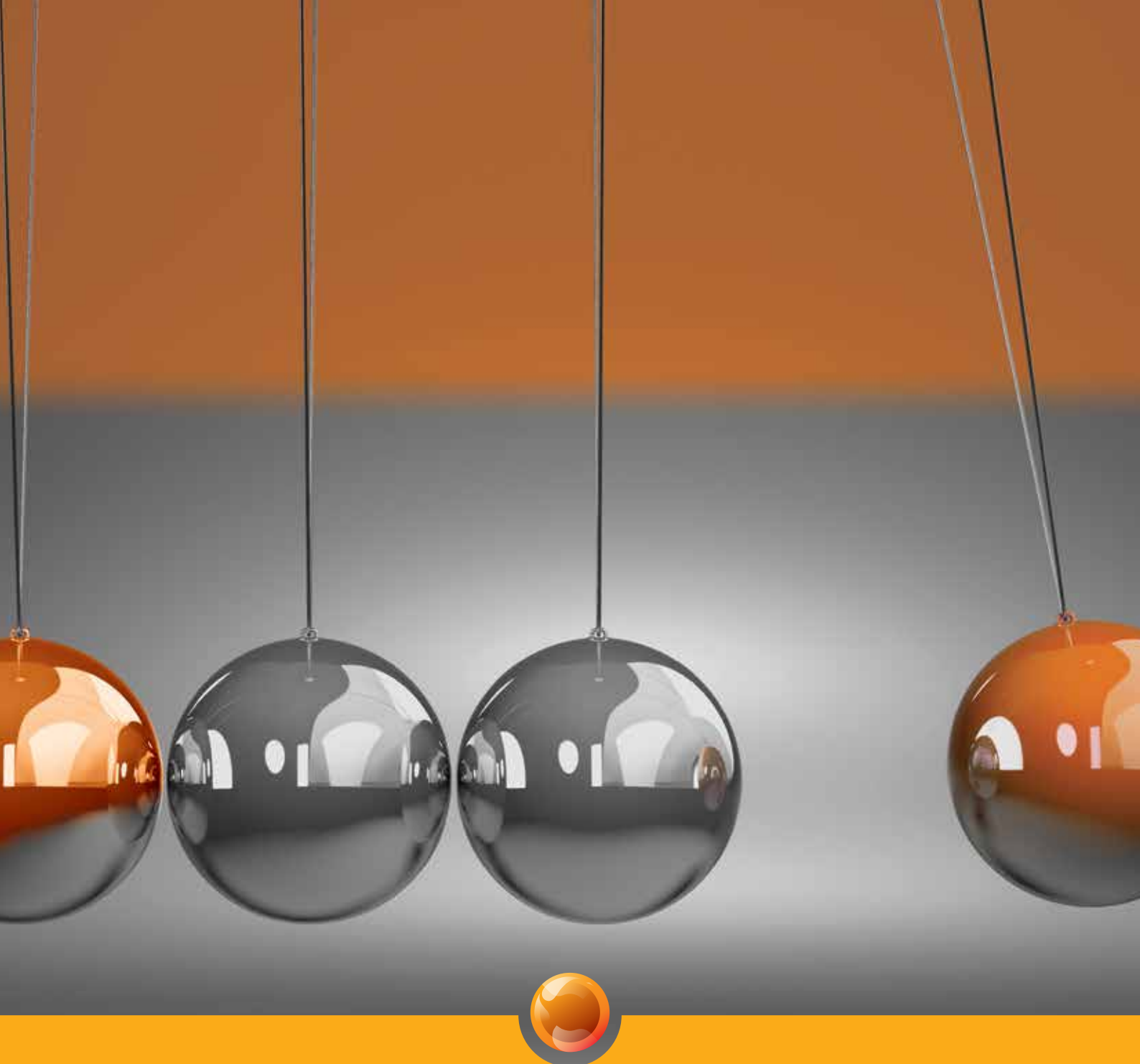




DEPARTMENT COOPERATIVE GOVERNANCE

# ANNUAL REPORT

# 2022/2023



cooperative  
governance

Department:  
Cooperative Governance  
REPUBLIC OF SOUTH AFRICA





# DEPARTMENT OF COOPERATIVE GOVERNANCE

VOTE NO. 03

# ANNUAL REPORT

2022/2023 FINANCIAL YEAR



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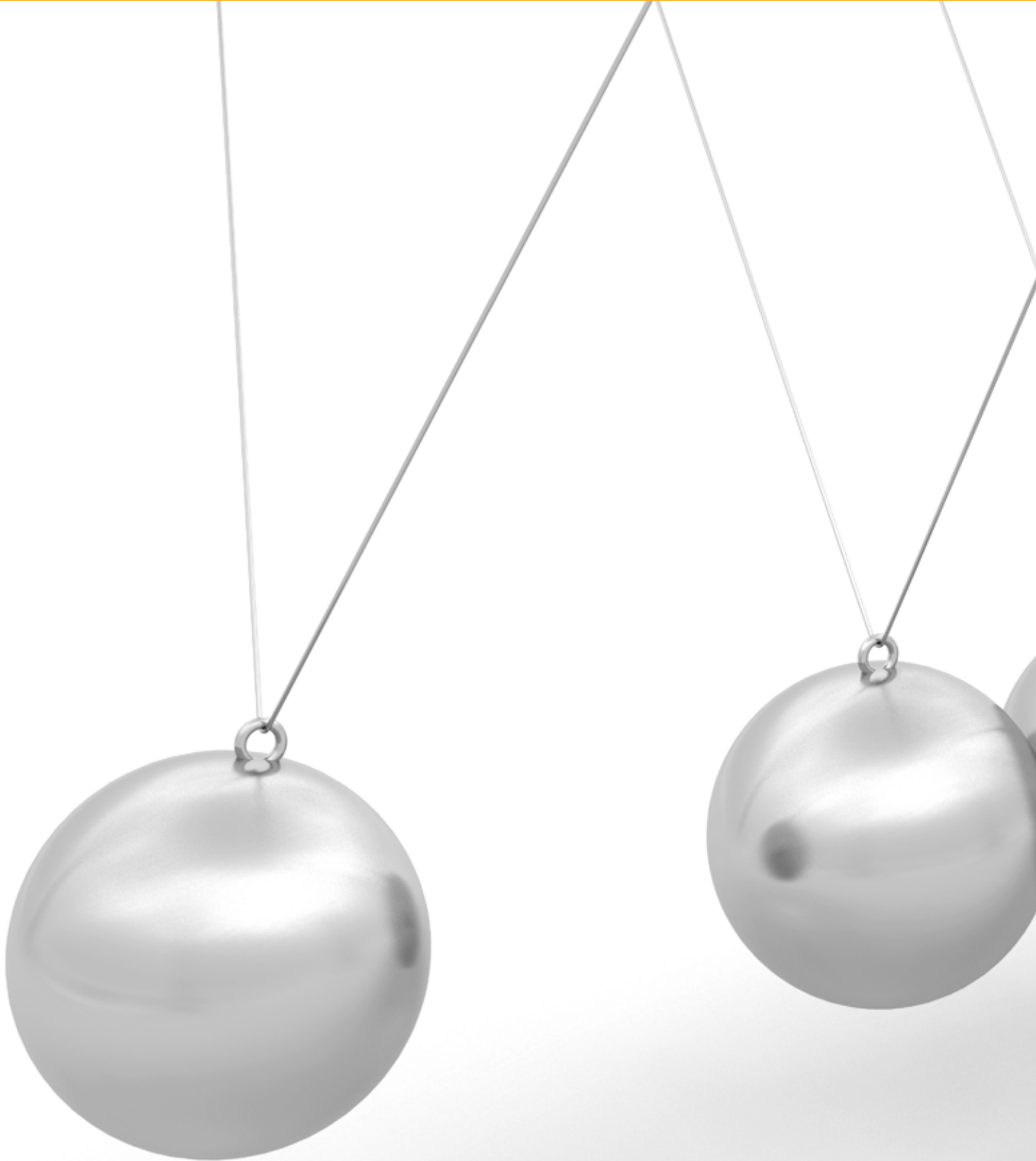
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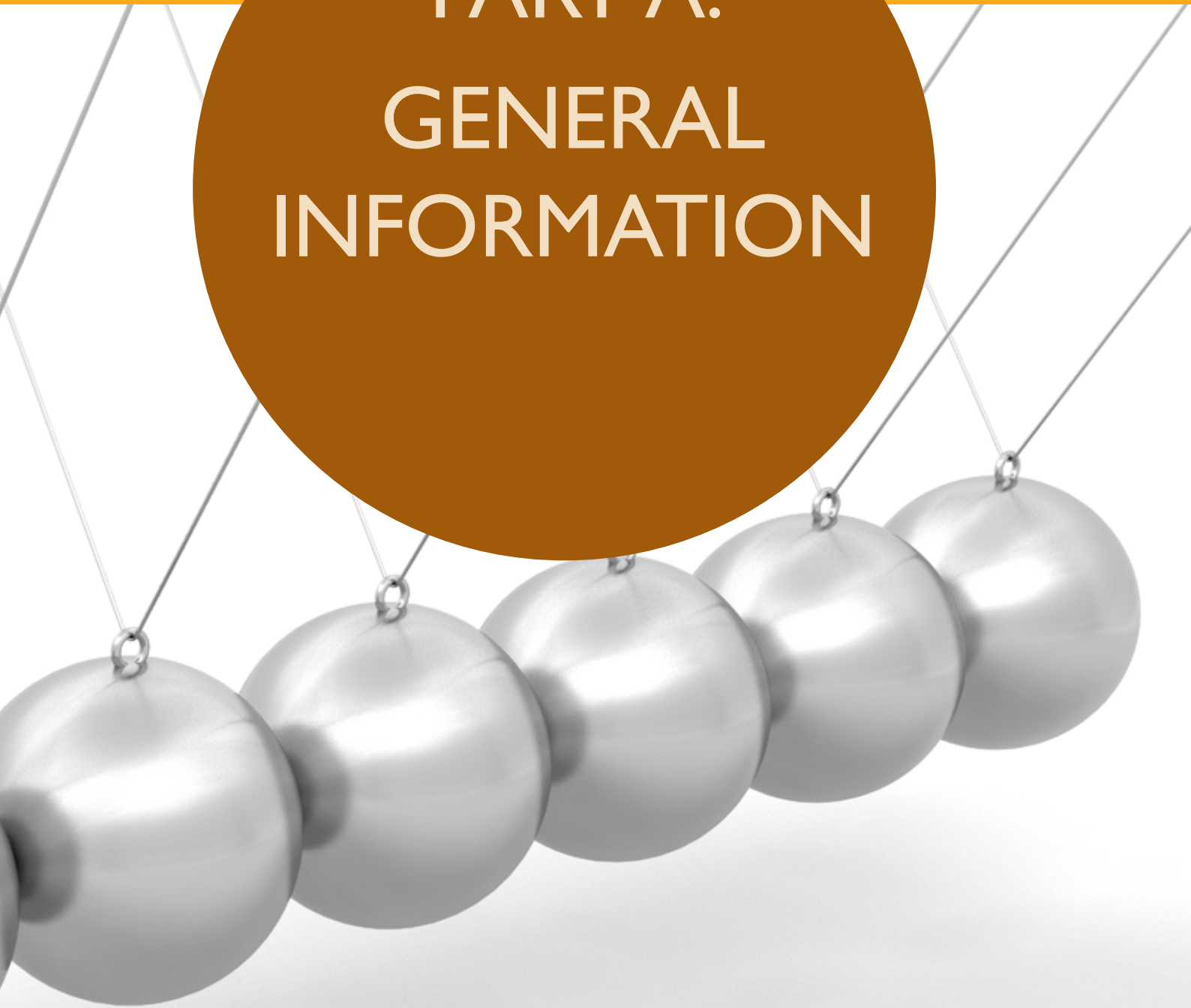
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# PART A: GENERAL INFORMATION



## I. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

|                |                                                              |
|----------------|--------------------------------------------------------------|
| <b>ACEIR</b>   | African Centre of Excellence for Inequality Research         |
| <b>AGSA</b>    | Auditor-General of South Africa                              |
| <b>AMI</b>     | Advanced Metering Infrastructure                             |
| <b>AO</b>      | Accounting Officer                                           |
| <b>APP</b>     | Annual Performance Plan                                      |
| <b>BCM</b>     | Buffalo City Municipality                                    |
| <b>BBBEE</b>   | Broad Based Black Economic Empowerment                       |
| <b>CEO</b>     | Chief Executive Officer                                      |
| <b>CFO</b>     | Chief Financial Officer                                      |
| <b>CGICTPF</b> | Corporate Governance of ICT Policy Framework                 |
| <b>COGTA</b>   | Cooperative Governance and Traditional Affairs               |
| <b>CWP</b>     | Community Work Programmeme                                   |
| <b>DBSA</b>    | DBSA                                                         |
| <b>DCOG</b>    | Department of Cooperative Governance                         |
| <b>DDM</b>     | District Development Model                                   |
| <b>DG</b>      | Director-General                                             |
| <b>NDMC</b>    | National Disaster Management Centre                          |
| <b>DM</b>      | District Municipality                                        |
| <b>DMAA</b>    | Disaster Management Amendment Act, 2015 (Act No. 16 of 2015) |
| <b>DORA</b>    | Division of Revenue Act                                      |
| <b>DPME</b>    | Department of Planning, Monitoring and Evaluation            |
| <b>DPSA</b>    | Department of Public Service and Administration              |
| <b>DTA</b>     | Department of Traditional Affairs                            |
| <b>DWS</b>     | Department of Water and Sanitation                           |
| <b>EC</b>      | Eastern Cape                                                 |
| <b>ENE</b>     | Estimates of National Expenditure                            |
| <b>EU</b>      | European Union                                               |
| <b>FBSA</b>    | Fire Brigade Services Act                                    |
| <b>FBS</b>     | Free Basic Services                                          |
| <b>FFC</b>     | Financial Fiscal Commission                                  |
| <b>FS</b>      | Free State                                                   |
| <b>GIS</b>     | Geographic Information System                                |
| <b>GP</b>      | Gauteng Province                                             |
| <b>HCM</b>     | Human Capital Management                                     |
| <b>HOD</b>     | Head of Department                                           |
| <b>IAA</b>     | Internal Audit Activity                                      |
| <b>ICT</b>     | Information Communication Technology                         |
| <b>IDDR</b>    | International Day for Disaster Risk Reduction                |
| <b>IEC</b>     | Independ Electoral Commission                                |

|                |                                                          |
|----------------|----------------------------------------------------------|
| <b>IUDF</b>    | Integrated Urban Development Framework                   |
| <b>IUDG</b>    | Integrated Urban Development Grant                       |
| <b>IGR</b>     | Intergovernmental Relations                              |
| <b>IMSI</b>    | Intergovernmental Monitoring, Support and Intervention   |
| <b>IMTT</b>    | Inter-Ministerial Task Team                              |
| <b>KPA</b>     | Key Performance Area                                     |
| <b>KZN</b>     | KwaZulu-Natal                                            |
| <b>LED</b>     | Local Economic Development                               |
| <b>LGSETA</b>  | Local Government Sector Education and Training Authority |
| <b>LM</b>      | Limpopo                                                  |
| <b>MP</b>      | Mpumalanga                                               |
| <b>M&amp;E</b> | Monitoring and Evaluation                                |
| <b>MDB</b>     | Municipal Demarcation Board                              |
| <b>MEC</b>     | Member of Executive Committee                            |
| <b>MIG</b>     | Municipal Infrastructure Grant                           |
| <b>MinMEC</b>  | Ministers and Members of Executive Council               |
| <b>MISA</b>    | Municipal Infrastructure Support Agent                   |
| <b>MoU</b>     | Memorandum of Understanding                              |
| <b>MPRA</b>    | Municipal Property Rates Act                             |
| <b>MSA</b>     | Municipal Systems Act                                    |
| <b>MSCoA</b>   | MSCOA                                                    |
| <b>MTEF</b>    | Medium Term Expenditure Framework                        |
| <b>MTSF</b>    | Medium Term Strategic Framework                          |
| <b>NC</b>      | Northern Cape                                            |
| <b>NCBCF</b>   | National Capacity Building Coordinating Forum            |
| <b>NCoP</b>    | National Council of Provinces                            |
| <b>NDMC</b>    | National Disaster Management Centre                      |
| <b>NDP</b>     | National Development Plan                                |
| <b>NFSF</b>    | National Fire Services Framework                         |
| <b>NGO</b>     | Non-Government Organisation                              |
| <b>NT</b>      | National Treasury                                        |
| <b>NW</b>      | North West                                               |
| <b>UCLGA</b>   | United Cities and Local Governments of Africa            |
| <b>UNISDR</b>  | United Nations Strategy for Disaster Reduction           |
| <b>PAJA</b>    | Promotion of Administrative Justice Act                  |
| <b>PFMA</b>    | Public Finance Management Act, Act 1 of 1999             |
| <b>POA</b>     | Programme of Action                                      |
| <b>SACN</b>    | South African Cities Network                             |
| <b>SADC</b>    | Southern African Development Community                   |

|               |                                                           |
|---------------|-----------------------------------------------------------|
| <b>SALDRU</b> | Southern Africa Labour and Development Research Unit      |
| <b>SALGA</b>  | South African Local Government Association                |
| <b>SANEDI</b> | SA National Energy Development Institute as a part of the |
| <b>SARS</b>   | South African Revenue Services                            |
| <b>SASGI</b>  | South African Smart Grid Initiative                       |
| <b>SCM</b>    | Supply Chain Management                                   |
| <b>SDIP</b>   | Service Delivery Improvement Plan                         |
| <b>SFDRR</b>  | Sendai Framework for Disaster Risk Reduction              |
| <b>SITA</b>   | State Information Technology Agency                       |
| <b>SIU</b>    | Special Investigation Unit                                |
| <b>SLA</b>    | Service Level Agreement                                   |
| <b>SMART</b>  | Specific, Measurable, Attainable, Realistic, Timely       |
| <b>SMME</b>   | Small Medium and Micro Enterprises                        |
| <b>SMS</b>    | Senior Management Services                                |
| <b>SPLUMA</b> | Spatial Development Frameworks                            |
| <b>TOR</b>    | Terms of Reference                                        |
| <b>TR</b>     | Treasury Regulations                                      |
| <b>TSP</b>    | Technical Support Plans                                   |
| <b>WC</b>     | Western Cape                                              |



# FOREWORD BY THE MINISTER

**Ms Thembi Nkadimeng,**

*Minister of Cooperative Governance and  
Traditional Affairs*

It is with great pleasure that I present this Annual Report which reflects our efforts to build and accelerate implementation of the developmental and transformative role of local government as envisioned in Section 152 of the Constitution.

This report showcases the Department's unwavering commitment to promoting good governance and fostering cooperative governance. This report also presents a comprehensive overview of the Department's achievements, challenges faced and plans. It highlights the progress made in implementing key projects and initiatives, as well as the allocation and utilisation of resources in line with our strategic objectives.

We are tabling this report at a time when local government continues to face the pressing challenge of inadequate service delivery. Some of our municipalities struggle to provide essential services such as water, sanitation, electricity and roads to their communities.

The fundamental challenges we face, necessitating nationwide interventions, stem from insufficient institutional capacity, ineffective governance, inadequate financial management, pervasive corruption and political instability. As a result of this, 66 of our municipalities were classified as dysfunctional in 2022, exhibiting difficulties across vital areas such as administration, governance, financial administration, service delivery and Local Economic Development (LED).

We acknowledge that this poses a critical challenge to our mission of building sustainable and thriving communities. However, it is in confronting these challenges that we find the stimulus to enact positive change. While the task ahead may be daunting, we draw inspiration from the numerous success stories that have emerged from our municipalities that have embraced change and implemented service delivery solutions. Their achievements demonstrate the possibilities that exist when we unite around a common purpose and work tirelessly towards a shared vision.

As part of our efforts, we continue to monitor the implementation of national interventions in terms of Section 139 (7) of the Constitution, namely, in Lekwa Local Municipality (Mpumalanga), Mangaung Metro (Free State) and Enoch Mgijima Local Municipality (EMLM) in the Eastern Cape. This provision empowers us as a national government to intervene in provincial and local government affairs when there are severe challenges and failures that impede effective governance and service delivery. In the financial year under-review, we worked and collaborated closely with National Treasury and other sector Departments such as the Department of Water and Sanitation, Department of Human Settlements, Department of Transport and Department of Forestry, Fisheries and Environment in our effort of ensuring a coordinated and comprehensive support to the municipalities under Section 139 (7), particularly in the Mangaung Metro resulting in its relative stability.

Over the past year, we have continued with efforts to strengthen the foundation of cooperative governance at all levels, ensuring effective collaboration between national, provincial and local spheres of government. By encouraging partnerships and promoting citizen participation, we have aimed to enhance service delivery, address community needs and create an enabling environment for sustainable development across the country. We have done this by supporting the institutionalisation of the District Development Model (DDM) which is anchored in the Intergovernmental Relations Framework Act.

We are currently reviewing legislation that impacts on local government with the view of addressing weaknesses and entrenching good practices and policy coherence as follows: (1) Inter-Governmental Relations Framework Act (IGR) Review: Regulations in terms of Section 47 of the Intergovernmental Relations Framework Act will go out for public comments with an aim of institutionalizing the DDM. (2) Intergovernmental Monitoring, Support and Intervention Bill (IMSI). In compliance with the requirements of Section 100(3) and 139(8) of the Constitution, this Bill aims to strengthen the processes and procedures for intervention by the national and provincial governments in provinces and municipalities, respectively.

