	6
	Male	118	0	1	0	1
Sub Total	Female	789	4	515	71	590
	Male	620	1	340	24	365
Total		1409	5	855	95	955

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training(Internship & experiential learning programme	Total
Legislators, senior officials and managers	Female	113	0	190	0	190
	Male	125	0	100	0	100
Professionals	Female	137	0	150	0	150
	Male	124	0	97	0	97
Technicians and associate professionals	Female	271	0	9	0	9
	Male	171	0	10	0	10
Clerks	Female	115	4	201	71	276
	Male	80	1	90	24	115
Service and sales workers	Female	3	0	3	0	3
	Male	1	0	1	0	1
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	150	0	4	0	4
	Male	118	0	3	0	3
Sub Total	Female	789	4	557	71	632
	Male	620	1	301	24	326
Total		1409	5	858	95	958

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 2022 and 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	14	93%
Temporary Total Disablement	1	7%
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:

1. The rendering of expert advice;

2. The drafting of proposals for the execution of specific tasks; and
3. 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 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
SMS competency assessment for development	6	56	R1,571,904.80
SMS Competency Assessments for recruitment	5	36	R169, 818.11
DR Kewana (Psychiatrist)	01	April 2022 to March 2023	R7160-50
DR Mokgoadi (Psychologist)	01	April 2022 to March 2023	R104. 736.60
SANCA Rehabilitation centre (Pretoria)	01 Rehabilitation centre (they use multidisciplinary approach (Social Workers, Psychologist, Doctors, Care workers and Nurses)	28 Days	R28 000
Ms Selahle (Beautitudes wellness) Psychologist	01	April 2022 to March 2023	R9085.00
Clearview Clinic (Pretoria)	01	(May & June) 62 Days	R30 000
Ms Lebeso (Psychologist)	01	April 2022 to March 2023	R9 950

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
08	17	182 +_days	R1,930,655.01

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Competency Assessment (The Assessment Toolbox)	0 %	0 %	1
Competency Assessment (Bitline)	100 %	100%	1
Competency Assessment (GIJIMA HOLDINGS)	100 %	100%	1
Competency Assessment (MOGOMA RESEARCH AND DEVELOPMENT)	100%	100%	1
Competency Assessment (LILITHA LETHU SKILLS DEVELOPMENT MULTI-PURPOSE PRIMARY CO-OPERATIVE LIMITED)	100%	100%	1
Competency Assessment (LARONA CONSULTING)	100%	100%	1
DR Kewana (Psychiatrist)	100%	100%	1
DR Mokgoadi (Psychologist)	100%	100%	1
SANCA Rehabilitation centre (Pretoria)	0%	0%	1
Ms Selahle (Beautitudes Wellness) Psychologist	100%	100%	1

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Clearview Clinic (Pretoria)	0%	0%	1
Ms Lebesse (Psychologist)	100%	100%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023

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
Not applicable			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable			

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2022 and 31 March 2023

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	2022/2023	2021/2022
	R'000	R'000
Opening balance	460,079	435,609
Add: Irregular expenditure confirmed	74,541	24,470
Less: Irregular expenditure not recovered and written off		-
Closing balance	534,620	460,079

Irregular expenditure confirmed is in respect of Bids.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22		1,438,294
Irregular expenditure that relates to 2021/22 and identified in 2022/23		1,529
Irregular expenditure for the current year	74,541	24,470
Total	74,541	1,464,293

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

Description ¹	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment		
Irregular expenditure under determination		
Irregular expenditure under investigation	534,620	25,999
Total ²	534,620	25,999

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	(1,438,294)	0
Total	(1,438,294)	0

¹ Group similar items

² Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

Expenditure condoned by Treasury

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	(269)	
Total	(269)	

Include discussion here where deemed relevant.