While we work to institutionalise the DDM, we welcome the improved coordination and cooperation between the Offices of the Premier (OoPs) and provincial Cooperative Governance and Traditional Affairs (CoGTAs) in the implementation of the DDM.

We further also welcome the conclusion of the DDM Presidential Izimbizo in all provinces. These Izimbizo embodies the core principles of our democracy, transparency and accountability. They provided a platform for direct interaction between the highest office in the land and the citizens it serves. They have been a testament to the commitment of our government to hear the voices, concerns and aspirations of our people firsthand.

As we confront the challenges posed by natural and human-induced disasters, we remain steadfast in our commitment to safeguarding the well-being of the people of South Africa. In recognising the vulnerability of our nation to various calamities, we have placed disaster management and risk reduction at the forefront of our agenda. The impact of these events has been devastating, affecting communities, infrastructure and the environment.

Through collaborative efforts with multiple stakeholders, we have dedicated ourselves to fortifying disaster response mechanisms, improving early warning systems and advocating for resilience-building initiatives. This collaboration proved pivotal when the National Disaster Management Centre (NDMC) efficiently responded to the flood disasters that struck no fewer than four provinces (KwaZulu-Natal, Mpumalanga, North West and the Eastern Cape) in April 2022.

Throughout the reporting period, the Community Work Programme (CWP) has continued to be a beacon of hope, empowering communities and fostering inclusive development across our beloved nation. Guided by its vision of transformative change and social cohesion, the programme remains at the forefront of our efforts to alleviate poverty, create employment opportunities and uplift marginalised communities.

We have initiated the process of reconfiguring the programme to integrate it as a key component of the DDM. Aligned with the DDM approach, the reconfigured CWP will prioritise the coordination of all stakeholders, with a particular emphasis on engaging the private sector.

Through this reconfiguration, our goal is to foster strategic partnerships that effectively address the pressing issues of poverty, inequality, unemployment and the related socio-economic challenges. By uniting our efforts in this manner, we aim to create a more comprehensive and impactful approach to empower our communities and promote sustainable development. The reconfigured CWP will

result in more bias towards the local government mandate in the form of infrastructure related work programmes with the economic and social programmes as additional support work areas.

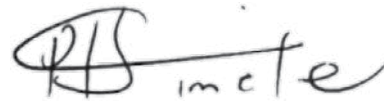
As part of ensuring good governance and sound financial management, we continue to inculcate and deepen the culture of consequence management within the echelons of the Department.

Findings and recommendations of various bodies such as the Auditor-General, Audit Committee, forensic outcomes, etc., are being considered and implemented on an ongoing basis.

The Department would not have achieved its targets and programmes for the 2022/23 financial without the support and partnership with institutions such as Municipal Infrastructure Support Agent (MISA), Municipal Demarcation Board, SA-Cities Network, South African Local Government Association (SALGA), National House of Traditional and Khoi-san leaders as well as various social partners.

This report not only highlights the challenges we faced during the year under review, but also showcases the impact of collective efforts and innovative approaches in service delivery, none of which would be accomplished without the dedication and hard work of our team, whose unwavering commitment to public service is commendable.

As we look ahead, we remain steadfast in our mission to our vision of vibrant, resilient, sustainable, prosperous, connected, cohesive and climate smart communities. Our vision for the future hinges on cooperation, solidarity and equitable development, where every citizen enjoys the benefits of our nation's progress.



---

**Ms TP Nkadameng**

**Minister of Cooperative Governance and  
Traditional Affairs**

Date: 29 September 2023





## DEPUTY MINISTER STATEMENT

**Mr Parks Tau, MP**

*Deputy Minister of Cooperative Governance*

It gives us pleasure to table this Annual Report as testament to the work we have undertaken during the period under review. Our core mission remains the need to support and strengthen the local government sphere, which is the bedrock of service delivery and community development in our nation.

Having launched the District Development Model (DDM) as an approach to governance, we are starting to record milestones in our collective efforts to achieve sustainable development and prosperity for all South Africans. The model embodies a fundamental shift in the way we have been approaching local development. By breaking down silos and fostering greater collaboration between government Departments, all spheres of government, traditional leaders, civil society and the private sector, we have set a new standard for integrated planning and service delivery.

Throughout the year under review, we have witnessed remarkable achievements arising from the adoption of the DDM. This year, we saw the submission of 50, first generation intergovernmental long-term One Plans, which underwent a rigorous quality assurance process, facilitated through an intergovernmental panel. This was a first for the country and a key milestone under the institutionalisation phase of the DDM.

This sets the basis for the implementation of key identified catalytic projects in various district and metro

spaces. As the lead Department in the coordination of the implementation of the DDM, we supported and coordinated the rollout of five Presidential DDM Imbizos in five provinces. This contributed to further strengthening the institutionalisation of the DDM across the three spheres of government and enhanced the objectives of One Plans as intergovernmental implementation protocols.

We have recorded strides in advancing the principles of local democracy and citizen-centric governance. Our steadfast commitment to fostering collaborative partnerships with municipalities, traditional leaders, civil society and other key stakeholders is instrumental in driving positive change and sustainable development at the grassroots level.

We pride ourselves on the work we have undertaken to foster excellence in municipal governance as this has been at the forefront of our efforts. We undertook this work as we want to see our municipalities upholding the principles of transparency, accountability and service delivery.

Our dedication to capacity building and skills development will yield positive results, equipping municipal leaders and employees with the knowledge and tools to excel in their roles.

The Department is in the process of finalising the implementation of the generic prototype staff establishment to support municipalities to design fit-for-purpose municipal organograms to assist in achieving

the strategic goals and objectives and service delivery mandate of municipalities. We have further also developed an online skills audit system for local government to assist municipalities to conduct skills audit for municipal officials as part of the rollout of municipal staff regulations. We have undertaken to upgrade the system to incorporate, amongst others, the competency frameworks for the different occupational streams for all municipal staff below the management echelon.

We continue to embrace a participatory governance approach, dedicated to collaborating with citizens and all stakeholders at the community level, in order to address their social, economic, and material requirements and enhancing their overall well-being.

By actively involving communities in local government affairs, we ensure that municipalities are responsive to a diverse range of community needs, representing the interests of all. In our participatory processes, it is crucial to include the representation of all groups to ensure equitable consideration, avoiding favoritism of one group's interests over another's needs.

We have in the period under review provided hands-on technical support to provinces and municipalities to ensure that ward committees were established in accordance with the provisions of the legislative framework for ward committees and community participation.

Various support measures to enhance the functionality of ward committees were also implemented including: Guidelines for Establishment and Operation of Municipal Ward Committees; Regulations for the Term of Office of Ward Committee Members; Payment of out-of pocket Expenses for Ward Committee Members in Grades 1, 2 and 3 Municipalities through the Local Government Equitable Share Grant; A National Framework on Ward Committee Operational Plans has been developed and is currently implemented by municipalities; Capacity-building for ward committee members is taking place in partnership with Local Government Sector Education and Training Authority (LGSETA) to provide an National Qualification Framework (NQF) Level 2 capacity building and training skills programme,

Looking ahead, in a drive to further encourage the involvement of communities and community organisations in core local government processes, we will be strengthening key focus areas to ensure optimum local participatory

democracy. These include, amongst others, strengthening public participation through IGR and implementation of Integrated Service Delivery Models (ISDMs) such as Operation Sukuma Sakhe in KwaZulu-Natal (KZN); collaboration/partnerships with civil society organisations; strengthening the role of district municipalities in enhancing public participation.

We look forward to hosting the 2023 Brazil, Russia, India, China and South Africa (BRICS) Urbanisation Forum in Durban as a platform for sharing insights, exchanging best practices and fostering collaboration on urban development challenges among the BRICS member countries. This is particularly important for our country as we are experiencing a significant 'urban shift' or migration. On our part, we continue to implement the Integrated Urban Development Framework (IUDF) as government's policy position to guide the future growth and management of urban and rural areas and to support and guide South African cities, intermediate cities and small towns to achieve spatial transformation – by reversing the inefficient spatial patterns to promote both social and economic development, while protecting the environment.

We will forge ahead with work to support various municipalities towards developing a support programme and plans for redesign and refurbishment into smart cities and will include 3D models. We will also continue to provide leadership in the development of cities and towns in South Africa. In this regard, we have drafted the Smart Cities Framework (SCF) to guide municipalities towards developing smart city initiatives from a South African perspective.

While we take pride in the accomplishments highlighted in this report, we acknowledge that there is still work to be done. We are committed to continuous improvement and building on the successes of the past year. Challenges will undoubtedly emerge, but we are confident in our ability to overcome them together, drawing strength from the knowledge that a collective approach is essential to sustainable progress as called for in the DDM.



**MR MFP Tau, MP**

**Deputy Minister of Cooperative Governance**

Date: 29 September 2023



# REPORT OF THE ACCOUNTING OFFICER

**Mr Mbulelo Tshangana**

*Director-General of the Department of Cooperative Governance*

## Overview of the Department

It is with a great sense of responsibility and commitment that I present this statement as the Department of Cooperative Governance tables the 2022/23 Annual Report. It reflects our dedication to upholding the Constitutional principles that underpin the mandates of the three spheres of government in South Africa.

As we opened the 2022/23 financial year, flood disasters struck no less than four provinces in April 2022. Despite these challenges, we remained committed in our resolve to strengthen local government by bringing together government, private sector, our partners and civil society to confront these difficulties.

Having just come out of a difficult period under the Covid-19 pandemic, the flood disasters in KwaZulu-Natal, Mpumalanga, North-West and the Eastern Cape further intensified the need for a one-government approach towards saving lives and strengthening our service delivery mechanisms.

Despite the challenges listed above, a year-on-year comparison shows a significant improvement in the Departmental performance where 68% was achieved in 2020/21, and 70% during the year under review. We introduced changes to the organisational programmes to assist in bringing efficiency and drive the implementation of our mandate. Following the comprehensive review and overview of the Operating Model and Organisational Structure of the Department, the following programmes now drive our mandate:

- Programme 1: Administration
- Programme 2: Local Government Support and Interventions Management (LGSIM)
- Programme 3: Institutional Development (ID)
- Programme 4: National Disaster Management Centre
- Programme 5: Community Work Programmememe

Through a thorough review of our organisational programmes, we have identified areas for improvement and realignment. We have streamlined processes, enhanced coordination, and adopted innovative strategies to ensure that our resources are utilised optimally, and our efforts are directed towards meaningful outcomes.

As we reflect on the year under review, we are inspired by the remarkable progress we have made in fulfilling our mandate and advancing the well-being of our communities. Some of the highlights includes the hosting of the Local Government Summit wherein His Excellency, President Cyril Ramaphosa directed the Department to, amongst others, continue to have focused engagements with municipalities to ensure that our citizens and communities are provided with basic services in a sustainable manner.

### **Programme 1: Administration**

At the core of our operations, Programme 1: Administration serves as the strong foundation that supports the efficient functioning of our organization. Through prudent financial management, robust governance practices and a dedicated team, we have ensured that our resources are optimally utilised, allowing us to focus on delivering impactful outcomes. The Department, through the reconfigured organisational structure, low levels staff members are provided an opportunity to move into higher levels.

### **Programme 2: Local Government Support and Interventions Management (LGSIM)**

Our commitment to strengthening local governance is exemplified through Programme 2: LGSIM. By providing intergovernmental support and fostering collaborative partnerships, we have empowered municipalities to enhance service delivery, promote transparency and embrace sustainable development. Together, we have laid the groundwork for vibrant and resilient local government systems.

As part of our mandate to support local government, the Municipal Support and Intervention Framework continues to be implemented in collaboration with National Treasury and other sector Departments to deal with municipal specific challenges that were identified in the State of Local Government Report. This work is carried out in partnership with National Treasury and the Provincial Departments of CoGTA.

### **Programme 3: Institutional Development (ID)**

The vital role of Programme 3: Institutional Development (ID) in formulating intergovernmental policies and promoting effective governance, cannot be overstated. Through evidence-based decision-making and strategic planning, we have advanced cooperative governance, ensuring that all spheres of government work harmoniously towards a common vision of progress and prosperity.

Taking into consideration the complex challenges facing our municipalities, it is the constitutional mandate of both national and provincial governments to support municipalities. This is covered in our Constitution in Sections 154 and 155: Section 154 states that, "national and provincial governments, by legislative and other measures, must support and strengthen the capacity of local government to manage their own affairs, to exercise their powers and to perform their functions". Section 155(7) provides that national government and provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedule 4 and 5."

Over the years, the above support framework has been implemented in various ways with varying degrees of success. Regarding interventions specifically, we have undertaken a review of how interventions in terms of Section 139 of the Constitution have been implemented since the advent of the Constitution. The review of interventions in some provinces has led to several key success factors or principles that were considered to inform the strategy on how to approach interventions. The Department developed a strategy on how to approach interventions to bring about consistency in procedural implementation. Some of the principles underpinning the new approach referred to herein has been captured in the Intergovernmental Monitoring Support and Interventions Bill (IMSI Bill) which the Department will publish during the first half of the new financial year for public comment. This legislative reform is an important piece within the broader intergovernmental relations puzzle which will bring uniformity and consistency.

Corruption in the local government affects service delivery. Corruption has become one of the main issues occupying the public discourse. The fight against corruption is one of the key pillars and a priority area as outlined by the National Development Plan (NDP). The NDP envisions

a corruption-free society, instructs for the creation of a resilient anti-corruption system and advocates for a whole-of-society approach to prevent and combat corruption.

The Department launched the Local Government Anti-Corruption Strategy (LGACS) as a way of strengthening the fight against corruption in the municipalities. The strategy sets out the strategic objectives to be pursued by municipalities in terms of preventing and combating corruption. LGACS entails that the municipalities must drive an anti-corruption awareness campaign to enhance good governance and create a culture which is intolerant to fraud and corruption. The Local Government Anti-Corruption Strategy and the Municipal Integrity Management Framework provide a high-level road map on how to deal with fraud, maladministration, and corruption, and promotes prevention, detection, investigation, resolution and public participation as the platform of the strategy.

In September 2022, the Minister launched the Local Government Anti-Corruption Forum as a vehicle through which the Department works in collaboration with the Special Investigating Unit (SIU), Directorate for Priority Crime Investigation (DPCI), Auditor-General of South Africa (AGSA) and SALGA through the Local Government Anti-Corruption Forum as part of intensifying the fight against fraud, corruption and other malpractice in the municipalities.

The Department also supported the Local Government Ethical Leadership Initiative which contributes towards building a capable, ethical and developmental state in the municipalities. In this regard, the Department is working with the Ethics Institute, SALGA and the Moral Regeneration Movement to develop a Code on Ethical Leadership which is another initiative highlighting the importance of ethical leadership and ethics in general within municipalities. It is the intention to launch the Code during the 2023/24 financial year.

As part of the amendments made to the Municipal Structures Act in 2021, the Code of Conduct for Councillors was incorporated into the Amended Act to become the new Schedule 7. To strengthen the implementation of the Code, Draft Regulations were developed and consulted on during this financial year. This is a key reform that was developed to bring stability in governance in municipal councils and its committee structures, especially within

coalition governments. It is anticipated that the regulations will be promulgated during the first half of the 2023/24 financial year.

The South African Cities Network remains an important partner in dealing with the number of challenges facing our cities and towns through their research, knowledge sharing and peer learning work, so that they are able to make informed decisions.

Complimenting the work initiated by DCoG, SALGA committed to support local municipalities on localising the Sustainable Development Goals through Voluntary Local Reviews (VLR) during the year under review. This process will assist municipalities to track and report on Sustainable Development Goals (SDGs) progress. The envisaged training will assist municipalities to mainstream SDGs into their planning and budgeting systems.

#### **Programme 4: National Disaster Management Centre**

The past year has brought unforeseen challenges, and Programme 4: National Disaster Management Centre played a critical role in coordinating disaster response and mitigation efforts. With a focus on preparedness, response and recovery, we have demonstrated our commitment to safeguarding our communities and building resilience in the face of adversity.

#### **Programme 5: Community Work Programme**

Empowering communities through sustainable employment opportunities remains a cornerstone of our mission, exemplified by Programme 5: Community Work Programme. By investing in skills development, community infrastructure and social cohesion, we have contributed to alleviating poverty and enhancing the quality of life for countless beneficiaries.

Looking ahead, we will continue with work following the adoption of a Results-Based Planning approach towards key programmes that will result in meaningful impact. We will establish a Results-Based Management Office (RMO) that will operate like a War Room. It is our aim to resource this approach with the recruitment and placement of highly qualified, skilled and experienced local government experts and specialist who will be working with municipalities, provincial governments, national sector Departments and state-owned entities across the country.

This will not only measure the acceleration of our programmes but gauge the impact, whilst also closing the loopholes as illustrated in what the District Development Model (DDM) concept note expects us to do.

Our Annual Report reflects the diverse yet interconnected nature of our programmes, highlighting the collective impact of our endeavours. None of this would have been possible without the leadership of Minister Nkademeng as well as Deputy Ministers Parks Tau and Prince Zolile Burns-Ncamashe. The dedication and passion of our talented team and the invaluable support and collaboration of our stakeholders and partners, have been instrumental in making our collective efforts a resounding success.

- Overview of the operations of the Department:
  - Overview of the results and challenges for the Department, briefly commenting on significant events and projects for the year.
- Overview of the financial results of the Department:
  - Departmental receipts

|                                                      | 2022/2023    |                     |                                | 2021/2022    |                     |                                |
|------------------------------------------------------|--------------|---------------------|--------------------------------|--------------|---------------------|--------------------------------|
|                                                      | Estimate     | Actual              | (Over)/<br>Under<br>Collection | Estimate     | Actual              | (Over)/<br>Under<br>Collection |
|                                                      |              | Amount<br>Collected |                                |              | Amount<br>Collected |                                |
|                                                      | R'000        | R'000               | R'000                          | R'000        | R'000               | R'000                          |
| Sale of goods and services other than capital assets | 699          | 200                 | 499                            | 280          | 274                 | 6                              |
| Transfers received                                   | -            | -                   | -                              | -            | -                   | -                              |
| Fines, penalties and forfeits                        | -            | -                   | -                              | -            | -                   | -                              |
| Interest, dividends and rent on land                 | 1 042        | 1 356               | (314)                          | 824          | 861                 | (37)                           |
| Sale of capital assets                               | -            | -                   | -                              | 390          | 372                 | 18                             |
| Financial transactions in assets and liabilities     | 2 500        | 7 893               | (5 393)                        | 735          | 17 127              | (16 392)                       |
| <b>Total</b>                                         | <b>4 241</b> | <b>9 449</b>        | <b>(5 208)</b>                 | <b>2 229</b> | <b>18 634</b>       | <b>(16 405)</b>                |

The table above depicts actual receipts, projected receipts and variances. An amount of R9.449 million was collected by the Department by 31 March 2023 against projections of R4.241 million. The revenue collected was from parking, sale of wastepaper and commission on insurance deductions. It is not always possible to accurately project revenue as the Department is not a revenue generating organisation.

#### Programme 1: Administration

Programme 1 spent R348.708 million, indicating a spending rate of 99.9 percent in relation to the adjusted allocation of R348.226 million, resulting in a minimal underspend of only 0.1 percent. This variance is of negligible consequence, as the Department redistributed funds from other underspending programmes. This adjustment was necessary due to the substantial overspending observed in Programme 1, primarily attributable to increased costs

related to employee compensation and procurement of goods and services.

#### Programme 2: Local Government Support and Intervention Management

Programme 2 spent R18.520.496.000, reflecting a spending rate of 99.9 percent in relation to the adjusted budget allocation of R18.535.071.000, resulting in a minor underspend of 0.1 percent. This variance is attributed to the following factors: vacant positions that remain unfilled, undergoing a selection and recruitment process, and underutilization of funds for goods and services due to delays in implementing the Procurement plan.

#### Programme 3: Institutional Development

Programme 3 spent R84.1 06.367.000, accounting for 96.0 percent of the budgeted amount of R87,571,768,000.

This results in a deviation of R3,465,401,000, reflecting an underspend of 4.0 percent. This variance arises due to multiple factors. Delays in executing the annual Procurement Plan played a role, compounded by the underspending within the Municipal System Improvement Grant (MSIG). The latter stems from awarded projects in the procurement plan that have yet to commence due to instabilities in certain municipalities. Furthermore, two projects concerning Smart Cities outlined in the Procurement plan remain unawarded. Additionally, the withholding of Local Government Equitable Share (LGES) was necessitated due to underperforming municipalities in other conditional grants they received and/or non-compliance with conditions outlined in the Division of Revenue Act (DORA).

#### **Programme 4: National Disaster Management Centre**

Programme 4 spent R3,900,043,000, which represents 91.3 percent of the allocated budget of R4,270,687,000. This results in a variance of R370,644,000, reflecting an underspend of 8.7 percent. This deviation can be attributed to a few key factors. The CoE underspending is primarily due to vacant positions within the Programme. However, the selection and recruitment process to fill these vacancies is underway. Additionally, the underutilization of funds for goods and services is a consequence of delayed

Disaster evaluations and the slower implementation of the Procurement plan.

Regarding the Disaster Relief Grants, prior to receiving supplementary funding during the 2022 Medium-Term Budget Review, the Department effectively transferred its entire Disaster Response Grant allocation from the original budget to provide immediate relief in response to the floods that affected KZN. However, any unspent additional funding of R344.5 million will be returned to the National Treasury due to underspending.

#### **Programme 5: Community Work Programme**

Programme 5 spent a total of R3,834,095,000, reflecting an expenditure of 89.1 percent in comparison to the budget allocation of R4,301,204,000. This results in a variance of R467,109,000, representing an underspend of 10.9 percent. The factors contributing to this variance encompass the suspension of procurement activities involving tools, materials, and training, lapse of contracts with Implementing Agents, not renewed to facilitate the handover process, and the influence of the suspension of the 2017 PPPFA (Preferential Procurement Policy Framework Act) regulations at the commencement of the financial year by the National Treasury, which further contributed to procurement delays.

**Table 2: Savings trends since 2015/16 financial year.**

| Year    | Expenditure<br>R '000 | Saving<br>% | Saving<br>R '000 |
|---------|-----------------------|-------------|------------------|
| 2015/16 | 68 097 537            | 3.99%       | 2717 940         |
| 2016/17 | 69 852 230            | 4.54%       | 3 169 676        |
| 2017/18 | 76 362 043            | 2.68%       | 2 101 847        |
| 2018/19 | 81 814 196            | 3.81%       | 3 222 815        |
| 2019/20 | 86 946 178            | 3.78%       | 3 414 105        |
| 2020/21 | 103 305 842           | 3.41%       | 3 636 945        |
| 2021/22 | 98 443 058            | 2.80%       | 2 816 873        |
| 2022/23 | 110 709 081           | 3.8%        | 4 318 357        |

The primary factor behind the underutilization of funds in the 2022/23 financial year is attributed to several causes, including the offsetting of the local government equitable

share to certain underperforming municipalities due to non-compliance with the stipulations outlined in the Division of Revenue Act.

## Programme Expenditure

| DEPARTMENT<br>OF<br>COOPERATIVE<br>GOVERNANCE                 | 2022/2023              |                       |                                 | 2021/2022              |                       |                                 |
|---------------------------------------------------------------|------------------------|-----------------------|---------------------------------|------------------------|-----------------------|---------------------------------|
|                                                               | Final<br>Appropriation | Actual<br>Expenditure | (Over)/<br>Under<br>Expenditure | Final<br>Appropriation | Actual<br>Expenditure | (Over)/<br>Under<br>Expenditure |
| <b>Rand thousand</b>                                          | <b>R'000</b>           | <b>R'000</b>          | <b>R'000</b>                    | <b>R'000</b>           | <b>R'000</b>          | <b>R'000</b>                    |
| Administration                                                | 348 708                | 348 080               | 628                             | 338 875                | 332 293               | 6 582                           |
| Local Government<br>Support and<br>Intervention<br>Management | 18 535 071             | 18 520 496            | 14 575                          | 17 418 275             | 17 403 184            | 15 091                          |
| Institutional<br>Development                                  | 87 571 768             | 84 106 367            | 3 465 401                       | 78 599 372             | 76 645 019            | 1 954 353                       |
| National Disaster<br>Management Centre                        | 4 270 687              | 3 900 043             | 370 644                         | 698 256                | 536 915               | 161 341                         |
| Community Work<br>Programmememe                               | 4 301 204              | 3 834 095             | 467 109                         | 4 205 153              | 3 525 647             | 679 506                         |
| <b>TOTAL</b>                                                  | <b>115 027 438</b>     | <b>110 709 081</b>    | <b>4 318 357</b>                | <b>101 259 931</b>     | <b>98 443 058</b>     | <b>2 816 873</b>                |
| <b>Current payments</b>                                       | <b>5 019 597</b>       | <b>4 454 375</b>      | <b>565 222</b>                  | <b>5 011 236</b>       | <b>4 166 697</b>      | <b>844 539</b>                  |
| Compensation of<br>employees                                  | 366 212                | 346 427               | 19 785                          | 358 126                | 337 454               | 20 672                          |
| Goods and services                                            | 4 653 381              | 4 107 944             | 545 437                         | 4 653 110              | 3 829 243             | 823 867                         |
| Interest and rent on<br>land                                  | 4                      | 4                     |                                 |                        |                       |                                 |
| <b>Transfers and<br/>subsidies</b>                            | <b>109 965 114</b>     | <b>106 234 171</b>    | <b>3 730 943</b>                | <b>96 203 531</b>      | <b>94 231 527</b>     | <b>1 972 004</b>                |
| <b>Payments for capital<br/>assets</b>                        | <b>42 127</b>          | <b>19 936</b>         | <b>22 191</b>                   | <b>45 092</b>          | <b>44 762</b>         | <b>330</b>                      |
| <b>Payment for<br/>financial assets</b>                       | <b>600</b>             | <b>599</b>            | <b>1</b>                        | <b>72</b>              | <b>72</b>             | <b>-</b>                        |
| <b>Total</b>                                                  | <b>115 027 438</b>     | <b>110 709 081</b>    | <b>4 318 357</b>                | <b>101 259 931</b>     | <b>98 443 058</b>     | <b>2 816 873</b>                |

The table presented above outlines the revised allocated budget for the Department of Cooperative Governance for the financial year 2022/23, totaling R115.027 billion. In the context of the 2022/23 Adjusted Estimates of National Expenditure, there was an increase of the Department's budget by R3.663 billion, an increase from the original appropriation of R111.365 billion. This constitutes a rise of 13.7% when compared with the budget allocation in the preceding financial year. The amplified allocation for the 2022/23 financial year chiefly pertains to appropriated funds and other adjustments within the domains of Local Government Equitable Share and Disaster Response and Recovery Grant. However, the primary factor contributing to the underspending of R4.318 billion stemmed from the offsetting of Local Government Equitable Share funding, triggered by underperformed conditional grants.

### Roll-over.

An amount of R12.835 million of the unspent funds at the end of the 2021/22 financial year was requested to National Treasury to be rolled over to the 2022/23 financial year in respect of ex-gratia payment for councillors whose term ended after the 2021 local government election.

### Unauthorised, irregular, fruitless and wasteful expenditure.

During the 2022/23 financial year, the Department has not encountered any instances of potential unauthorised expenditure (as indicated in note 30). Nevertheless, the Department has recorded fruitless and wasteful expenditure amounting to R16 000. Pertaining to irregular expenditure, it is essential to highlight that the Department has accrued notable irregular expenditure, totalling

R475.199 million. This can be attributed to irregularities in the CWP contract for Implementing Agents and expenses incurred without a valid contract.

#### **Public Private Partnerships.**

There were no procurement activities that relate to Public Private Partnerships during the 2022/23 financial year.

#### **Discontinued activities / activities to be discontinued.**

There were no activities that were discontinued during the 2022/23 financial year.

#### **New or proposed activities**

There were no new or proposed activities during the 2022/23 financial year.

#### **Supply Chain Management**

During the financial year under review, the Department has abstained from finalizing any unsolicited bids or proposals. Nevertheless, the Department boasts

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

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

The Department acknowledges and values the assistance provided by both international and local donors, particularly the contributions received from SADEC in response to the disaster that occurred in KZN.

#### **Exemptions and deviations received from the National Treasury/Director-General**

The Department obtained the following deviations approved by the Director-General:

| DESCRIPTION                                                                                                         | NAMA OF SERVICE PROVIDER               | TYPE OF DEVIATION | AMOUNT         |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------|----------------|
| ESRI SA is the sole authorised distributor of the Enterprise license Agreement in Southern Africa.                  | ESRI South Africa                      | Sole provider     | R12,233,382.49 |
| Subscription to Regional eXplorer (ReX) and Rex Publisher databases.                                                | IHS Information and Insight (pty) Ltd. | Sole Provider     | R1,670,319.02  |
| The Development and Provision of Disaster Related Data and Information Products including consultation and advisory | Agricultural Research Council          | Single source     | R1 421 443,00  |
| Renewal of Library subscription to EBSCO Political Science and SocINDEX                                             | EBSCO Information Services             | Sole Provider     | R1 364 659,00  |

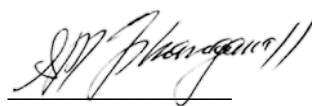
#### **Events after the reporting date**

None

#### **Acknowledgement(s) or Appreciation**

I would like to take this opportunity to acknowledge the contribution and commitment of DCoG staff and executive management in the achieving the improved results contained in this Annual Report.

#### **Approval and sign-off**



**Mr MS Tshangana**

**Director-General: Department of Cooperative Governance**

Date: 27 September 2023

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

To the best of my knowledge and belief, I confirm the following: All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate, and free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury (NT).

The Annual Financial Statements (Part F of the report) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury. The Accounting Officer (AO) is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The AO 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



**Mr MS Tshangana**

**Accounting Officer**

Date: 27 September 2023

## 7. STRATEGIC OVERVIEW

### 7.1 VISION

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

### 7.2 MISSION

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

### 7.3 VALUES

Commitment to public service that demonstrates Energy, Enthusiasm and Enjoyment

Professionalism, Integrity and Accountability

Servant leadership and a hands-on approach

## 8. LEGISLATIVE AND OTHER MANDATES

### Constitutional mandate

The mandate of the Department of Cooperative Governance (DCoG) is primarily derived from Chapters 3, 5, 6, 7 and 9 of the Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

**Chapter 3** - This chapter deals with cooperative government and intergovernmental relations. The Department will need to ensure that we observe and adhere to the principles in this chapter and that we conduct our activities within the parameters of this chapter.

**Chapter 5** - This chapter deals with national intervention in provincial administration when a province cannot or does not fulfil an executive obligation in terms of the Constitution or legislation.

**Chapter 6** - This chapter deals with provincial intervention in local government, in particular, when municipalities are unable to fulfil their executive obligations. Chapter 6 is also relevant when a municipality, as a result of the financial crisis, breaches its obligations to provide basic services to meet its financial requirements.

**Chapter 7** - This chapter deals with, among other things, municipalities in cooperative governance. The Department, by legislation, must support and strengthen the capacity of

municipalities to manage their own affairs, exercise their powers and perform their functions.

**Chapter 9** - This chapter deals with those institutions whose role involves strengthening the constitutional democracy of the country. The Department has to comply with all legislative frameworks in this chapter in order to conform to rules made under the auspices of institutions such as the Auditor-General and the Public Protector.

### Our primary mandate is to:

- Develop and monitor the implementation of the national policy and legislation, seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their developmental role;
- Develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and
- Promote sustainable development by providing support to and exercising oversight over provincial and local government.

### Legislative Mandate

As a national Department, our function is to develop national policies and legislation with regard to local government and to monitor, among other things, the implementation of the following:

| Name of Legislation                                   | Mandate                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Municipal Property Rates Act, 2004 (Act No.6 of 2004) | To regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for fair and equitable valuation methods of properties; and to make provision for an objections and appeals process. |

| Name of Legislation                                                           | Mandate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) | To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Disaster Management Act, 2002 (Act No. 57 of 2002)                            | To provide for: <ul style="list-style-type: none"> <li>• An integrated and coordinated disaster management policy, which focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.</li> <li>• The establishment of national, provincial and municipal disaster management centres.</li> <li>• Disaster management volunteers.</li> <li>• Matters incidental thereto.</li> </ul>                                                                                                                                                                                                                                                                                                                                             |
| Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)            | To provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities; to ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality, including the local community within the municipal area, to provide for municipal powers and functions; to provide for community participation; to establish an enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change; to provide a framework for local public administration and human resource development; to empower the poor and ensure that municipalities establish service tariffs and credit control policies that take their needs into account. |
| Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)        | To provide for the establishment of municipalities, in accordance with the requirements relating to categories and types of municipalities; to establish criteria for determining the category of a municipality to be established in an area; to define the types of municipalities that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipalities; to regulate the internal systems, structures and office-bearers of municipalities; and to provide for appropriate electoral systems.                                                                                                                                                                                                                                                                                   |
| The Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)      | The objective of this Act is to facilitate coordination by the three spheres of government in the implementation of policy and legislation. It is a Framework Act, which allows for flexibility between the spheres in meeting the challenges within the conduct and practice of cooperative government. It also provides for the basic architecture of intergovernmental structures and for processes to guide the settlement of intergovernmental disputes.                                                                                                                                                                                                                                                                                                                                                                                                  |
| Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)        | To provide for criteria and procedures for the determination of municipal boundaries by an independent authority, and to provide for matters connected thereto.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Organised Local Government Act, 1997 (Act No. 52 of 1997)                     | To provide for the recognition of national and provincial organisations representing the different categories of municipalities; to determine procedures by which local government may designate representatives to participate in the National Council of Provinces; to determine procedures by which local government may consult with the national and provincial government; to determine procedures by which local government may nominate persons to the Financial and Fiscal Commission, and to provide for matters connected therewith.                                                                                                                                                                                                                                                                                                                |
| Fire Brigade Services Act, 1987 (Act No. 99 of 1987)                          | To provide for the establishment, maintenance, employment, coordination and standardisation of Fire Brigade Services; and for matters connected therewith.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Remuneration of Public Bearers Act, 1998 (Act No. 20 of 1998)                 | To provide for a framework determining the salaries and allowances of the President, members of the National Assembly, permanent delegates to the National Council of Provinces, Deputy President, ministers, deputy ministers, traditional leaders, members of provincial Houses of Traditional Leaders and members of the Council of Traditional Leaders; to provide for a framework determining the upper limit of salaries and allowances of Premiers.                                                                                                                                                                                                                                                                                                                                                                                                     |

## 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MINISTER/MEC

The table below indicates the entities that report to the Minister and highlights for 2022/23:

| Name of Entity                                            | Legislative Mandate                                                                                                                                                                                                                                                                                                           | Financial Relationship                                                                   | Nature of Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>South African Local Government Association (SALGA)</b> | <p>The Constitution of South Africa</p> <ul style="list-style-type: none"> <li>The Organised Local Government (OLG) Act</li> <li>The White Paper on Local Government</li> <li>The Municipal Systems Act (MSA)</li> <li>The Municipal Finance Management Act</li> <li>The Intergovernmental Relations Framework Act</li> </ul> | <p>Municipal Levy</p> <ul style="list-style-type: none"> <li>Grant Allocation</li> </ul> | <ul style="list-style-type: none"> <li>Lobby, advocacy and representing the interests of municipalities in legislatures and other policy-making and oversight structures and engaging with various stakeholders in public debates and other platforms in the interest of the local government.</li> <li>Employer Body that represents its municipalities in collective bargaining as stipulated in the Labour Relations Act.</li> <li>Facilitating capacity building initiatives for municipalities and also representing municipalities' interests in the Local Government Sector Education and Training Authority (LGSETA).</li> <li>Support and advice services to enable municipalities to understand and interpret trends, policies and legislation affecting local government and implementation thereof.</li> <li>Strategic profiling: Elements here refer to enhancing the profile and image of local government as an essential and credible agent for the delivery of services. Profiling needs to take place on a national level, but also in Africa and the rest of the world.</li> <li>Knowledge and information sharing to build and share a comprehensive hub of local governmental knowledge and intelligence. The knowledge hub is also a useful reference point for all who seek information on local governments.</li> </ul> |

| Name of Entity                             | Legislative Mandate                                                                                                                                                                                                                                  | Financial Relationship             | Nature of Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Municipal Demarcation Board (MDB)</b>   | <p>Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)</p> <p>Local Government: Municipal Structures Act, 1998 (Act 108 of 1998)</p> <p>Constitution of the Republic of South Africa (Act 108 of 1996)</p> <p>Cabinet resolutions</p> | Grant Funding                      | <ul style="list-style-type: none"> <li>• Determine and re-determine municipal outer boundaries.</li> <li>• Delimitation of wards for local government elections.</li> <li>• Conduct capacity assessments of the district and local municipalities to perform their functions and exercise their powers, and provide advice to Members of Executive Committee (MECs).</li> <li>• Render advisory service in respect of matters provided for in the Municipal Demarcation Act.</li> <li>• By way of cabinet resolution, the MDB also assists government Departments in aligning their service delivery boundaries to municipal boundaries.</li> </ul>       |
| <b>South African Cities Network (SACN)</b> | It was established as a Section 21 Company in terms of the South African Companies Act, 2008.                                                                                                                                                        | Municipal Levy<br>Grant Allocation | <ul style="list-style-type: none"> <li>• Knowledge and information exchange, experiences and best practices on urban development and city management amongst members. Secretariat to oversee governance, administration and programme functions</li> <li>• An active Board for oversight and championship.</li> <li>• Providing thought leadership by producing and disseminating credible and continual research about cities and key urban themes.</li> <li>• Enable and support cities to act and speak with one voice</li> <li>• Establish strategic relations locally, regionally and internationally to support the work of the network.</li> </ul> |

# PART B: PERFORMANCE INFORMATION

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

The Auditor-General has performed procedures to obtain evidence about the usefulness and reliability of performance information reported against pre-determined objectives to provide reasonable quality assurance in the form of audit conclusions. The audit outcome is included in the report to management.

Refer to the Report of the Auditor-General, published under Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 SERVICE DELIVERY ENVIRONMENT

#### Economic Environment

District One Plans and Economic Recovery Plans are critical instruments to enable the President's vision. As a place-based strategy for economic development, Local Economic Development (LED) in South Africa is an integral element of national spatial development. Bringing together local governments, the private sector and civil society in search of local (district) economic development requires the collaborative efforts of local stakeholders to grow the local economies and improve the standard of living of the people.

The Ministry of Cooperative Governance and Traditional Affairs has developed the South Africa Economic Recovery Plan for Municipalities in Response to COVID-19. This plan consists of eight pillars: Designing and implementing social and solidarity economic reforms in municipalities; building a labour intensive economy; introducing infrastructure financing that is developmental; creating a developmental agenda for local government; creating competitive economies that benefit local economies, Small Medium Micro Enterprises (SMMEs) and cooperatives; creating a productive agrarian reform that is inclusive; building cohesive communities through mining; and minimising the effects of COVID-19 on the local construction industry.

The Department supported the development of Economic Recovery Plans by both districts and metros.

The District Development Model plays an important integration role between regional (district) economic development and local economic development. Although a natural overlap is present between these systems, the complexity of the environment, comprising multi-

stakeholders and multi-levels, represents a governance challenge. Resolving or bridging this gap requires the adoption of specific and innovative approaches. Innovative partnerships based on collaboration and collaborative governance between role-players in the Regional and LED arena, should be explored in more detail as well as being recognised in economic development policy processes.

The purpose of building inclusive economies, namely addressing inequalities, exclusion and poverty resonates strongly in the South African context and require municipalities focusing more on:

- Good data and analysis to identify the local economy's unique assets and challenges to create better policy;
- Building consensus and understanding among local role-players and clearly defining what inclusive economies mean locally;
- Prioritising partnerships, including anchor institutions in the local economy which are key stakeholders and who should be extensively engaged as part of building more inclusive economies;
- Leveraging social value in commissioning and procurement to promote better work, better wages, better access to skills and other outcomes linked to more inclusive economies;
- Using infrastructure expenditure and investment funds to ensure councils invest in projects that build a more inclusive economy and strengthens the local economy; and
- Promoting enabling conditions for job creation and the skills required for those jobs, together with improving the opportunities for affordable housing and public transport that must support those participating in the labour market.

## Access to basic services

The non-financial census of municipalities (2019) by Stats SA, recorded that local government has made great strides in providing services. For example, municipalities supplied water to just over 9 million consumer units in 2006, expanding to 13.8 million in 2019. This represents an average annual growth rate of 3.2%, outstripping the national population growth rate of 1.5%

There has been, however, a reduction in the coverage of free basic services. In terms of water, for example, 6.9 million consumer units benefited from free water in 2006, falling to just over 3 million in 2019. In 2006, 76% of consumer units received free water, falling to 22% in 2019. This is mainly due to better targeting of the rightful beneficiaries (i.e., indigent households), instead of providing free basic services to all households regardless of their indigent status.

Due to a growth in population size and the prevalence of drought in South Africa, pressure is mounting on the demand of freshwater resources that are suitable for human consumption. This has in turn put pressure on wastewater treatment infrastructures and sanitation systems. The GHS (2019) found that the percentage of households with access to an improved source of water increased by less than four percentage points between 2002 and 2019 (growing from 84.4% to 88.2%). The increases were much more notable in Eastern Cape (+17.8%) and KwaZulu-Natal (+10.0%). Despite these notable improvements, access to water declined in five provinces between 2002 and 2019. The largest decline was observed in Mpumalanga (-5.3%), Limpopo (-3.8%) and Free State (-3.7%). The declines, however, belie the fact that more households had access to piped water in 2019 than 18 years earlier. While the number of households with access to water in the dwelling increased by 70.5% (3.2 million households) between 2002 and 2019, growing from 4.5 million to 7.7 million, the percentage of households with access to water in the dwelling only increased by 4.5% over the same period.

Households in Limpopo (56.6%) and Mpumalanga (54.4%) reported the most water supply interruptions, while Western Cape (4.6%) and Gauteng (9.5%) experienced the least interruptions. Approximately one-fourth (25.8%) of South African households reported some dysfunctional water supply service in 2019. The increase in the percentage of households with access to water coincided with a

decline in the percentage of households who paid for the piped water they received. The proportion of households who reported paying for water has been declining steadily over the past decade, dropping from 67.3% in 2008 to only 44.6% in 2019.

The Sustainable Development Goals: Country Report 2019, published by Stats SA highlights the need to effectively resolve challenges in the water sector. The development of the first National Water and Sanitation Masterplan is seen as a useful instrument for an improved sectoral approach to water resource management and sanitation services. Some of the issues requiring attention include investment in human capacity and skills in the institutional environment, effective infrastructure asset management and the implementation of mechanisms that improve revenue collection from water users, water service authorities (WSAs) and water service providers (WSPs), as well as by utilising a range of innovative financing mechanisms.