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	-
Total	0	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	
Total	0	

Amount written off in respect of overtime pay

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 non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
None		

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Final written warning letters were issued to officials that were responsible for irregular expenditure that are still in the employ of the Department.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	115,981	109,387
Add: Fruitless and wasteful expenditure confirmed	1	6,594
Less: Fruitless and wasteful expenditure written off	(995)	0
Closing balance	114,987	115,981

Expenditure confirmed is in respect of interest charged

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/2022		-
Fruitless and wasteful expenditure that relates to 2021/2022 and identified in 2022/23		38
Fruitless and wasteful expenditure for the current year	1	6,556
Total	1	6,594

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

Description ³	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-

³ Group similar items

Description ³	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	38	-
Total⁴	38	-

Expenditure under investigation is in respect of investigations carried out by Internal Audit of subsistence and travelling. The investigation for the amount of R38,000 was finalised, disciplinary process is underway

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	1	
Total	1	

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	(995)	
Total	(995)	

Amount in respect of interest written off

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

Disciplinary steps taken
Where officials acknowledged the error/ debt recovery was made, therefore no further action taken.

1.3 Unauthorised expenditure

The department did not incur any unauthorised expenditure

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

None

⁴ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	8 088	1,397,000
Invoices paid within 30 days or agreed period	8 082	1,396,000
Invoices paid after 30 days or agreed period	04	629
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Invoices were submitted late by the suppliers

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
Procurement of unblocking of toilets, mainline pipeline, replace hand towels with hand dryers in the affected bathrooms restore water at the reception area and all floors above the reception area pipeline.	Stevovla's Cleaning and Gardening.	Deviation	Coghsta E02 / 2022 - 23 FY	9
Appointment of service provider to secure venue (Old Peter Mokaba Stadium) for wellness day on the 14 th of September 2022.	Polokwane Municipality	Deviation	Coghsta E04 / 2022 - 23 FY	15
Appointment of a service provider for advertisement of vacant posts	Arena Holdings (Pty) Ltd	Deviation	Coghsta E05 / 2022 - 23 FY	100
Appointment of a Polokwane Emergency Medical Services from Department of Health for wellness day on 14 September 2022	Department of Health	Deviation	Coghsta E06 / 2022 - 23 FY	4
Procurement of service provider to procure emergency toilets	Theo Kgao (Pty) Ltd	Deviation	Coghsta E08 / 2022 - 23 FY	88
Total				R216

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
Opening/ proclamation of township register and transfer of 673 (government subsidised houses) GBH	Mmakola Matsemela Incorporated Attorneys	Variation	Coghsta B12 - 2019 - 20 FY	R 873	0	R221
Township Establishment Project under Bela-Bela Municipality	MVD Kalahari Town & Regional Planners	Expansion	COGHSTA AB19/2018-19FY/03	R2 462	0	R21
Geotechnical Investigation for water and sewer reticulation grading of all roads, fire hydrants and provision for house connections for 350 units at Lepelle-Nkumpi Local Municipality	Hermiglo Pty Ltd	Expansion	COGHSTA AB19/18-19FY/18	R16 095	0	R203
Geotechnical Investigation for water and sewer reticulation grading of all roads, fire hydrants and provision for house connections for	Rhandzo Projects Pty Ltd	Expansion	COGHSTA B19/18-19FY/24	R19 314	0	R3 449

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
420 units at Makhado Local Municipality						
Geotechnical Investigation for water and sewer reticulation grading of all roads, fire hydrants and provision for house connections for 420 units at Fetakgomo Tubatse Local Municipality	T2 Tech Africa Management Group	Expansion	COGHSTA AB19/18-19FY/23	R19 314	0	R69
Principal Agent at Tshikota CRU	Lumar Engineering	Expansion		R 12 500		R193
Private Security at Waterberg District Office – Mokopane	Molebogeng Security Services	Expansion	COGHSTA B02/2019 – 20 FY	R 7 030		R608
Private Security at Vhembe support Center - Thohoyandou District	Mokato Security Services	Expansion	COGHSTA B01/2019 – 20 FY	R 4 101		R355
Private Security at Marapong Extension 3 - Lephalele	Volcania Projects Security Services	Expansion	COGHSTA B03/2019 – 20 FY	R 6 444		R557
The development of 37 rural housing units at Ephraim Mogale and FetakgomoTubtase Local Municipality	Letsimane Trading and Projects 85 cc	Additional scope of work for 1 unit	COGHSTA B04/2019-20 FY/52	R 4 160		R116
Construction of Housing Units	Various	Geo-technical investigation	Various	R627,631		R729,830
Total				R719,921		R738,723

PART F: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL

This is the auditor's report as issued by AGSA.

2. ANNUAL FINANCIAL STATEMENTS

Insert the department's word version of the audited annual financial statements.