A significant development was the announcement by the President that the Green Drop and Blue Drop programmes to strengthen water quality monitoring, would be revived. The distribution of water tanks and water carting to mitigate the risks of COVID-19 made a significant difference in people's lives, since recipient communities were given access to clean drinking water and provided with the opportunity to regularly wash their hands. Supply of water tanks to communities is ongoing. The sustainability and upgrading of this temporary intervention, is not guaranteed, since most beneficiary municipalities lack the requisite capacity to continue providing the services. This calls on government to ensure sustainability of tankering services and upgrading the services during or after COVID-19.

The GHS (2019) noted that through the provision and the efforts of government, support agencies and existing stakeholders, the percentage of households with access to improved sanitation increased by 20.4% between 2002 and 2019, growing from 61.7% to 82.1%. Most improvement was noted in Eastern Cape where the percentage of households with access to improved sanitation increased by 54.1% to 87.6%, and Limpopo in which access increased by 36.5% to 63.4%. The installation of pit toilets with ventilation pipes played an important part in achieving the large improvements. A range of reasons, including rapid household growth and urbanisation, as well as a preference for flush toilets have all contributed to the slow progress

over the reference period. The relative scarcity of water and regular water interruptions experienced in many parts of the country will increasingly lead to the use of alternative sources of sanitation.

The GHS (2019) reported that the percentage of South African households that were connected to the mains electricity supply increased from 76.7% in 2002 to 85.0% in 2019. Households with access to mains electricity were most common in Limpopo (92.7%), Northern Cape (91.7%), and Free State (93.4%), and least common in Gauteng (76.6%) and North West (81.6%). The largest increases between 2002 and 2019 were observed in Eastern Cape (+34.0%), and Limpopo (+20.8%) while the percentage of households with access to mains electricity declined in Gauteng (-10.6%) and Western Cape (-0.1%). These declines can be associated with the rapid in-migration experienced by these provinces and the associated increase in households. The percentage of households that used electricity for cooking increased from 57.5% in 2002 to 79.9% in 2014, before declining to 75.1% in 2019. Simultaneously, the use of paraffin, coal and firewood declined notably. The common use of wood for cooking purposes in rural provinces such as Limpopo (32.1%) and Mpumalanga (16.7%) is, however, an indication that available resources are still very accessible and, most likely, less expensive than using electricity. One quarter (24.9%) of households did not use electricity for cooking in 2019, preferring other sources. More than three-quarters (76.9%) of South African households that had access to electricity obtained electricity through a pre-paid meter, while 14.6% were billed using a conventional meter. It is notable that 2.3% of households used electricity for which they did not pay.

According to the GHS (2019), the percentage of households whose solid waste was removed weekly or less often declined from 66.4% in 2018 to 61.5% in 2019, the lowest this figure has been for more than a decade. There was also an increase in the percentage of households that reported using their own refuse dumps. Although household recycling is extremely important to ameliorate the huge negative impact household waste is having on the environment, the report found that more than four-fifths (80.6%) of metropolitan households did not separate waste for recycling, and that only 6.1% actively recycled household waste.

## Ecological Environment

### Disaster Management

The NDMC continued to promote an integrated and coordinated system of disaster management, with special emphasis on prevention and mitigation by all relevant organs of state. The common disaster incidents experienced in most parts of the country during the 2022/23 financial year was flooding. The country experienced torrential rains that persisted in parts of the country in April 2022, with most damages experienced as a result of flooding and mudslides in the KZN province. The severity and magnitude of the floods in KZN prompted the classification of a provincial disaster by the NDMC in terms of the Disaster Management Act, 2002 (57 of 2002) (DMA). The contingency arrangements were immediately activated by organs of state across spheres of government, activated as early as the early warnings and advisories were issued by the South African Weather Service (SAWS). The NDMC coordination of relevant structures across the spheres of government. The Extended National Joint Floods Coordination Committee (E-NJFCC) was activated with the participation of Directors-General and Heads of Department (HODs) to provide strategic direction in the provision of relief, response and recovery measures to address the impacts of the flood disasters.

The floods situation gravitated to other provinces, affecting Eastern Cape, Free State and North West. The rains brought very devastating effects which resulted in loss of lives, injuries, missing persons, damage to houses, roads and many other critical infrastructures.

These conditions necessitated reclassification of the disaster by the NDMC to a national disaster as per Section 23(3) of DMA to strengthen coordination of efforts, reallocation and reprioritisation of resources by affected organs of state as well as the allocation of resources from the Disaster Grants within the NDMC. This was immediately followed by the declaration of a National Disaster by the CoGTA National Minister, subsequent to consulting responsible Cabinet members. A notice to this effect was published in Government Gazette No. 46247 – R. 2029 of 18 April 2022. The primary purpose of the declaration was to augment existing legislation and contingency arrangements of the affected organs of state as well as activate other extraordinary measures as and when required to address the effects of the disaster.

Government adopted a three-tier transitional approach to better coordinate response, recovery and reconstruction measures within all affected provinces. These were three phases which are immediate humanitarian relief, stabilisation and recovery, and rehabilitation and reconstruction. The transition of phases does not only involve the construction and repair of major infrastructure but also involves the construction of houses and damaged infrastructure within suitably-located areas including measures to protect the residents of these areas from such adverse weather events in the future.

Various perilous disaster related events continue to be experienced in the country, often leading to severe human suffering, loss of life, widespread damage to property, infrastructure and the environment. It is evident that these conditions require investment in climate-resilient infrastructure, reduction of greenhouse gas emissions and empowerment of communities to build a more resilient and sustainable future.

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Government adopted a three-tier transitional approach to better coordinate response, recovery and reconstruction measures within all affected provinces. These include three phases which are immediate humanitarian relief, stabilisation and recovery as well as rehabilitation and reconstruction measures. Assistance came from all walks of life, from government, Non-Governmental Organisations, private sector, individual communities including donor funding and support from the regional and international communities.

The Department allocated an amount of R516.7 million from the Disaster Response Grants for relief measures in the affected municipalities in KwaZulu-Natal and Eastern Cape which were the most affected provinces. An additional amount of R3.3 billion was allocated in March 2023 from the Municipal Disaster Recovery Grant for the implementation of the reconstruction and rehabilitation projects. Implementation of interventions by relevant organs of state is underway through the support and monitoring of implementation by the national government. The Office of the Auditor-General also conducts audit on the allocated resources across the spheres of government.

The NDMC continues to put emphasis on disaster risk reduction which includes effective disaster management planning by all organs of state to enhance resilience and “Building Back Better” principle within communities.

## 2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

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

## Main services and standards

| Current/actual arrangements                                                   | Desired arrangements                                                                      | Actual achievements                                                                        |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Accessible information through the DCoG website                               | DCoG website updated regularly for access by members of the public and client Departments | Achieved regular updates done                                                              |
| Accessible information through the DCoG call-in and walk-in and email enquiry | DCoG information enquiry and interaction through Social Media                             | DCoG available on social media platform Facebook, tweeter, LinkedIn, GOVCHAT and Instagram |

## Service delivery information tool

| Current/actual arrangements                          | Desired arrangements                                     | Actual achievements                                                                                                                     |
|------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Work-in and suggestion boxes for customer complaints | Electronic government and community interactive platform | GOVCHAT rolled-out in identified municipalities - a WHATSAPP community engagement platform for lodging complaints and making follow-ups |

## Complaints mechanism

| Current/actual arrangements                                                                                                                                      | Desired arrangements                                                                                                                                             | Actual achievements                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Members of the public can access us through e-mail services, telephone calls, written correspondence and the Presidential Hotline administered by the Presidency | Members of the public can access us through e-mail services, telephone calls, written correspondence and the Presidential Hotline administered by the Presidency | Achieved. Queries, enquiries and complaints are received from the public and attended to |

## 2.3 ORGANISATIONAL ENVIRONMENT

## 2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Department should describe any major changes to relevant policies or legislation that may have affected its operations during the period under. If there have been no changes this must be stated.

The Department completed its comprehensive strategic review and is in the process of implementing its revised strategy, operating model and organisational structure.

### Key policy developments and legislative changes

The Municipal Systems Amendment Act, 2011 (Act No. 7 of 2011) was declared unconstitutional by the Constitutional Court with effect from 9 March 2019 for want of compliance with the procedures as set out in Section 76 of the Constitution of the Republic of South Africa, 1996 (the Constitution). A new Bill with corresponding provisions as the invalidated Act was re-introduced to Parliament on 6 February 2019 in terms of Rule 159(8)(1) (a) and (b) of the Joint Rules of Parliament. The Bill repeals Act No. 7 of

2011 and has been properly tagged as a Section 76 Bill that affects the functioning of provinces. The Bill was approved by Parliament on 3 May 2022 with further amendments following comprehensive public participation processes at both national and provincial levels. The Bill was assented to and signed by the President on 16 August 2022 into an Act. The objects of the Municipal Systems Amendment Act, (Act No. 3 of 2022) are to:

- make further provision for the appointment of municipal managers and managers directly accountable to municipal managers;
- provide for procedures and competency criteria for such appointments, including consequences of appointments made otherwise than in accordance with such procedures and criteria;
- determine timeframes within which performance agreements of municipal managers and managers directly accountable to municipal managers must be concluded;
- make further provision for the evaluation of the performance of municipal managers and managers directly accountable to municipal managers;

- (e) require employment contracts and performance agreements of municipal managers and managers directly accountable to municipal managers to be consistent with the Act and any regulations made by the Minister;
- (f) require all staff systems and procedures of a municipality to be consistent with uniform standards determined by the Minister by regulation;
- (g) limit the rights of municipal managers and managers directly accountable to municipal managers from holding political office in political parties;
- (h) regulate the employment of municipal employees who have been dismissed;
- (i) provide for the Minister to make regulations relating to the duties, remuneration, benefits and other terms and conditions of employment of municipal managers and managers directly accountable to municipal managers;
- (j) provide for the approval of staff establishments of municipalities by the respective municipal councils;
- (k) prohibit the employment of a person in a municipality if the post to which the person is appointed is not provided in the staff establishment of that municipality;
- (l) enable the Minister to prescribe frameworks to regulate human resource management systems for local government and mandates for organised local government;
- (m) extend the Minister's powers to make regulations relating to municipal staff matters.

The President proclaimed the Municipal Systems Amendment Act, 2022 to come into operation with effect from 1 November 2022. Following the approval of a framework towards the professionalisation of the public service by Cabinet, the implementation of the Local Government: Municipal Systems Amendment Act, 2022 and this framework enjoins the Department to review the Local Government: Regulations on appointment and conditions of employment of senior managers. Plans are underway to embark on this project during the 2023/24 financial year.

### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department contributes to the achievement of the 2019-2024 Medium-Term Strategic Framework

(MTSF) priorities through the following impact indicators and outcomes:

- Percentage trust in government;
- Clarification of institutional arrangements for the District Development Model;
- Percentage of districts and metros with joined-up long-term plans (government, business, civil society);
- Monitor implementation of the District Development Model plans through an Integrated Monitoring System for accountability; and
- Number of cities identified for redesign and refurbishment as smart cities.

## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 4.1 PROGRAMME I: ADMINISTRATION

**Purpose:** to provide strategic leadership, management and support services to the Department.

The Programme contributes to the achievement of Outcome: Effective and efficient governance systems to drive implementation of the District Development Model (DDM) through the following sub-programme:

**Ministry:** During the financial year under review, the Office of the Minister provided Administrative, Parliamentary, Cabinet support, Communication and Media Liaison to the Minister and Deputy Minister.

**Management:** The Office of the Director-General (DG)

**Corporate Services:** The sub-programme has achieved the following through its components:

a) Human Capital Management

Finalised and implemented the reviewed organisational structure, and appointments at key strategic positions of three Deputy Directors-General for NDMC, Policy Governance and Administration and the Chief Financial Officer (CFO). The Department conducted an intensive skills audit to respond to priorities outlined in the strategic plan, operating model and organisational structure to identify skills gaps for developmental purposes. A culture survey was conducted to gauge a real understanding of how employees perceive the culture to be and what can be improved to enhance an employee's working life.

b) Information Communication Technology Management

The turnaround time in resolving logged incidents with Service Level Agreement (SLA) improved to 98.18% against a target of 95%. Project Management Book of Knowledge (PMBok) methodology was adopted as the project management methodology for all internal ICT projects. Cybersecurity environment has been improved through the implementation of a Security Incident and Event Management Solution.

c) Legal services

#### Legislative drafting and review

Legislative drafting support services was provided to line functions of the Department in respect of the following subordinate legislation administered by the Minister:

- Regulations on Institutionalisation of the District Development Model in terms of Section 47(1)(b) of the Intergovernmental Relations Framework Act, 2005;
- Regulations on Ministerial Authorisation and Revocation of Functions and Powers Processes in terms of Section 84(3) of the Municipal Structures Act, 1998; and
- The Code of Conduct for Councillors Regulations in terms of Section 92 of the Municipal Structures Act, 1998.

Furthermore, the legislative drafting and review directorate assisted Operation Vulindlela under the Presidency in developing the Standard Draft By-laws for Deployment of Electronic Communications and Facilities in terms of Section 14(1) of the Municipal Systems Act, 2000. It also produced the Revised Legislative Toolkit.

#### Litigation Services

Litigation services directorate managed all litigation matters on behalf of the Minister and/or the Department and further provided legal opinions and advice to the Department on various matters. The directorate conducted workshops and implemented the Litigation Management Policy as well as the Standard Operation Procedures for management of litigation within the Department. Litigation matters were handled within the prescribed timeframes; case reports (briefs) to DG and/or the Minister were prepared timeously and litigation quarterly reports were submitted to the Minister on time.

## Administrative Compliance and Contract Law Support

The Directorate managed to respond to the requests to vet/draft contracts within five working days of receipt from line function. During the reporting period, the Contract Management Policy was revised to address the internal audit findings and it was workshopped to all the branches. The Information Officer and Deputy Information Officers were registered with the Information Regulator in compliance with Protection of Personal Information Act (POPIA). We have also managed to develop the combined Promotion of Access to Information Act (PAIA) and POPIA manual. The POPIA Compliance Champions Committee was set up to conduct an assessment on personal information being processed by the Department.

### d) Corporate Planning Internal Monitoring and Reporting

In the year under review, the Chief Directorate paid special focus on ensuring that there was alignment of our plans to the national priorities as outlined in the National Development Plan (NDP): Vision 2030 and the revised Medium-Term Strategic Framework for 2019-2025.

The unit further provided support to provinces to ensure that the standardised programme performance indicators for the 2023/24 are included in the provincial APPs. The unit has also provided oversight by assessing the performance reports of all provinces on implementation of the standardised programme performance indicators.

Working together with Programme Managers within the Department, the Chief Directorate continued to facilitate the process towards the implementation of audit action plans on performance information.

### e) Communications and Marketing

Communications developed an Annual Communication Strategy which was approved for implementation. The strategy enabled Communications to proactively communicate salient and relevant content in respect of Departmental programmes and activities for both internal and external audiences. Communications was able to set the tone and agenda on key programmes such as the DDM, Local Government Summit, Presidential Imbizo, Eastern Seaboard Development, Small Town Regeneration Strategy, Internal Transformation, etc. Additionally, through the media monitoring and social media listening,

Communications was able to respond rapidly to distortions and inaccuracies in the media environment by providing factual information. The Internal Communications "Lunch and Learn" session proved to be a positive contributor to the Transformation for Impact journey. The enhancement of the website and Intranet as well as the convergence of content output in all communication platforms has seen an improved audience uptake.

### f) Office Accommodation

The DCoG is currently accommodated in five leased buildings in Arcadia and Centurion, Pretoria. The Department has requested Department of Public Works and Infrastructure (DPWI) as a custodian of government buildings to acquire an alternative interim building as well as a long-term solution for CoGTA Head Office at the beginning of 2021. The consolidated Head Office building is planned to accommodate DCoG, Department of Traditional Affairs (DTA), Municipal Infrastructure Support Agent (MISA) and MDB. The tender by DPWI closed in December 2021 – this process has to date not been concluded. The first site identified by DPWI for construction of a permanent head office for the CoGTA family in Pretoria Central Business District (CBD) was not accepted by the Department. DPWI is currently in the process of identifying additional sites.

### g) Internal Audit and Risk Management

The Chief Directorate Internal Audit has managed to provide assurance and consulting services to the Department through implementation of the approved internal audit plan for the 2022/23 financial year.

The assurance was provided to management, the Director-General and Audit Committee on the adequacy and effectiveness of internal controls, risk management and governance processes within the Department.

Internal Audit has performed follow-up audits on prior year audit findings to verify progress on implementation against management action plans, and the results of the follow-ups were shared with management. Progress against the internal audit plan was reported to the Audit Committee on a quarterly basis. The internal Audit Charter was reviewed and approved timeously.

The strategic and operational risks of the Department were conducted and regularly reviewed. The risk action plans were monitored on a monthly and quarterly basis and reported to Management, Risk and the Audit Committees.

The Risk Management Committee chaired by an external Chairperson and the Risk Champions Committee was functional during the year under review. Risk management support and initiatives to embed risk management continued during this period.

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

| Output                                                                                                        | Output Indicator                                                                   | Audited Actual Performance 2020/21   | Audited Actual Performance 2021/22                                                                                                            | Planned Annual Target 2022/23                                         | Actual Achievement 2022/23                                                | Deviation from Planned Target | Reasons for Deviations                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome I: Effective and efficient corporate governance systems to drive the implementation of the DDM</b> |                                                                                    |                                      |                                                                                                                                               |                                                                       |                                                                           |                               |                                                                                                                                                                          |
| <b>Sub-programme: Finance</b>                                                                                 |                                                                                    |                                      |                                                                                                                                               |                                                                       |                                                                           |                               |                                                                                                                                                                          |
| Annual financial statements                                                                                   | 1.1 Improved audit opinion expressed by the Auditor-General of South Africa (AGSA) | Qualified for 2019/20 financial year | <b>Achieved</b><br>The Department received a qualified audit opinion for 2020/21 financial year with less findings compared to previous years | Unqualified audit opinion for 2022/23 financial year by 31 March 2023 | <b>Not Achieved</b><br>The Department received a qualified audit opinion. | Qualified audit opinion       | This was mainly due to pre-payments and advance, movable tangible capital assets and goods and services.<br><br>Non- implementation of the Post audit action plan (PAAP) |
| <b>Programme: Corporate Services</b>                                                                          |                                                                                    |                                      |                                                                                                                                               |                                                                       |                                                                           |                               |                                                                                                                                                                          |

| Output                                                                                           | Output Indicator                                                       | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22                                                                  | Planned Annual Target 2022/23                                                                    | Actual Achievement 2022/23                                                        | Deviation from Planned Target | Reasons for Deviations                                                                                                  |
|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Approved corporate services implementation plan (CSIP) and reports on implementation of the plan | 1.2 CSIP approved and progress reports submitted to EXCO               | New indicator                      | <b>Achieved</b><br>CSIP annual progress report submitted to EXCO by 31 March 2022                   | Approved corporate services implementation plan (CSIP) and reports on implementation of the plan | <b>Achieved</b><br>Four CSIP progress report approved by EXCO by 31 March 2023.   | N/A                           | N/A                                                                                                                     |
|                                                                                                  | 1.3 Percentage implementation of CSIP as contained in progress reports | New indicator                      | <b>Achieved</b><br>90% implementation of CSIP as contained in the progress reports by 31 March 2022 | 90% implementation of approved CSIP by 31 March 2023                                             | <b>Achieved</b><br>98% implementation of CSIP were approved by 31 March 2023.     | +8 achievement                | Out of the 10 targets on the CSIP, the branch achieved 100% on 8 and 90% and 95% on the other two targets respectively. |
| <b>Sub-programme: Finance</b>                                                                    |                                                                        |                                    |                                                                                                     |                                                                                                  |                                                                                   |                               |                                                                                                                         |
| Approved financial management implement plan (FMIP) and reports on implementation of the plan    | 1.4 FMIP approved and progress reports submitted to EXCO               | New indicator                      | <b>Achieved</b><br>FMIP annual progress report submitted to EXCO by 31 March 2022                   | Four FMIP progress report approved by EXCO by 31 March 2023                                      | <b>Achieved</b><br>Four annual progress reports approved by EXCO by 31 March 2023 | N/A                           | N/A                                                                                                                     |

| Output                                                                  | Output Indicator                                                               | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22                                                                                                                     | Planned Annual Target 2022/23                                               | Actual Achievement 2022/23                                                                        | Deviation from Planned Target                                                                    | Reasons for Deviations                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                         | 1.5 Percentage implementation of FMIP as contained in the progress reports     | New indicator                      | <b>Not Achieved</b><br>FMIP progress report for the period ended 31 March 2022 will be submitted to EXCO in May 2022 due to financial year-end closure | 90% implementation of approved FMIP by 31 March 2023                        | <b>Achieved</b><br>90% implementation of approved FMIP by 31 March 2023                           | N/A                                                                                              | N/A                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Sub-programme: Internal Audit and Organisational Risk Management</b> |                                                                                |                                    |                                                                                                                                                        |                                                                             |                                                                                                   |                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                      |
| Report on investigated corruption cases                                 | 1.6 Percentage of reported corruption cases that are investigated and resolved | New indicator                      | New indicator                                                                                                                                          | 90% of reported corruption cases investigated and resolved by 31 March 2023 | <b>Not Achieved</b><br>0% of reported corruption cases investigated and resolved by 31 March 2023 | The investigation on the one reported alleged corruption/fraud case was finalised in April 2023. | The reported alleged fraudulent case was reported to internal audit towards end of quarter 3. The investigation only commenced at the beginning of quarter 4 and by 31 March 2023 the investigation was in reporting stage, with only a draft preliminary report completed. Therefore, the steps to be taken to resolve the case will be dependent on the final report outcomes and recommendations. |
| Policy Toolkit                                                          | 1.7 DCoG policy toolkit developed                                              | New indicator                      | New indicator                                                                                                                                          | DCoG Policy toolkit developed by 31 March 2023                              | <b>Achieved</b><br>Policy toolkit developed and routed to Minister for approval in December 2022. | N/A                                                                                              | N/A                                                                                                                                                                                                                                                                                                                                                                                                  |

## Linking performance with budgets

### Sub-programme expenditure

| Programme 1:<br>Administration                | 2022/23        |                    |            |                                  | 2021/22        |                    |
|-----------------------------------------------|----------------|--------------------|------------|----------------------------------|----------------|--------------------|
|                                               | Final Budget   | Actual Expenditure | Variance   | Expenditure as % of final budget | Final Budget   | Actual Expenditure |
|                                               | R'000          | R'000              | R'000      | %                                | R'000          | R'000              |
| <b>Sub-programme</b>                          |                |                    |            |                                  |                |                    |
| 1. Ministry                                   | 39 879         | 39 736             | 143        | 99,6%                            | 33 909         | 29 771             |
| 2. Human Capital Management                   | 28 123         | 27 890             | 233        | 99,2%                            | 21 306         | 21 306             |
| 3. Corporate Services                         | 159 573        | 159 468            | 105        | 99,9%                            | 160 594        | 160 231            |
| 4. Financial Services                         | 54 637         | 54 539             | 98         | 99,8%                            | 50 866         | 49 674             |
| 5. Internal Audit Aactivitynd Risk Management | 11 831         | 11 782             | 49         | 99,6%                            | 10 573         | 9 684              |
| 6. Office Accommodation                       | 54 665         | 54 665             | -          | 100,0%                           | 61 627         | 61 627             |
|                                               | <b>348 708</b> | <b>348 080</b>     | <b>628</b> | <b>99,8%</b>                     | <b>338 875</b> | <b>332 293</b>     |
| <b>Economic classification</b>                |                |                    |            |                                  |                |                    |
| <b>Current payments</b>                       | <b>341 606</b> | <b>341 383</b>     | <b>223</b> | <b>99,9%</b>                     | <b>333 038</b> | <b>326 457</b>     |
| Compensation of employees                     | 167 151        | 166 990            | 161        | 99,9%                            | 164 721        | 158 615            |
| Goods and services                            | 174 451        | 174 389            | 62         | 100,0%                           | 168 317        | 167 842            |
| Interest and rent on land                     | 4              | 4                  | -          | 100,0%                           | -              | -                  |
| <b>Transfers and subsidies</b>                | <b>2 870</b>   | <b>2 540</b>       | <b>330</b> | <b>88,5%</b>                     | <b>1 336</b>   | <b>1 335</b>       |
| <b>Payments for capital assets</b>            | <b>3 948</b>   | <b>3 873</b>       | <b>75</b>  | <b>98,1%</b>                     | <b>4 450</b>   | <b>4 450</b>       |
| <b>Payment for financial assets</b>           | <b>284</b>     | <b>284</b>         | <b>-</b>   | <b>100,0%</b>                    | <b>51</b>      | <b>51</b>          |
|                                               | <b>348 708</b> | <b>348 080</b>     | <b>628</b> | <b>99,8%</b>                     | <b>338 875</b> | <b>332 293</b>     |

### Strategy to overcome areas of under performance:

#### 1.1: Improved audit opinion expressed by the Auditor-General of South Africa (AGSA)

The Department has strengthened the internal controls especially in qualification areas. Furthermore, the Department is in the process of automating the Asset Management and other processes. The capacity is being strengthen through a Result Management Office. The Asset Management Policy including the Financial Management Improvement Plan has been reviewed to respond to the current challenges.

#### 1.6: Percentage of reported corruption cases that are investigated and resolved

Project plans with clear timelines are set for all investigations to ensure that the investigations are finalised timeously. The indicator and target on the investigations will be monitored at the operational plan level during the 2023/24 financial year. The steps to be taken to resolve the case is dependent on the final report outcomes, recommendations and management actions taken. Follow-up will be performed to ensure that action is taken by management/ the accounting officer.

## 4.2 PROGRAMME 2: LOCAL GOVERNMENT SUPPORT AND INTERVENTIONS MANAGEMENT

**Purpose:** Conduct performance monitoring, support and interventions in municipalities and provincial Departments of Cooperative Governance that will drive Back to Basic activities.

Programme 2 has the following sub-programmes:

### a) Municipal Performance Monitoring

One of the projects was for the **Integrated Monitoring Framework for the DDM reporting** to be consulted and piloted in identified districts/metros. The DDM Integrated Monitoring and Evaluation (IM&E) Framework and its Process and Procedures Manual has been updated and reviewed, including consultations and input from DDM pilot site stakeholders. The DCoG relied on the support of the Development Bank of Southern Africa (DBSA) Programme Management Office (PMO) to implement the DDM in the three pilot sites. The piloting process of the IM&E Framework continued in the Ethekwini Metro and extensive work has been undertaken on the development of the draft M&E plan for the One Plan in the metro. The PMO reported that the development of a Monitoring and Evaluation (M&E) Plan for the One Plan is a comprehensive and continuing process taking time, extensive engagement and refinement of the M&E Plan as demonstrated with the development of the M&E Plan in Ethekwini. This resulted in the M&E Plans for the One Plan for the other two pilot sites in OR Tambo and Waterberg Districts not being developed. It needs to be indicated as a mitigating factor that the APP did not describe what is meant with “piloting” of the Framework, for example that an M&E Plan for the One Plan should be developed (as evidence of piloting).

Another project was for the development of the **DDM Information Management System (IMS)** and to have it piloted in one district. Progress shows that the “production deployment” of the One Plan Module, or the rollout, in the three DDM pilot sites have been approved by the DDM Project Steering Committee on 31 March 2023. This will allow for users in the three DDM pilots to commence with the electronic capturing of the One Plan.

Other key deliverables completed include:

- Development and completion of the functionality for the development and capturing of the One Plan through its 7 stages.
- Development of the functionality for the reporting of progress on the One Plan.
- The testing and identification and training of users with regard to the One Plan Module in the DDM pilot sites.

The Functional Requirement Specification (FRS) document for the Municipal Performance Module of the DDM IMS was developed and approved, outlining the functionality requirements of the Municipal Performance Module (to be followed by development of the Module).

- The Functional Requirement Specification (FRS) document for the Municipal Performance Module of the DDM IMS based on the LG indicators issued in the joint MFMA Circular Nr 88 was developed and approved, outlining the functionality requirements of the Municipal Performance Module (to be followed by development of the Module).

With regard to **Municipal Performance reporting**, in practice the performance information needed for the monitoring and support of local government is often not of the quality required and not timeously received. We need to strengthen and support the structures, systems and capacities required to build local government. This necessitates greater information sharing, of a higher quality and with stronger coordination across spheres, particularly by the Department of Cooperative Governance, National Treasury and the Department of Planning, Monitoring and Evaluation.

The joint government Reporting Reforms work and process has been about moving towards producing reliable information about local government performance through a common understanding and standardization of information. It was reported last year that a set of indicators with standardised definitions, differentiated per municipal grouping, was developed under guidance of the Joint Planning, Budgeting and Reporting Reforms Steering Committee between the National Treasury, DCoG and

Department of Planning, Monitoring and Evaluation, also including the South African Local Government Association (SALGA), the South African Cities Network (SACN), Statistics South Africa and Auditor-General of South Africa. The set of indicators was issued in the first joint MFMA Circular Nr 88 and its annual updates, with one of its main aims to reduce the reporting burden on municipalities through a rationalised, single set of indicators, differentiated per municipal grouping. As it is a joint government reform and process of the above Departments and institutions following a collaborative approach, it also included extensive consultation between relevant national sector Departments, provincial CoGTA Departments and local government, with resultant buy-in and a shared understanding of the reform.

The joint MFMA Circular 88 reporting reforms of the above Departments and role players made considerable progress producing reliable information through common definitions of the performance information in the eight metropolitan municipalities since 2018/2019 FY, with emerging evidence-based insights to improve delivery. Piloting in the rest of local government commenced from the 2021/22 FY and continued in 2022/23, as agreed, that the indicators would be piloted in all non-metro municipalities before regulation, not to receive negative audit outcomes from reporting on the indicators while still testing and getting their data systems in place. More support and guidance is required to provincial CoGTA Departments and municipalities to improve reporting in the 249 non-metro municipalities and then to increase the quality of the data being provided for use in performance analysis.

In January 2023, the DCoG commenced with developing a Municipal Performance Assessment Tool (MPAT) to be able to uniformly assess and categorise municipalities across provinces in terms of their performance. The initial draft assessment tool was updated and further aligned as a prioritised subset of indicators from the joint MFMA Circular Nr 88, to avoid fragmenting and duplicating requests for the same performance information from local government, and ensure the Tool is consistent with the reform provisions already being institutionalized. To avoid duplication of reporting, the information for the Tool will be drawn from a prioritised subset of indicators from

MFMA Circular Nr 88. The Tool will be a “data processing” instrument, and all municipalities will be required to report on the identified priority indicators of MFMA Circular Nr 88 as a minimum, which will make it compulsory for reporting before official regulation. The Tool has been consulted further with inputs and comments from stakeholders, updated accordingly, and has been submitted for consideration for approval to be issued for reporting in the 2023/24 municipal FY.

## **b) Local Government Improvement Programme**

The programme deals with diagnosing municipal challenges and develop support packages in collaboration with other branches within CoGTA, sector Departments, provinces, and entities. Post the tabling of the 2021 August State of LG report to Cabinet that identified 64 municipalities as dysfunctional, the Department facilitated implementation of the Cabinet resolution to develop a Framework on Municipal Support and Intervention Plans (MSIPs). The MSIPs that outlined legislative provisions for support & interventions in terms of Section 154 and 156 of the Constitution, 1996 and highlights criteria for section 139 constitutional interventions in line with the CoGTA/NT Intervention Collaborative Framework. Several meetings with national and provincial sectors and provincial CoGTA's were held during August 2021 to explain and refine the Framework. CoGTA, in collaboration with relevant stakeholders continues to implement the Framework on MSIPs which was adopted by CoGTA MinMEC. MSIPs are intergovernmental support plans to address the short and medium-term challenges in the key local government performance areas. MSIPs for municipalities have been developed and for municipalities placed under mandatory intervention in terms of Section 139(5), Financial Recovery Plans (FRP's) have been developed.

MSIPs for municipalities have been developed for the 64 dysfunctional municipalities and for municipalities placed under mandatory intervention in terms of Section 139(5), Financial Recovery Plans (FRP's). A joint approach was adopted between NT and CoGTA, Provincial CoGTAs and Treasuries to support the 43 identified distressed municipalities. The Provincial CoGTAs through the responsible MEC tabled quarterly progress reports on the status of implementation of MSIPs in the COGTA MinMEC meeting held on 13 July 2022.

The Provincial CoGTAs are at different levels with regards to the implementation of the MSIPs. Provinces such as Mpumalanga, KwaZulu-Natal, Western Cape have institutionalised processes for monitoring and reporting MSIP implementation. Some provinces established the Rapid Response Teams and Multi-disciplinary teams to deal with municipalities in crisis, supported by the Political Principals e.g. One-on-One engagements. Provinces have varying capacities to support municipalities and to implement new national government priorities and policies. Political instability, especially in municipalities that have coalition governments, is impacting negatively on the implementation of MSIPs. A viable support to municipalities should be characterised by a national government Department that build and support provinces to support municipalities on provincially existing mechanisms and enhance such.

The State of Local Government for the municipal financial year 1 July 2021 – 30 June 2022 was reviewed and assessed against the recommendations made in the State of Local Government Report submitted to Cabinet in 2021. The assessment of the SOLG during June 2022 against the performance of municipalities during July 2021 has shown a marked improvement in performance of municipalities, nearly 100 percent increase of municipalities that moved to the stable category. The KwaZulu-Natal Province is the biggest contributor of 10 municipalities which moved to the stable category due to a re-assessment process undertaken. Also the development of customised MSIP packages for intense and high priority interventions and support by the Provincial CoGTA Department to deploy governance and financial experts as well as interventions by Political Champions. Such yielded the following positive results such as:

- Political / Administrative stability
- Functional Audit Committees, MPAC training for consideration of UIFW reports; functional Council structures, appointment of competent and qualified Municipal Managers and Section 56 managers
- Financial Management improved due to funded budgets, UIFW expenditure addressed and prevention measures implemented, implementation of audit action plans;

Service delivery – improved water supply, rehabilitation of landfill sites

### c) Intergovernmental Policy and Practice

The sub-programme Intergovernmental Policy and Practice focused on the review and strengthening the policy and institutional framework for intergovernmental relations and the management of powers and functions. The primary focus of the work package of the sub-programme were largely focused on policy development and review of key legislation framing intergovernmental relations and the assignment of powers and functions at a local government level.

A key initiative that framed the work and programme implementation was the development of section 47(1) (b) of the IGRFA regulations that will legally frame the institutionalisation of the DDM and the implementation of the DDM through intergovernmental long-term One Plans. The sub-programme followed extensive intergovernmental consultations and dialogues to the development of these regulations, which were by the end of the financial year submitted to Government Printers for publishing for public comment during the beginning of Q1 of the 2023/24 financial year.

The development of further amendments to sections 84(1) and 85) of the Local Government: Municipal Structures Act of 1998 following extensive intergovernmental consultations and dialogues was another key focus area of the sub-programme. A draft amendment bill was produced, which will be processed through the required Cabinet and Parliamentary structures and processes during the 2023/24 financial year.

Continuation with the amendments to the Intergovernmental Relations Framework Act of 2005 was another key focus area of the sub-programme resulting in the development of a Intergovernmental Relations Framework Amendment Bill. The IGRFA Amendment Bill will be processed through the required Cabinet and Parliamentary structures and processes during the 2023/24 financial year.

### MIG PROJECTS WITH ACTUAL EXPENDITURE

Note the 2021/22 municipal Financial Year came to an end within the 2022/23 National Financial year.

## National Overview of MIG Expenditure as at 30 June 2022

| Province      | Allocated (R'000) | Transferred to date (R'000) | Transfers as % allocation | Estimates of National Expenditure to date (R'000) | Expenditure as % allocation (exc roll-overs) | Expenditure as % transferred (exc roll-overs) | Unspent balance (R'000) |
|---------------|-------------------|-----------------------------|---------------------------|---------------------------------------------------|----------------------------------------------|-----------------------------------------------|-------------------------|
| Eastern Cape  | 3,150,667         | 3,150,667                   | 100.00%                   | 2,604,123                                         | 82.65%                                       | 82.65%                                        | 546,544                 |
| Free State    | 779,352           | 779,352                     | 100.00%                   | 618,398                                           | 79.35%                                       | 79.35%                                        | 160,954                 |
| Gauteng       | 281,652           | 281,652                     | 100.00%                   | 204,420                                           | 72.58%                                       | 72.58%                                        | 77,232                  |
| KwaZulu-Natal | 3,585,280         | 3,585,280                   | 100.00%                   | 3,563,584                                         | 99.39%                                       | 99.39%                                        | 21,696                  |
| Limpopo       | 3,100,822         | 3,100,822                   | 100.00%                   | 2,861,588                                         | 92.28%                                       | 92.28%                                        | 239,234                 |
| Mpumalanga    | 1,889,630         | 1,889,630                   | 100.00%                   | 1,832,232                                         | 96.96%                                       | 96.96%                                        | 57,398                  |
| Northern Cape | 472,148           | 472,148                     | 100.00%                   | 346,371                                           | 73.36%                                       | 73.36%                                        | 125,777                 |
| North West    | 1,878,769         | 1,878,769                   | 100.00%                   | 1,525,171                                         | 81.18%                                       | 81.18%                                        | 353,598                 |
| Western Cape  | 454,428           | 454,428                     | 100.00%                   | 436,195                                           | 95.99%                                       | 95.99%                                        | 18,233                  |
| <b>TOTAL</b>  | <b>15,592,748</b> | <b>15,592,748</b>           | <b>100.00%</b>            | <b>13,992,082</b>                                 | <b>89.73%</b>                                | <b>89.73%</b>                                 | <b>1,600,666</b>        |

Source: MIG DoRA – June 2022

The above indicates that the Municipal Infrastructure Grant (MIG) has spent approximately R14 billion (89.73%) of the R15.6 billion MIG allocation that was allocated to the programme for the 2021/22 financial year. One hundred percent of the total 2021/22 allocation of R15.6 billion was transferred to municipalities as at the end March 2022. The highest expenditure reported by municipalities against the provincial allocation was by municipalities in KwaZulu-Natal Province that spent R3.5 billion (99.39%) of their R3.6 billion 2021/22 MIG allocation.

The lowest expenditure as at the third quarter of the municipal financial year was recorded by the Gauteng Province that spent 72.28% or R204 million of their total allocation of R281.7 million.

The National Treasury approved a total rollover amount of R333.7 million of the unspent funding of the 2020/21 financial year:

| Province     | % Water    | % Sanitation | % Street/Community Lighting | % Roads & Storm Water | % Solid Waste Facilities | % Sport & Rec Facilities | % Community Facilities | LED       |
|--------------|------------|--------------|-----------------------------|-----------------------|--------------------------|--------------------------|------------------------|-----------|
| EC           | 43%        | 22%          | 1%                          | 25%                   | 1%                       | 3%                       | 6%                     | 0%        |
| FS           | 22%        | 30%          | 2%                          | 33%                   | 4%                       | 5%                       | 4%                     | 0%        |
| GT           | 17%        | 39%          | 3%                          | 35%                   | 0%                       | 2%                       | 3%                     | 0%        |
| KZN          | 31%        | 24%          | 1%                          | 29%                   | 1%                       | 7%                       | 7%                     | 0%        |
| LP           | 53%        | 5%           | 0%                          | 33%                   | 1%                       | 5%                       | 1%                     | 1%        |
| MP           | 33%        | 16%          | 2%                          | 42%                   | 1%                       | 3%                       | 2%                     | 0%        |
| NC           | 20%        | 18%          | 6%                          | 42%                   | 6%                       | 6%                       | 3%                     | 0%        |
| NW           | 15%        | 30%          | 6%                          | 36%                   | 1%                       | 5%                       | 7%                     | 0%        |
| WC           | 18%        | 16%          | 2%                          | 51%                   | 5%                       | 4%                       | 2%                     | 2%        |
| <b>TOTAL</b> | <b>36%</b> | <b>19%</b>   | <b>2%</b>                   | <b>33%</b>            | <b>1%</b>                | <b>5%</b>                | <b>4%</b>              | <b>0%</b> |

Source: MIG-MIS project list of June 2022

The expenditure reflected in the above table shows the percentage of funds that were spent cumulatively during the fourth quarter of the 2021/22 financial year (April

2022 to 30 June 2022) on different project categories funded by the MIG.

### Number of MIG projects with Actual Expenditure as at 30 June 2022

| Province     | Water      | Sanitation | Street/<br>Community<br>Lighting | Roads &<br>Storm<br>water | Solid<br>Waste<br>Facilities | Sport<br>& Rec<br>Facilities | Community<br>Facilities | LED       |
|--------------|------------|------------|----------------------------------|---------------------------|------------------------------|------------------------------|-------------------------|-----------|
| EC           | 86         | 69         | 4                                | 170                       | 4                            | 21                           | 50                      | 2         |
| FS           | 29         | 28         | 3                                | 43                        | 8                            | 17                           | 5                       | 0         |
| GT           | 2          | 8          | 1                                | 12                        | 0                            | 1                            | 2                       | 0         |
| KZN          | 106        | 58         | 17                               | 267                       | 6                            | 66                           | 113                     | 5         |
| LP           | 50         | 13         | 5                                | 83                        | 3                            | 19                           | 10                      | 3         |
| MP           | 58         | 49         | 9                                | 92                        | 4                            | 10                           | 6                       | 0         |
| NC           | 16         | 11         | 5                                | 21                        | 1                            | 6                            | 4                       | 0         |
| NW           | 29         | 23         | 16                               | 73                        | 2                            | 13                           | 28                      | 5         |
| WC           | 20         | 17         | 6                                | 55                        | 2                            | 9                            | 3                       | 1         |
| <b>TOTAL</b> | <b>396</b> | <b>276</b> | <b>66</b>                        | <b>816</b>                | <b>30</b>                    | <b>162</b>                   | <b>221</b>              | <b>16</b> |

Source: MIG-MIS project list of June 2022

The above table shows the number of projects per sector with actual expenditure as at 30 June 2022. The roads and storm water sector have the largest number of projects being implemented nationally in all nine provinces. As at the end of the fourth quarter of the 2021/22 municipal financial year, there were 816 roads and storm water projects on which MIG funds were spent and were either in design and tender, construction or completion phases.

In all provinces that reported, the number of roads and storm water projects outnumbered all the other project categories. Water projects (396 projects) constitute the

second largest number of projects amongst the various categories and sanitation (276 projects) the third largest number.

**Note the third quarter of the 2022/23 Municipal Financial Year is aligned to the fourth quarter of the 2022/23 National Financial Year.**

The MIG allocation for the 2022/23 financial year is R16.8 billion. As at the end of March 2023 (the third quarter of the municipal financial year), the overall national performance per province is indicated below:

### National Overview of MIG Expenditure as at 31 March 2023

| Province      | Allocated<br>(R'000) | Transferred<br>to date<br>(R'000) | Transfers<br>as %<br>allocation | Expenditure<br>to date<br>(R'000) | Expenditure<br>as %<br>allocation<br>(exc roll-<br>overs) | Expenditure<br>as %<br>transferred<br>(exc roll-<br>overs) | Unspent<br>balance<br>(R'000) |
|---------------|----------------------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------------------------------------|------------------------------------------------------------|-------------------------------|
| Eastern Cape  | 3,490,712            | 3,490,712                         | 1                               | 1,809,743                         | 1                                                         | 1                                                          | 1,680,969                     |
| Free State    | 844,877              | 844,877                           | 1                               | 397,514                           | 1                                                         | 1                                                          | 447,363                       |
| Gauteng       | 449,940              | 449,940                           | 1                               | 156,073                           | 0                                                         | 0                                                          | 293,867                       |
| KwaZulu-Natal | 3,663,143            | 3,663,143                         | 1                               | 2,340,054                         | 1                                                         | 1                                                          | 1,323,089                     |
| Limpopo       | 3,362,772            | 3,362,772                         | 1                               | 1,711,623                         | 0                                                         | 0                                                          | 1,651,149                     |
| Mpumalanga    | 2,007,800            | 2,007,800                         | 1                               | 1,402,554                         | 1                                                         | 1                                                          | 605,246                       |
| Northern Cape | 492,495              | 492,495                           | 1                               | 235,288                           | 0                                                         | 0                                                          | 257,207                       |
| North West    | 2,009,965            | 2,009,965                         | 1                               | 961,404                           | 1                                                         | 1                                                          | 1,048,561                     |
| Western Cape  | 520,297              | 520,297                           | 1                               | 242,709                           | 0                                                         | 0                                                          | 277,588                       |
| <b>TOTAL</b>  | <b>16,842,001</b>    | <b>16,842,001</b>                 | <b>1</b>                        | <b>9,256,962</b>                  | <b>1</b>                                                  | <b>1</b>                                                   | <b>7,585,039</b>              |

Source: MIG DoRA – March 2023

The above table indicates that the MIG has spent approximately R9.3 billion (54.96%) of the R16.8 billion MIG allocation that was allocated to the programme for the 2022/23 financial year. One hundred percent (R16.8 billion) of the total 2022/23 allocation was transferred to municipalities as at end March 2023. The highest percentage expenditure reported by municipalities against the provincial allocation was by municipalities in the Mpumalanga Province that spent R1.4 billion (67.66%) of their R2 billion 2022/23 MIG allocation. Note that

KwaZulu-Natal Province has spent the highest amount of R2.3 billion by the end of March 2023, the second highest performer in terms of percentage spent against the provincial 2022/23 MIG allocation.

The lowest expenditure as at the third (as in the first and second quarter) of the municipal financial year was recorded by the Gauteng Province that spent 39.02% or R156 million of their total allocation of R449.9 million.

### MIG Expenditure per Sector as at 31 March 2023

| Province     | % Water    | % Sanitation | % Street/Community Lighting | % Roads & Storm Water | % Solid Waste Facilities | % Sport & Rec Facilities | % Community Facilities | LED       |
|--------------|------------|--------------|-----------------------------|-----------------------|--------------------------|--------------------------|------------------------|-----------|
| EC           | 49%        | 10%          | 1%                          | 31%                   | 1%                       | 0%                       | 8%                     | 0%        |
| FS           | 28%        | 31%          | 1%                          | 26%                   | 7%                       | 0%                       | 8%                     | 0%        |
| GT           | 13%        | 40%          | 4%                          | 37%                   | 0%                       | 0%                       | 6%                     | 1%        |
| KZN          | 34%        | 23%          | 1%                          | 26%                   | 2%                       | 0%                       | 14%                    | 0%        |
| LP           | 47%        | 2%           | 0%                          | 41%                   | 2%                       | 0%                       | 6%                     | 1%        |
| MP           | 32%        | 17%          | 0%                          | 44%                   | 3%                       | 0%                       | 4%                     | 0%        |
| NC           | 40%        | 24%          | 2%                          | 24%                   | 4%                       | 0%                       | 7%                     | 0%        |
| NW           | 5%         | 39%          | 6%                          | 35%                   | 3%                       | 0%                       | 10%                    | 1%        |
| WC           | 27%        | 7%           | 4%                          | 54%                   | 2%                       | 0%                       | 2%                     | 4%        |
| <b>TOTAL</b> | <b>36%</b> | <b>18%</b>   | <b>1%</b>                   | <b>34%</b>            | <b>2%</b>                | <b>0%</b>                | <b>9%</b>              | <b>0%</b> |

Source: MIG-MIS project list of March 2023

The expenditure reflected in the above table shows the percentage of funds that were spent cumulatively during the third quarter of the 2022/23 financial year (January 2023 to 31 March 2023) on different project categories funded by the MIG.

In the third quarter of the current financial year, expenditure on water projects as well as roads projects are the highest at 36% and 34%, respectively. Sanitation projects constitutes the third highest expenditure of 18%.

### Number of MIG projects with Actual Expenditure as at 31 March 2023

| Province     | Water      | Sanitation | Street/Community Lighting | Roads & Storm water | Solid Waste Facilities | Sport & Rec Facilities | Community Facilities | LED       |
|--------------|------------|------------|---------------------------|---------------------|------------------------|------------------------|----------------------|-----------|
| EC           | 59         | 50         | 5                         | 167                 | 7                      | 3                      | 55                   | 1         |
| FS           | 17         | 16         | 2                         | 27                  | 5                      | 0                      | 16                   | 0         |
| GT           | 5          | 10         | 3                         | 19                  | 1                      | 0                      | 5                    | 1         |
| KZN          | 86         | 52         | 12                        | 193                 | 5                      | 3                      | 146                  | 6         |
| LP           | 41         | 10         | 5                         | 63                  | 6                      | 1                      | 18                   | 1         |
| MP           | 54         | 37         | 6                         | 99                  | 9                      | 0                      | 11                   | 0         |
| NC           | 17         | 17         | 3                         | 10                  | 1                      | 0                      | 5                    | 0         |
| NW           | 12         | 19         | 12                        | 58                  | 2                      | 0                      | 23                   | 7         |
| WC           | 17         | 4          | 1                         | 40                  | 2                      | 1                      | 5                    | 1         |
| <b>TOTAL</b> | <b>308</b> | <b>215</b> | <b>49</b>                 | <b>676</b>          | <b>38</b>              | <b>8</b>               | <b>284</b>           | <b>17</b> |

Source: MIG-MIS project list of March 2023

The above table shows the number of projects per sector with actual expenditure as at 31 March 2023. The roads and storm water sector have the largest number of projects being implemented nationally in all nine provinces. As at the end of the third quarter of the 2022/23 municipal financial year, there were 676 roads and storm water projects on which MIG funds were spent.

In all provinces that reported, the number of roads & storm water projects outnumbered all the other project categories. Water projects (308 projects) constitute the second largest number of projects amongst the various categories and sanitation (215 projects) the third largest number.

#### **d) Municipal Infrastructure Support Agent**

MISA has continued to provide support to the 44 district municipalities to have access to sustainable services through strengthening of municipalities' capacity that provides reliable municipal infrastructure in a manner that creates jobs for local communities and contributes to economic growth. Support to each of these municipalities was set out in the Technical Support Plan (TSP) and supported by the Memorandum of Understanding (MoU) developed jointly by MISA provincial teams with the respective municipalities. Although technical support provided by MISA has enabled municipalities to undertake activities relating to planning, infrastructure development and maintenance, most municipalities continue to experience a disruption in services like the provisioning of non-revenue water. MISA, through the development and implementation of water conservation and water demand plans had managed in the past year to improve the water management system for the benefit of all in the communities.

Fifteen selected districts have been identified for support on operations and maintenance activities to reduce the 8% target in our five-year Strategic Plan, in addition to improving their infrastructure asset management practices. MISA has consistently supported municipalities to achieve 90% of their expenditure in the previous financial year. MISA has developed 30 Spatial Development Frameworks (SPLUMA) compliant plans, Land Use Management Schemes (LUMS), Spatial Development Frameworks (SDFs), Integrated Development Plans (IDPs), etc., across 20 districts. Twenty district municipalities were identified and supported with the development and/or implementation of Water Conservation or Water Demand Management (WC/WDM) strategies, with a

further 15 districts supported with the implementation of Integrated Waste Management (IWM) services. MISA also identified 15 districts to develop electricity strategies and implementation of these strategies that assisted in improving capacity to deliver access to electricity services. MISA further supported five Water Services Authority (WSAs) with the integration and prioritisation of strategies for alignment of bulk and reticulation projects in municipal IDPs.

All of the above programmes have contributed towards the reduction of backlogs and improved service delivery.

Assessment on infrastructure condition and municipal capacity in 10 districts was undertaken to assess the functionality of water and sanitation infrastructure, including capacity to maintain infrastructure assets and implement infrastructure projects within these municipalities. Areas where municipalities need to improve on functionality and general performance of water and sanitation infrastructure as well human capacity were identified. These assessments contributed towards the number of districts supported to improve capacity to deliver infrastructure to increase access to water and sanitation services. The next step in the new financial year would involve further interaction with municipalities to advise on areas of improvement, recommending alternative technologies where required.

Initiatives undertaken in the 2022/23 financial year to improve efficiency in infrastructure management, through increased municipal technical capacity in 44 districts, include the following:

- MISA contributed towards creating a technical skills pipeline in municipalities through placement of 318 youth (learners and candidates) in host municipalities across the country.
- A total of 510 municipal officials, from 42 districts and 8 metros, attended MISA facilitated technical skills training courses in areas such as:
  - Road Construction, Maintenance and Rehabilitation;
  - General Conditions of Contracts (GCC) 2015;
  - Estimating, Costing and Pricing of Construction;
  - Advanced Water Treatment Processes;
  - SPLUMA Guidelines for Special Development Framework;
  - Fundamentals of Procurement and Tendering;

- Pressure Pipeline and Pump Station Design and Specifications; and
- Development of Asset Management Plans.
- A total of 105 municipal general workers from 8 districts were enrolled in the MISA Recognition of Prior Learning (RPL) Programme to enhance their technical skills and work towards obtaining formal qualifications.

During 2022/23 financial year, seven local municipalities (spread across seven district municipalities) were supported to implement the long-term infrastructure investment plans and seven municipalities (spread across six district municipalities) were supported with the accessing of alternative funding sources. Seven municipalities (spread across six district municipalities) were supported on climate change mitigation and adaption funding. Over the next outer years of the Medium-Term Expenditure Framework (MTEF), the unit will focus on supporting 20 district and metro spaces with identified infrastructure related interventions. The unit will also continue to collaborate with the financiers and other relevant stakeholders (SALGA, National Treasury, etc.) to increase infrastructure investments for the identified dysfunctional municipalities.

Over the MTEF period, MISA's focus will be on supporting the 52 districts/metros in implementing innovative procurement mechanisms. The programme also provides municipalities with an alternative procurement strategy through the use of framework contracts to improve infrastructure procurement efficiencies and shorten the procurement period. Ten municipalities were supported with the implementation of IDMS whilst 14 municipalities were supported with the enhancement of infrastructure procurement practices to improve capacity to deliver infrastructure to increase access to water services for both local and districts, supported over five years. MISA also supported a further 20 municipalities on the rolling out of the Local Government Framework for Infrastructure Delivery and Procurement Management (FIDPM).

MISA has also during the 2022/23 financial year, started with a process of looking at our long-term strategy for the organisation. This process culminated in the development of a Theory of Change Framework for the organisation, as well as making amendments to our approved Strategic Plan 2020–2025. These amendments were included in our approved Annual Performance Plan 2023/24 as an annexure, with the implementation date of these amendments to the Strategic Plan being 01 April 2023.

## **Municipal Demarcation Board**

During the year under review, the Municipal Demarcation Board managed to determine and re-determine municipal outer boundaries for all municipalities that qualify. This target has been fully achieved as per the MDB's Annual Performance Plan (APP). A total of 58 municipalities with spatial boundary descriptions were finalised and a total of 4 468 wards profiled, while two cases of re-determination were evaluated to determine the impact on service delivery and development.

## **South African Cities Network**

The South African Cities Network (SACN) had engagements with the Nelson Mandela, Mangaung and City of Johannesburg Metropolitan Municipalities to obtain insights that would enable the SACN to design city-informed programmes and ensure that the SACN works well within cities. Discussions have started with cities about their needs and how the SACN's programmatic work can respond to their needs. SACN hosted the Urban Festival in partnership with DCoG, the Department of Human Settlements (DHS), SALGA and the Civic Tech Innovation Network, and further held engagements with the World Resource Institute (WRI), Nelson Mandela Bay Municipality and the City of Johannesburg related to the WRI Urban Water projects. The organisation participated in various events, including World Bank/IFC and UN-HABITAT Local Public Section Alliance webinar, World Forum on Urban Violence and Education for Peace, UNHABITAT Her City Launch, and World Planning Day.

The table below presents the outcomes, outputs, output indicators, targets and actual achievements for the APP 2022/23 FY that was tabled on 10 March 2022 and implemented on 31 March 2022.

| Output                                                             | Output Indicator                                                                    | Audited Actual Performance 2020/21        | Audited Actual Performance 2021/22                                                                      | Planned Annual Target 2022/23                                                                    | Actual Achievement 2022/23                                                                                           | Deviation from Planned Target | Reason for Deviations                                                                            |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Outcome: Integrated planning and service delivery</b>           |                                                                                     |                                           |                                                                                                         |                                                                                                  |                                                                                                                      |                               |                                                                                                  |
| <b>Outcome 1: Functional inter-governmental governance systems</b> |                                                                                     |                                           |                                                                                                         |                                                                                                  |                                                                                                                      |                               |                                                                                                  |
| DDM district and metro One Plan                                    | 2.1 Number of district and metro One Plans developed                                | One Plans developed for the 3 pilot sites | <b>Not Achieved</b><br>40 district and 6 metro One Plans developed<br>This is 88% of the planned target | 44 districts and 8 metro One Plans reviewed and updated by 31 March 2023                         | <b>NOT ACHIEVED</b><br>42 district and 4 metro One Plans reviewed and updated by 31 March 2023                       | -2 districts and -4 metro     | Delays from provinces in finalising the updating of the One Plans within the indicated timelines |
| Gender-Based Violence and Femicide (GBVF) preventative measures    | 2.2 Guideline for mainstreaming of the GBVF in the IDPs of municipalities developed | New indicator                             | Alignment of One Plans and the IDPs including the GBVF targets by 31 March 2022                         | Guideline for mainstreaming of the GBVF in the IDPs of municipalities developed by 31 March 2023 | <b>Achieved</b><br>Guideline for mainstreaming of the GBVF in the IDPs of municipalities developed by 31 March 2023. | N/A                           | N/A                                                                                              |

| Output                                       | Output Indicator                                                                                           | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22                                                                             | Planned Annual Target 2022/23                                                                                   | Actual Achievement 2022/23                                                                                                                  | Deviation from Planned Target                                                                                                                                                                                                                                                  | Reason for Deviations                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sub-programme: Performance Monitoring</b> |                                                                                                            |                                    |                                                                                                                |                                                                                                                 |                                                                                                                                             |                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| DDM Integrated Monitoring Framework          | 2.3 Integrated Monitoring Framework for DDM reporting consulted and piloted in identified districts/metros | New indicator                      | New indicator                                                                                                  | Integrated Monitoring Framework for DDM reporting consulted and piloted in 3 districts/metros by 31 March 2023. | <b>Not Achieved</b><br>Integrated Monitoring Framework for DDM reporting was not consulted and piloted in 3 Districts/ Metros 31 March 2023 | The IM&E Framework does not reflect as draft M&E Plans for the One DDM pilot sites of OR Tambo and Waterberg districts, what is in the Programme Implementation Plan of the DBSA PMO with the DCoG, namely that 3 pilot M&E Plans for the One Plan developed by 31 March 2023. | The DCoG had to rely on the DBSA PMO to implement the DDM in the 3 pilot sites. The PMO reported that as the development of an M&E Plan for the One Plan is a comprehensive and continuing process taking time, extensive engagement and refinement of the M&E Plan (as demonstrated with the development of the M&E Plan in eThekweni), it resulted in the M&E Plans for the One Plan for the other two pilot sites not being developed. |
| DDM Integrated Monitoring System (IMS)       | 2.4 DDM IMS developed and implemented                                                                      | New indicator                      | <b>Achieved</b><br>The DDM One Plan Prototype has been developed as the first release of a DDM priority module | DDM IMS developed and piloted in 1 districts by 31 March 2023                                                   | <b>Achieved.</b><br>DDM IMS developed and piloted in 1 Districts by 31 March 2023                                                           | N/A                                                                                                                                                                                                                                                                            | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Output                                                           | Output Indicator                                                                  | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22 | Planned Annual Target 2022/23                                                               | Actual Achievement 2022/23                                                                                                  | Deviation from Planned Target                                                                | Reason for Deviations                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome: Functional Inter-Governmental Governance Systems</b> |                                                                                   |                                    |                                    |                                                                                             |                                                                                                                             |                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Local Economic Development                                       | 2.5 Number of district and metro Economic Recovery Plans implementation monitored | New indicator                      | New indicator                      | 44 districts and 8 metros Economic Recovery Plans implementation monitored by 31 March 2023 | <b>Not Achieved</b><br>31 districts and 4 metros Economic Recovery Plans implementation monitored by 31 March 2023.         | 13 districts and 4 metros Economic Recovery Plans implementation monitored by 31 March 2023. | Implementation of Economic Recovery Plans could not be monitored in some districts and metros due to the non-submission of progress reports.                                                                                                                                                                                                                                                                                                                       |
| MIG allocations spent on municipal infrastructure                | 2.6 Percentage of MIG allocations spent on municipal infrastructure               | Revised indicator                  | Revised indicator                  | 85% of 2021/22 MIG allocations spent on municipal infrastructure by June 2022               | <b>Achieved</b><br>89.7% of the 2022/23 MIG allocations was spent on municipal infrastructure by 30 June 2022.              | Over achieved by 4.7%                                                                        | The MIG is a direct Grant to municipalities and thus the Department report on expenditure as the administrator in terms of the Division of Revenue Act and cannot be held responsible for the MIG expenditure performance of municipalities.                                                                                                                                                                                                                       |
|                                                                  |                                                                                   |                                    |                                    | 60% of 2022/23 MIG allocations spent on municipal infrastructure by March 2023              | <b>Not Achieved</b><br>54.9% of MIG allocations spent on municipal infrastructure by March 2023 by the end of November 2022 | -5.1% under achievement                                                                      | <p>Municipalities reported the following challenges impacting on performance:</p> <ul style="list-style-type: none"> <li>• supply chain management delays;</li> <li>• poor performance of contractors;</li> <li>• business forum interferences impacting on project progress;</li> <li>• delay in the payment of invoices impacting on expenditure reporting;</li> <li>• changing of project implementation priorities; and</li> <li>• vacant positions</li> </ul> |

| Output                                              | Output Indicator                                                                                                          | Audited Actual Performance 2020/21                            | Audited Actual Performance 2021/22                                                                      | Planned Annual Target 2022/23                                                                                                   | Actual Achievement 2022/23                                                                                                                              | Deviation from Planned Target | Reason for Deviations                                                                                                                                                                                                           |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| District/metro hubs                                 | 2.7 Number of reports on the identified district/metros readiness to establish and operationalise the district/metro hubs | Hubs established for 2 districts and 1 metro by 31 March 2021 | Hub managers and hub administrative support staff appointed in 2 districts and 1 metro by 31 March 2022 | 3 reports on the identified districts/metros readiness to establish and operationalise the district/metro hubs by 31 March 2023 | <b>Achieved</b><br>3 readiness reports for KZN, Gauteng and Eastern Cape provinces produced.                                                            | N/A                           | N/A                                                                                                                                                                                                                             |
| <b>Outcome: Sustained Good Municipal Governance</b> |                                                                                                                           |                                                               |                                                                                                         |                                                                                                                                 |                                                                                                                                                         |                               |                                                                                                                                                                                                                                 |
| Three Smart Cities (Small Towns)                    | 2.8 Number of small towns identified for redesign and refurbishment as smart cities/towns                                 | Smart Cities Framework developed by 31 March 2021             | Smart Cities Framework included into 3 DDM One Plans by 31 March 2022                                   | Three existing towns identified and plans for redesign and refurbishment as cities/towns developed by 31 March 2023             | <b>Not Achieved</b><br>Three existing towns not identified and plans for redesign and refurbishment as cities/towns were not developed by 31 March 2023 | -3 existing towns             | SCM finalising the appointment of a service provider and the project will now be undertaken in the 2023/24 financial year.<br><br>The project requires technical expertise to develop the plans for redesign and refurbishment. |
| One Coastal City planned                            | 2.9 Number of progress reports on planned Coastal City                                                                    | 3 progress reports on planned Coastal City by 31 March 2023   | New indicator                                                                                           | Three progress Reports on planned Coastal City by 31 March 2023                                                                 | <b>Achieved</b> – 3 progress reports submitted on planned Coastal City (MISA output).                                                                   | N/A                           | N/A                                                                                                                                                                                                                             |

| Output                                              | Output Indicator                                                                                                  | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22 | Planned Annual Target 2022/23                              | Actual Achievement 2022/23                                                        | Deviation from Planned Target                                                                                                                                                                                                                    | Reason for Deviations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome: Sustained Good Municipal Governance</b> |                                                                                                                   |                                    |                                    |                                                            |                                                                                   |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                     | 2.10 Intergovernmental Monitoring, Support and Intervention Bill submitted in Parliament                          | New indicator                      | New indicator                      | IMSI Bill submitted in Parliament by 31 March 2023         | <b>Not Achieved</b><br>IMSI Bill submitted was not in Parliament by 31 March 2023 | The GSCID Ministerial Cluster delayed the submission of the Bill to Cabinet for approval to publish for public comments by the target date, and directed further consultations and seek legal advice on the effects of the passing of the Bill). | IMSI Bill submitted in Parliament by 31 March 2023 (The Bill served before the Governance State Capacity and Institutional Development (GSCID) Cluster on 16 November 2022, and the DG Cluster on 24 November 2022. Thereafter, the Bill was served before the Cabinet Ministerial Cluster on 29 November 2022. The GSCID Ministerial Cluster delayed the submission of the Bill to Cabinet for approval to publish for public comments by the target date, and directed further consultations and sought legal advice on the effects of the passing of the Bill). |
| Municipal Support and Intervention Plans            | 2.11 Number of dysfunctional municipalities supported to implement Municipal Support & Intervention Plans (MSIPs) | New indicator                      | New indicator                      | 64 dysfunctional municipalities supported by 31 March 2023 | <b>Achieved</b><br>64 dysfunctional municipalities supported by 31 March 2023     | N/A                                                                                                                                                                                                                                              | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|                                                                   |                                                                                              | 2022/23           |                    |               |                                  | 2021/22           |                    |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------|--------------------|---------------|----------------------------------|-------------------|--------------------|
| Programme 2: Local Government Support and Intervention Management |                                                                                              | Final Budget      | Actual Expenditure | Variance      | Expenditure as % of Final Budget | Final Budget      | Actual Expenditure |
|                                                                   |                                                                                              | R'000             | R'000              | R'000         | %                                | R'000             | R'000              |
| <b>Sub-programme</b>                                              |                                                                                              |                   |                    |               |                                  |                   |                    |
|                                                                   | Management: Local Government Support and Intervention Management                             | 5 406             | 4 215              | 1 191         | 78,0%                            | 4 688             | 3 007              |
| 1.                                                                | Performance Monitoring                                                                       | 16 850            | 16 197             | 653           | 96,1%                            | 15 293            | 13 585             |
| 2.                                                                | Local Government Improvement Programme                                                       | 47 880            | 47 880             | -             | 100,0%                           | 25 894            | 21 810             |
| 3.                                                                | Municipal Infrastructure Support Agent Municipal Infrastructure Grant                        | 22 655            | 19 994             | 2 661         | 88,3%                            | 34 744            | 32 405             |
| 4.                                                                | Administration                                                                               |                   |                    |               |                                  |                   |                    |
| 5.                                                                | Urban Development Planning                                                                   | 10 519            | 10 519             | -             | 100,0%                           | 8 595             | 6 572              |
| 6.                                                                | Integrated Districts and Regional Spatial Planning                                           | 10 932            | 8 629              | 2 303         | 78,9%                            | 11 211            | 11 210             |
| 7.                                                                | Intergovernmental Monitoring, Support and Intervention Intergovernmental Policy and Practice | 10 396            | 2 629              | 7 767         | 25,3%                            | 8 408             | 5 153              |
| 8.                                                                | Integrated Urban Development Grant                                                           | 1 085 368         | 1 085 368          | -             | 100,0%                           | 1 009 068         | 1 009 068          |
| 9.                                                                | Municipal Demarcation Board                                                                  | 74 340            | 74 340             | -             | 100,0%                           | 70 601            | 70 601             |
| 10.                                                               | South African Cities Network                                                                 | 8 508             | 8 508              | -             | 100,0%                           | 8 161             | 8 161              |
| 11.                                                               | Municipal Infrastructure Grant                                                               | 16 842 001        | 16 842 001         | -             | 100,0%                           | 15 592 748        | 15 592 748         |
| 12.                                                               | Municipal Infrastructure Support Agent                                                       | 400 216           | 400 216            | -             | 100,0%                           | 628 864           | 628 864            |
|                                                                   |                                                                                              | <b>18 535 071</b> | <b>18 520 496</b>  | <b>14 575</b> | <b>99,9%</b>                     | <b>17 418 275</b> | <b>17 403 184</b>  |
| <b>Economic classification</b>                                    |                                                                                              |                   |                    |               |                                  |                   |                    |
| <b>Current payments</b>                                           |                                                                                              | <b>123 910</b>    | <b>109 336</b>     | <b>14 574</b> | <b>88,2%</b>                     | <b>108 338</b>    | <b>93 247</b>      |
|                                                                   | Compensation of employees                                                                    | 93 721            | 87 022             | 6 699         | 92,9%                            | 90 764            | 81 439             |
|                                                                   | Goods and services                                                                           | 30 189            | 22 314             | 7 875         | 73,9%                            | 17 574            | 11 808             |
| <b>Transfers and subsidies</b>                                    |                                                                                              | <b>18 411 020</b> | <b>18 411 020</b>  | <b>-</b>      | <b>100,0%</b>                    | <b>17 309 817</b> | <b>17 309 817</b>  |
| <b>Payments for capital assets</b>                                |                                                                                              | <b>64</b>         | <b>63</b>          | <b>1</b>      | <b>98,4%</b>                     | <b>116</b>        | <b>116</b>         |
| <b>Payment for financial assets</b>                               |                                                                                              | <b>77</b>         | <b>77</b>          | <b>-</b>      | <b>100,0%</b>                    | <b>4</b>          | <b>4</b>           |
| <b>TOTAL</b>                                                      |                                                                                              | <b>18 535 071</b> | <b>18 520 496</b>  | <b>14 575</b> | <b>99,9%</b>                     | <b>17 418 275</b> | <b>17 403 184</b>  |

#### Strategy to overcome areas of under performance:

**2.1 : 44 districts and 8 metro One Plans reviewed and updated by 31 March 2023.** The Department has achieved 88%, 42 district and 4 metro updated One Plans have been submitted from 8 provinces - 46 in total (88%). Districts are engaged through MINMEC and other relevant structures to ensure that district municipalities review and update their One Plans. There are also ongoing Presidential Imbizo Outreach Programmes to engage on review and implementation of District One Plans. It is important to effectively utilise the existing IGR structures to communicate the requirement of an acceptable District One Plan. The approval, consultation and gazetting of section 47(1)(b) of the IGRFA Regulations and Amendment Bill will also contribute towards sustainable One Plan processes.

**2.3 : Integrated Monitoring Framework for DDM reporting consulted and piloted in 3 districts/ metros by 31 March 2023.**

DDM Integrated Monitoring and Evaluation (IM&E) Framework and its Process and Procedures Manual was updated and reviewed, including consultations and input from DDM Pilot Site stakeholders. The Integrated Monitoring and Evaluation Framework of the DDM as a guideline document will need to be considered by the LGOS Branch to be issued as policy to be taken into account with the revision of the One Plans and their implementation and monitoring and reporting of progress.

**2.5 : 44 districts and 8 metros Economic Recovery Plans implementation monitored by 31 March 2023.**

The target was not achieved. To ensure that all municipalities comply with the submission of reports on the implementation of economic recovery plans the department issued Circular no 10 of 2022 advising municipalities on the submission dates on the reports. The department made regular follow-ups with municipalities to submit progress reports.

**2.6 : 60% of 2022/23 MIG allocations spent on municipal infrastructure by March 2023.**

The Department achieved 54.9% of MIG allocations spent on municipal infrastructure by March 2023. There is only

a difference of 5,1%. The Department is not responsible for the spending trends of municipalities under a schedule 5B direct grant but will continue conducting under-performance meetings confirming support of under-performing municipalities to ensure the target of 85% as at the end of June 2023.

**2.8 : Three existing towns identified and plans for redesign and refurbishment as cities/towns developed by 31 March 2023.**

This was not achieved as the process requiring technical expertise to prepare the 3D models and therefore the Directorate was unable to deliver the targets. The will finalising the appointment of a service provider and the project will now be undertaken in the 2023/24 financial year.

**2.10 : IMSI Bill submitted in Parliament by 31 March 2023.**

This target was not achieved, but the Bill was served before the Cabinet Ministerial Cluster on 29 November 2022. The GSCID Ministerial Cluster delayed the submission of the Bill to Cabinet for approval to publish it for public comments by the target date, and directed further consultations and sought legal advice on the effects of the passing of the Bill. Once public comments have been obtained and dealt with the Bill will be submitted to the GSCID Ministerial Cluster for approval to be submitted to Parliament.

### 4.3 PROGRAMME 3: INSTITUTIONAL DEVELOPMENT

**Purpose:** Build institutional resilience in local government by supporting system development, governance and capacity building

**Sub-programmes:** The programme is structured into the following sub-programmes:

**Management:** Institutional Development provides strategic leadership to the programme to ensure compliance and the achievement of Departmental targets in line with the B2B strategy.

#### Municipal Human Resources Management Systems:

During the 2022/23 financial year, the Department committed to strengthen the capacity of municipalities to perform their functions by embarking on the following support initiatives:

1. Review of Local Government Competency Frameworks and Competency Assessment Batteries for senior managers

The Department committed to review the Local Government Competency Framework and Assessment Batteries for senior managers by 31 March 2023. The Competency Framework and Assessment Batteries for senior managers were reviewed as targeted. During the 2023/24 financial year, the Department will embark on the pilot and validation of the Competency Assessment Batteries.

2. Number of municipalities trained on the implementation of Local Government: Municipal Staff Regulations and Guidelines

The Department committed to train councillors on the implementation of Municipal Staff Regulations through the online system. Training material and the Learner Management System have been developed. Training could not be realised due to Eskom load-shedding crisis and associated network failures. To circumvent these challenges, the Department has put plans in place to change the mode of training for councillors from online to physical training sessions during the 2023/24 financial year. This will be followed by the training of municipal human resource functionaries.

3. Pilot and validate prototype municipal staff establishment for identified different categories of municipalities.

During the financial year under review, the Department committed to pilot and validate prototype municipal staff establishments according to different categories, powers and functions of municipalities. The project commencement date was delayed due to procurement processes.

4. Notice on upper limits of total remuneration packages payable to municipal managers and managers directly accountable to municipal managers (senior managers)

A notice was published on 18 November 2022 determining the cost-of-living adjustments of the upper limits for remuneration of senior managers for 2021/22 municipal financial year, as follows: -

- a one and a half percent (1.5%) cost of living adjustment
  - a non -pensionable cash gratuity of –
  - R1 695.00 payable monthly to senior managers earning a total remuneration package below R1 900 000; and
  - R1 818.00 payable monthly to senior managers earning a total remuneration package of R1 900 000 and above.
5. Notice on upper limits for salaries, allowances and benefits of different members of municipal councils.

A notice was published on 26 August 2022 determining a 3% cost-of-living adjustment of the upper limits for remuneration of different members of municipal councils for 2021/22 municipal financial year.

#### Municipal Finance:

The Department developed a report on municipalities with reduction of non-revenue water (NRW) and non-revenue electricity (NRE) in their SDBIPs in 2022/23 and communicated corrective measures to 99 non-compliant municipalities on the prioritization of both water and electricity losses in their Service Delivery Budget Implementation Plans (SDBIPs).

The Department developed a Report on the Compliance of Water Services Authority and Electricity Licensed Municipalities' Tariff Policies and Associated Tariff Schedules with the Provisions of Section 74(2)©(ii) & (iii) of the Municipal Systems Act and sent letters of compliance to

82 municipalities.

The Department developed 4 reports on the Implementation of the Budget forum Recommendations on the Local Government Fiscal Framework

81 municipalities were assessed on the Municipal Indigent Policies and the findings on the assessments communicated with the municipalities per province.

30 municipalities were supported with the preliminary assessment of Municipal Indigent Registers

Municipalities were supported through the National Responsible Citizenry campaign and engagement with various stakeholders were held, which included provinces, government entities and municipalities for the institutionalisation of the campaign. In this regard, 18 district stakeholder engagements were held.

40 municipal credit control and debt collection policies were analysed and feedback provided to municipalities.

### **Citizen Engagement:**

As part of CoGTA's mandate to regulate, support and monitor public participation in the processes of local government, the Department responded by entering into an Open Government Partnership with GovChat. This is an important partnership, as it comes at no fee to government and can be used by multiple institutions at provincial and local levels to engage the public and it further helps the public to hold government accountable. The public can access the platform on the zero-rated application.

Currently, the platform is being used by over 8 million citizens and it is accessed in over a million unique South African households. Individuals use GovChat to learn who their ward councillor is, to report and rate government facilities, to log service requests with their municipalities, to apply for the South African Social Security Agency (SASSA) grants, to report cases and attain GBVF related services, to report corruption, to register child-care facilities (ECD centres), to access COVID-19 services and to participate in government polls and surveys.

For the period under review, the Department supported the implementation of the GovChat in the nine provinces through various IGR engagements and training support. To date, all the provinces have been engaged on GovChat and they have put measures in place to respond and use it for community participation activities.

The Department also provided support to all provinces on matters relating to ward committees through sharing of documents and policy guidance. Financial support was also provided for catering assistance to municipalities who made such requests. To date, 97% of ward committees have been established across all provinces and measures have been put in place to support those that have not yet been established.

### **Anti-Corruption and Good Governance:**

As part of the broader government efforts to root out corruption in the local sphere of government, the Local Government Anti-Corruption Forum (LGACF) was established in October 2020 under the Chairmanship of the Special Investigating Unit (SIU) supported by DCoG as the Secretariat. The Minister launched the LGACF and the Local Government Ethical Leadership Initiative (LGEI) on 20 September 2022. The launch was done in collaboration with key stakeholders which include heads of law enforcement agencies. In terms of the governance arrangements, the LGACF comprises of a larger Forum and a Steering Committee. Members of the Forum include officials from government, law enforcement agencies, civil society, business and labour. The LGACF brings all key stakeholders together to collectively advance the anti-corruption agenda, strengthen and formalise stakeholder relations in aid of addressing vulnerabilities in the local government sector:

The establishment of the forum is in line with pillar six of the National Anti-Corruption Strategy (NACS) which focuses on the protection of vulnerable sectors and directs strategic interventions to be implemented in those sectors that are prone to corruption. The formation of the LGACF is vital as part of implementation of Local Government Anti-Corruption Strategy (LGACS) and for the purpose of fostering collaboration amongst the stakeholders at the local government level to effectively prevent corruption and coordinate efforts amongst all law enforcement agencies, to ensure that investigative capacity is in place and outcomes such as criminal prosecutions, civil recoveries and any administrative actions are well synthesised.

## Anti-Corruption and Ethics Awareness Campaigns

In collaboration with law enforcement agencies and provinces, the Department continues to conduct anti-corruption and ethics awareness workshops as part of the prevention of fraud, corruption, and related offences. The anti-corruption and ethics workshops are conducted to empower and encourage officials and councillors to act with integrity when discharging their duties and building capacity to fight corruption.

## Collaboration with law enforcement agencies

The delays in relation to finalisations of investigations and prosecutions has also been identified as one of the challenges in the fight against corruption. In this regard, the Department will continue to collaborate with provinces, municipalities and law enforcement agencies such as the SIU, Hawks and the National Prosecuting Authority (NPA) through the recently established the LGACF.

## Municipal Property Rates

Municipal Property Rates guides municipalities to comply with critical rating and valuation aspects of the Municipal Property Rates Act (MPRA) (2004) and its regulations.

A total of 71 municipalities were assessed in terms of compliance with the rating aspects of the Act and outcomes of the assessment findings and recommendations on corrective measures (in the case of non-compliance) were communicated to the municipalities.

Engagements were held with 40 municipalities, and where relevant, non-compliant municipalities were guided to comply with Section 8 (property categorisation) of the Act and on the appropriate rating of public service purpose properties.

A total of 38 municipalities that were envisaged to implement new valuation rolls on 1 July 2023 were monitored and supported on their readiness to implement new valuation rolls.

Twenty municipalities were assessed in terms of compliance with Chapter 8 of the MPRA (Updating of Valuation Rolls) and outcomes of assessment findings and recommendations on corrective measures were communicated to the 20 municipalities.

## MUNICIPAL PUBLIC ACCOUNTS COMMITTEES (MPACs)

On 11 October 2021, the President proclaimed that the Local Government: Municipal Structures Amendment Act, 2021 commences on 1 November 2021. To upscale oversight and accountability at municipal councils, a new provision which provides for the mandatory establishment of the Municipal Public Accounts Committees (MPACs) was introduced in the Structures Act.

To ensure that MPAC performs its various responsibilities assigned to it in terms of the Structures Act, including inter alia, including assisting municipalities in preparations of the Oversight report on Annual Report, review of the Auditor-General's audit reports for it to effectively conduct investigations on Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&WE), focusing on identified dysfunctional municipalities that will be supported to ensure the realisation of sustained good governance priority as identified in the Medium Term Strategic Framework for 2019-2024.

## CODE OF CONDUCT FOR COUNCILLORS REGULATIONS, 2023

The Code of Conduct for Councillors ("the Code") was also migrated from the Local Government: Municipal Systems Act and introduced to Schedule 7 of the Structures Act, with various interventions brought into the Code.

To further entrench the culture of accountability and to promote ethical leadership in councils, the Department is in the process of finalising Code Conduct for Councillors Regulations, 2023. The Regulations deals, inter alia, the following:

- (a) Prohibition of "walk-outs" during council meetings to instil discipline in the municipal councils and its committees occurring mostly in coalition governance municipalities;
- (b) Introduction of a requirement for designated councils' gifts register for declaration of gifts that are received by councillors in kind to ensure compliance with item 8(1) of the Code;
- (c) Maintaining decorum in the municipal councils, including its committees by ensuring that If a councillor (s) behaviour is unruly, including when such councillor assaults or threatens to assault an official or another councillor or any other person present at the

meeting, the chairperson must order the councillor to immediately leave the meeting; and if the councillor fails to obey the order, request a law enforcement official employed by the municipality to remove the councillor from the meeting.

- (d) Obligation to municipalities to provide adequate support to cater for councillors living with disabilities to participate effectively in council proceedings;
- (e) Requirement for councillors to settle municipal accounts (no longer than 3 months) due for rates and services in accordance with the credit control policy of the municipality;
- (f) Enforcing consequence management for those councillor(s) who are known or seen to have orchestrated with a group of members of the public or municipal staff to engage in violent protests or labour unrest are disciplined by the municipal council for potential breach of the Code; and criminal charges laid with the South African Police Services and any loss or damage suffered by the municipality as a result of such protest or strike must be recovered from the councillor and cannot be written off.
- (g) Ensuring consequence management are enforced for those councillor(s) that vote in favour of or agrees with a proposed resolution that is before the municipal council or a committee, which conflicts with any legislation applicable to local government, and that such councillor(s) are held personally liable for any loss or damage suffered by the municipality as a result of the action referred above;
- (h) Ensuring that the Speaker is abreast of the breaches of the Code that occur in the committee or its proceedings, by requiring that the chairperson of a committee must immediately report the breach to the Speaker for further action; and
- (i) Requirement for reporting on a bi-annual basis by the municipality to the MEC and the Minister on compliance to the Code;

The Regulations have been consulted with all stakeholders (MECs and SALGA). The draft Regulations were published in the Government Gazette for public comments on 4 October 2022.

The Regulations were subsequently published in **Government Gazette No. 48786 of 2023** on 14 June 2023 for implementation. The Department also issued

a Circular to guide the implementation and for uniform interpretation.

## LOCAL GOVERNMENT LEGISLATIVE REVIEW

Prior to the advent of democratic local government, various Ordinances, Acts and By-laws were in place to govern local government.

The advent of our new democratic local government dispensation in 2000 was guided by the adoption of the Constitution of the Republic of South Africa, 1996, and the subsequent introduction of various other pieces of legislation, including the following:

- (a) Local Government: Municipal Demarcation Act, 1998;
- (b) Local Government: Municipal Structures Act, 1998;
- (c) Local Government: Municipal Systems Act, 2000;
- (d) Intergovernmental Relations Framework Act, 2005; and
- (e) Various pieces of sectoral legislation.

Since the implementation of the newly introduced legislation, there have been good practices that have been entrenched. However, there are still many challenges that persist.

Having regard to the above, Department of Cooperative Governance initiated a process to review the various pieces of legislation that impacts on local government with the view to entrenching good practices and to address the challenges that have been experienced.

The Department requested all stakeholders (All National Departments; Provincial CoGTAs; SALGA; IEC; MDB; FFC) to provide inputs on the local government legislative review.

The received inputs are currently being utilised to **develop the Local Government: General Laws Amendment Bill** which will be consulted with stakeholders during September 2023, and ultimately process through relevant channels towards cabinet.

## INDEPENDENT MUNICIPAL DEMARCATION AUTHORITY BILL

The amendments to the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998) are largely based on proposals received from the Municipal Demarcation Board, and are informed by:

- (a) Inputs from previous Boards;
- (b) Lessons learnt from previous redeterminations and ward delimitation processes;
- (c) Litigation; and
- (d) Inputs from various stakeholders.

As of the end of the 2022/23 FY, the IMDA Bill was still under the consideration of the Portfolio Committee on Cooperative Governance and Traditional Affairs in the National Assembly.

Once promulgated, the IMDA Bill will go a long way towards ensuring that the mandate of the Authority is amplified and executed in a manner that would be more receptive by all sectors of society.

The operationalisation of the Bill will also minimise unnecessary costly litigations and unrests related to the dissatisfaction with the decisions of the Authority. The Department will continuously support Parliament during the processing of the IMDA Bill.

#### **IMPLEMENTATION OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 2021**

The Local Government: Municipal Structures Amendment Act, 2021 came into operation on 1 November 2021 (with the exception of section 30) as determined by the President Proclamation No. 37 of 2021 published in the Government Gazette No. 45305.

The Structures Amendment Act was rolled out to all provinces from August 2021 – March 2022.

The Department received requests for further rolling out the Structures Amendment Act to the provinces who were workshoped prior to November 2021 LGEs to enable newly elected councillors to be well informed with the amendments.

Workshops on the implementation of the Structures Amendment Act were held as follows:

| NO. | PROVINCE     | DATE              |
|-----|--------------|-------------------|
| 1.  | Mpumalanga   | 30 September 2022 |
| 2.  | Free State   | 27 October 2022   |
| 3.  | Eastern Cape | 10 November 2022  |
| 4.  | North West   | 20 February 2023  |
| 5.  | Gauteng      | 7 March 2023      |

Apart from the above-mentioned workshops, the DCoG received some requests from stakeholders to present the Structures Amendment Act in their forums/engagements.

#### **Local Government Equitable Share**

In terms of Section 227 of the Constitution, the local government sphere is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share (LGES) is an unconditional transfer that supplements the revenue that municipalities can raise themselves (including revenue raised through property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities with the least potential to cover these costs from their own revenues.

During the 2022/23 financial year, the Department successfully administered the LGES grant in line with the 2022 Division of Revenue Act and transferred an amount of R83.9 billion (96.1%) of the total allocation of R87.3 billion. The LGES transfers are meant to assist municipalities to deliver free basic services to indigent households and supplement the funding of the basic administration of running the municipalities.

#### **Municipal Systems Improvement Grant**

The purpose of the Municipal Systems Improvement Grant (MSIG) is to assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation. In respect of the technical assistance provided through the MSIG, the Department has determined key areas to assist municipalities to address issues resulting in adverse audit outcomes especially through technical assistance on both the improvement of data and records management.

During 2022/23, the Department assessed the state of records management in each of the 30 targeted municipalities to develop implementation plans and assist the municipalities in improving their records management, considering the key pillars of records management and guided by various legislation that govern National and Provincial Records Management.

The Department also supported eight municipalities by assessing their data management practices guided by municipal revenue related policies and local government legislation, to identify key anomalies that require correction, develop implementation plans and assist municipalities with the improvement of their data management.

The support provided by the Department on the cost of supply studies on water provision in 10 municipalities resulted in the Department developing status quo reports in respect of the status quo of eight municipalities' water services provision. The support will result in the determination of the identified municipalities' revenue requirements for water provision, apportionment of costs and the determination of appropriate water tariffs.

The table below presents the outcomes, outputs, output indicators, targets and actual achievements for the APP 2022/23 FY that was tabled on 10 March 2022 and implemented till 31 March 2022.

| Output                                                        | Output Indicator                                                                                                                       | Actual Achievement 2020/21 | Audited Actual Performance 2021/22          | Planned Annual Target 2022/23                                                      | Actual Achievement 2022/23                                                                                                                          | Deviation from Planned Target | Reason for Deviations |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|
| <b>Outcome: Sustained Good Municipal Governance</b>           |                                                                                                                                        |                            |                                             |                                                                                    |                                                                                                                                                     |                               |                       |
| <b>Outcome 4 Financially viable municipalities and metros</b> |                                                                                                                                        |                            |                                             |                                                                                    |                                                                                                                                                     |                               |                       |
| Financially viable municipalities                             | 3.1 Number of reports on the implementation of the recommendations of the Budget Forum on the Local Government Fiscal Framework (LGFF) | New indicator              | New indicator                               | Four reports by 31 March 2023                                                      | <b>Achieved</b><br>Four reports by 31 March 2023                                                                                                    | N/A                           | N/A                   |
| Integrated Local Government Capacity Building Strategy        | 3.2 Integrated Local Government Capacity Building Strategy (LGCBS) piloted in identified districts and metros                          | Draft Integrated LGCBS     | Integrated LGCBS developed by 31 March 2022 | Integrated LGCBS piloted in 2 districts and 1 metro by 31 March 2023               | <b>Achieved</b><br>Integrated LGCBS piloted in three (3) District Development Model (DDM) sites, i.e Waterberg DM, eThekweni metro and OR Tambo DM. | N/A                           | N/A                   |
| Reports on National Responsible Citizenry Campaign            | 3.3 Number of district stakeholder engagements held on responsible citizenry                                                           | New indicator              | New indicator                               | 18 district stakeholder engagements held on responsible citizenry by 31 March 2023 | <b>Achieved</b><br>18 district stakeholder engagements held on Responsible Citizenry by 31 March 2023                                               | N/A                           | N/A                   |

| Output                                                                       | Output Indicator                                                                                                                 | Actual Achievement 2020/21 | Audited Actual Performance 2021/22 | Planned Annual Target 2022/23                                                                                                                                                                                  | Actual Achievement 2022/23                                                                                                                                                                                                         | Deviation from Planned Target | Reason for Deviations |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|
| Active citizenry and leadership                                              | 3.4 Number of provinces implementing the GovChat social media platform for community engagement and service delivery improvement | New indicator              | New indicator                      | 9 provinces implementing the GovChat social media platform by 31 March 2023                                                                                                                                    | <b>Achieved</b><br>Nine (9) provinces implementing GovChat, social media platform by 31 March 2023.                                                                                                                                | N/A                           | N/A                   |
| Effective community engagement structures, systems and processes             | 3.5 Number of provinces supported to capacitate municipalities to maintain functional ward committees                            | New indicator              | New indicator                      | 9 provinces supported to capacitate municipalities to maintain functional ward committees by 31 March 2023                                                                                                     | <b>Achieved</b><br>Nine (9) provinces supported to capacitate municipalities to maintain functional ward committees by 31 March 2023.                                                                                              | N/A                           | N/A                   |
| <b>Sub-programme: Human Resources Management Systems</b>                     |                                                                                                                                  |                            |                                    |                                                                                                                                                                                                                |                                                                                                                                                                                                                                    |                               |                       |
| Municipal Public Accounts Committees (MPAC) functionality assessment reports | 3.6 Number of MPAC functionality assessment reports developed                                                                    | New indicator              | New indicator                      | 4 MPAC functionality assessment reports developed by 31 March 2023                                                                                                                                             | <b>Achieved</b><br>4 MPAC functionality assessment reports developed by 31 March 2023.                                                                                                                                             | N/A                           | N/A                   |
| <b>Outcome 4 Financially viable municipalities and metros</b>                |                                                                                                                                  |                            |                                    |                                                                                                                                                                                                                |                                                                                                                                                                                                                                    |                               |                       |
| Improved Audit Outcomes                                                      | 3.7 Report on the implementation of actions to address issues raised by the AGSA in line with Section 134 of the PFMA            | New indicator              | New indicator                      | Report on the implementation of actions to address issues raised by the AGSA in line with Section 134 of the PFMA submitted to form part of sec 48 report/state of local government report by 31 December 2022 | <b>Achieved</b><br>Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the PFMA submitted to form part of sec 48 report/ state of local government report by 31 December 2022 | N/A                           | N/A                   |

## Linking performance with budgets

### Sub-programme expenditure

| Programme 3: Institutional Development              | 2022/23           |                    |                  |                                  | 2021/22           |                    |
|-----------------------------------------------------|-------------------|--------------------|------------------|----------------------------------|-------------------|--------------------|
|                                                     | Final Budget      | Actual Expenditure | Variance         | Expenditure as % of final budget | Final Budget      | Actual Expenditure |
|                                                     | R'000             | R'000              | R'000            | %                                | R'000             | R'000              |
| <b>Sub-programme</b>                                |                   |                    |                  |                                  |                   |                    |
| 1. Management: Institutional Development            | 3 515             | 2 791              | 724              | 79,4%                            | 2 190             | 1 199              |
| 2. Municipal Human Resource Management System       | 16 350            | 16 271             | 79               | 99,5%                            | 15 366            | 12 296             |
| 3. Municipal Revenue Enhancement and Audit Outcomes | 20 416            | 20 416             | -                | 100,0%                           | 21 837            | 19 770             |
| 4. Citizen Engagement                               | 4 420             | 3 991              | 429              | 90,3%                            | 9 093             | 6 316              |
| 5. Anti-Corruption and Good Governance              | 2 238             | 2 238              | -                | 100,0%                           | 6 549             | 4 825              |
| 6. Municipal Property Rates                         | 6 655             | 5 714              | 941              | 85,9%                            | 10 059            | 9 648              |
| 7. Municipal Governance                             | 22 097            | 17 361             | 4 736            | 78,6%                            | 356 703           | 341 101            |
| 8. Local Government Equitable Share                 | 87 311 493        | 83 937 761         | 3 373 732        | 96,1%                            | 77 999 135        | 76 168 581         |
| 9. South African Local Government Association       | 36 280            | 36 280             | -                | 100,0%                           | 35 369            | 35 369             |
| 10. United Cities and Local Government of Africa    | 7 973             | -                  | 7 973            | -                                | 7 769             | -                  |
| 11. Municipal Systems Improvement Grant             | 140 331           | 63 544             | 76 787           | 45,3%                            | 135 302           | 45 914             |
| <b>TOTAL</b>                                        | <b>87 571 768</b> | <b>84 106 367</b>  | <b>3 465 401</b> | <b>96,0%</b>                     | <b>78 599 372</b> | <b>76 645 019</b>  |
| <b>Economic classification</b>                      |                   |                    |                  |                                  |                   |                    |
| <b>Current payments</b>                             | <b>202 939</b>    | <b>123 169</b>     | <b>79 770</b>    | <b>60,7%</b>                     | <b>206 116</b>    | <b>103 254</b>     |
| Compensation of employees                           | 43 805            | 43 801             | 4                | 100,0%                           | 43 878            | 41 138             |
| Goods and services                                  | 159 134           | 79 368             | 79 766           | 49,9%                            | 162 238           | 62 116             |
| <b>Transfers and subsidies</b>                      | <b>87 368 736</b> | <b>83 983 106</b>  | <b>3 385 630</b> | <b>96,1%</b>                     | <b>78 393 183</b> | <b>76 541 692</b>  |
| <b>Payments for capital assets</b>                  | <b>10</b>         | <b>10</b>          | <b>-</b>         | <b>100,0%</b>                    | <b>73</b>         | <b>73</b>          |
| <b>Payment for financial assets</b>                 | <b>83</b>         | <b>82</b>          | <b>1</b>         | <b>98,8%</b>                     | <b>-</b>          | <b>-</b>           |
| <b>TOTAL</b>                                        | <b>87 571 768</b> | <b>84 106 367</b>  | <b>3 465 401</b> | <b>96,0%</b>                     | <b>78 599 372</b> | <b>76 645 019</b>  |

## 4.4 PROGRAMME 4: NATIONAL DISASTER MANAGEMENT CENTRE

**Purpose:** Promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

The programme contributes to the achievement of Outcome: Integrated Planning and service delivery

**Management:** Head of the National Disaster Management Centre provides strategic leadership to the programme. to ensure compliance and the achievement of Departmental targets in line with its mandate as well as based on four (4) Key Performance Areas (KPA's) and Enablers (ENs) of the National Disaster Management

Framework as reported hereunder; notably:

- Key Performance Area 1 – Integrated Institutional Capacity for Disaster Risk Management.
- Key Performance Area 2 – Disaster Risk Assessment.
- Key Performance Area 3 – Disaster Risk Reduction.
- Key Performance Area 4 – Disaster Risk Reduction.
- Enabler 1 – Information Management and Communication.
- Enabler 2 – Education, Training, Public Awareness and Research.
- Enabler 3 – Funding Arrangements for Disaster Risk

The below sections outline performance of the NDMC in terms of its sub-programmes listed below:

**Chief Directorate: Disaster Policy, Institutional Development and Compliance:** Manage and oversee the development of disaster management regulatory frameworks, the functioning of Institutional Structures and the assessment of compliance to disaster management legislation. Oversee the implementation of the Fire Brigade Services Act, 1987 (Act No. 99 of 1987), policies, strategies, and frameworks.

Over the period under review, the chief directorate reviewed the Disaster Management Framework, updated it with contributions obtained from a series of consultations and was approved by the Head: NDMC by the end of the financial year. The 2021/2022 NDMC Annual Report was compiled, approved by the minister, tabled before parliament on 30 September 2022 and distributed in compliance with Section 24 of the DMA. All 9 Provincial Disaster Management Centres and 18 Municipal Disaster

Management Centres were assessed for their degree of compliance with the DMA, using a minimum assessment criterion, developed by the NDMC. There is a general decline in the level of compliance across the board, particularly so in the Free State, which does not have a functional Disaster Management Centre. The functionality of Disaster Management Institutional Structures was monitored over the year and an annual report to that effect was approved by the Head: NDMC. 10 municipalities were assessed on the capacity to implement the National Fire Safety and Prevention Strategy and a draft USAR Governance Framework was developed and approved by the end of the financial year.

**Chief Directorate Disaster Risk Reduction and Capacity Development:** Facilitates the development and implementation of disaster risk reduction (DRR) frameworks, and provide guidance and criteria in the preparation and assessment of disaster management plans by organs of state and relevant entities, as well as to facilitate the implementation of disaster risk reduction (DRR) measures within the organs of state across the spheres of government. These measures include risk prevention, mitigation and emergency preparedness. This sub-programme promotes a culture of risk avoidance among stakeholders by creating capacity for role-players through integrated education, training and public awareness programmes informed by scientific research. The aim is to promote disaster risk avoidance and built community resilience.

The Chief Directorate has two (2) directorates, being Disaster Risk Reduction, Planning and Strategies, and Education, Training, Awareness and Research.

**Directorate: Disaster Risk Reduction, Planning and Strategies:**

- The Disaster Management Act, 2002 (Act No. 57 of 2002) ("the Act"), particularly, sections 25, 38, 39, 52 and 53 provides a legislative requirement for the organs of state to develop, regularly update and submit disaster management plans to the NDMC. Furthermore, the National Disaster Management Framework of 2005, particularly Key Performance Area 3 outlines planning and integration of core risk reduction principles aimed at prevention and mitigation of risk into ongoing programmes and initiatives. Disaster Management (DM) Plans must incorporate

DRR measures which are medium to long-term multisectoral efforts focused on vulnerability reduction and resilience building. Furthermore, these plans must be incorporated into ongoing Municipal Integrated Development Plans (IDPs). This means that the disaster management planning must be included in the strategic plans of national and provincial Departments and the IDPs of municipalities. Sectoral plans must also include specific disaster management plans for the relevant Departments within all municipalities.

In this regard, it is important to coordinate and align the implementation of the disaster management plans of the districts/ metros with those of other organs of state and institutional role-players through the context of the “One Plan” of the District Development Model (DDM). In terms of the Annual Performance Plan of the Department of Cooperative Government, the NDMC was expected to facilitate and provide support with the development of 10 district municipal disaster management plans during the 2021/22 financial year.

During the year 2022/23, the Directorate implemented one (1) APP project and one (1) Operational Plan project. The APP project had an annual Target: 10 Municipalities and one Sector Department supported to prevent, prepare for and mitigate disaster risks through the effective implementation of applicable disaster management plans. Support Plan” to assist and guide organs of state to develop, update and review their disaster management plans. The Target was achieved through supporting ten municipalities in priority disaster areas and 1 sector Department (DoH) to prevent, prepare and mitigate disaster risks through the implementation of applicable Disaster Management Plans. These are:

1. Alfred Nzo
2. Chris Hani
3. Fezile Dabi
4. Garden Route
5. Xhariep
6. Mopani
7. Frances Baard
8. Namakwa
9. UMgungundlovu
10. Zululand
11. National Department of Health

The Operational Plan project had an annual Target: Number (9) of workshops conducted in all 9 provinces on the roll-out of guidelines for integration of disaster risk reduction into municipal IDPs and the Support Plan on the development and implementation of disaster management plans. The Target was successfully achieved, and following these workshops, the NDMC concluded the process to develop “Guidelines on the integration of DRR into municipal IDPs. The Guideline is ready for implementation within municipalities.

### **Directorate: Education, Training, Awareness and Research**

The responsibilities of the Directorate: Education, Training, Awareness and Research (ETAR) emanate from Sections 15 and 20 of the Disaster Management Act, 2002 (Act No. 57 of 2002 – DMA) as well as Enabler 2 of the National Disaster Management Framework of 2005 (NDMF). In alignment with Section 20 of the DMA and Section 6 of the NDMF, the Directorate: ETAR is responsible for the promotion of a culture of risk avoidance among stakeholders by capacitating role players through integrated processes of education, training and public awareness supported by scientific research.

Through these legislative imperatives, the Directorate through the Education, Training and Research as well as Advocacy and Awareness Sub-Directorates coordinates the implementation of Disaster Risk Management (DRM) formal and informal education. Formal education refers to education that occurs within a structured curriculum in a formal environment, while informal education refers to education that occurs outside the structured curriculum and usually involves conversations, and the exploration and enlargement of experiences.

In promoting formal education, the National Disaster Management Centre (NDMC) offers bursaries to South African students registered for disaster management qualifications at public Institutions of Higher Learning in South Africa. The Directorate further collaborates with the Institutions of Higher Learning to ensure that DRM programmes are developed and implemented. In addition, the Department of Cooperative Governance (DCOG) through the NDMC supports the Department of Basic Education (DBE) to promote the integration of DRM in the school system. To this effect, an agreement titled “Implementation Protocol” has been developed and signed between the two Departments to formalise the collaboration. The Implementation Protocol is also aimed

to enhance safety within the school environment through DRM Training initiatives.

During the 2022/23 Financial Year, the Directorate had Annual Targets to: a) Report on 7 integrated Advocacy and Awareness Programmes inclusive of the 2022 International Day for Disaster Reduction; b) Compile a Bursary Report; and Develop a National Disaster Management Research Agenda. All the set Operational Targets for the 2022/23 Financial Year were achieved.

#### **Chief Directorate: Disaster Response Coordination:**

The NDMC continued to promote an integrated and coordinated system of disaster management, with special emphasis on prevention and mitigation by all relevant organs of state. The common disaster incidents experienced in most parts of the country during the 2022/2023 financial year was flooding. The country experienced torrential rains that persisted in parts of the country in April 2022, with most damages experienced as a result of flooding and mudslides in the KZN province. The severity and magnitude of the floods in KZN prompted the classification of a provincial disaster by the NDMC in terms of the Disaster Management Act, 2002 (57 of 2002) (DMA). The contingency arrangements were immediately activated by organs of state across spheres of government activated as early as the early warnings and advisories were issued by the South African Weather Service (SAWS). The NDMC coordination of relevant structures across the spheres of government. The Extended National Joint Floods Coordination Committee (E-NJFCC) was activated with the participation of Directors-General and Heads of Department (HODs) to provide strategic direction in the provision of relief, response and recovery measures to address the impacts of the flood disasters.

The floods situation gravitated to other provinces, affecting Eastern Cape, Free State and North-West. The rains brought with very devastating effects which resulted in loss of lives, injuries, missing persons, damage to houses, roads, and many other critical infrastructure.

These conditions necessitated reclassification of the disaster by the NDMC to a national disaster as per section 23(3) of DMA to strengthen coordination of efforts, reallocation and reprioritisation of resources by affected organs of state as well as the allocation of resources from the Disaster Grants within the NDMC. This was immediately followed by the declaration of a national disaster by the COGTA National Minister; subsequent to consulting responsible

Cabinet Members. A notice to this effect was published in Government Gazette No. 46247 – R. 2029 of 18 April 2022. The primary purpose of the declaration was to augment existing legislation and contingency arrangements of the affected organs of state as well as activate other extraordinary measures as and when required to address the effects of the disaster.

Government adopted a three-tier transitional approach to better coordinate response, recovery and reconstruction measures within all affected provinces. These were three (3) phases which are immediate humanitarian relief, stabilization and recovery and rehabilitation and reconstruction. The transition of phases does not only involve the construction and repair of major infrastructure but also involves the construction of houses and damaged infrastructure within suitably-located areas including measures to protect the residents of these areas from such adverse weather events in the future.

Various perilous disaster related events continue to be experienced in the country often leading to severe human suffering, loss of life, widespread damage to property, infrastructure and the environment. It is evident that these conditions require investment in climate-resilient infrastructure, reduction of Greenhouse gas emissions and empowerment of communities to build a more resilient and sustainable future.

The NDMC continued to promote an integrated and coordinated system of disaster management, with special emphasis on prevention and mitigation by all relevant organs of state. The common disaster incidents experienced during the 2022/2023 financial year was flooding in most parts of the country.

The country experienced torrential rains that persisted in parts of the country in April 2022, with most damages experienced as a result of flooding and mudslides in the KZN province. The severity and magnitude of the floods in KZN prompted the classification of a provincial disaster by the NDMC in terms of the Disaster Management Act, 2002 (57 of 2002) (DMA). The contingency arrangements were immediately activated by organs of state across spheres of government activated as early as the early warnings and advisories were issued by the South African Weather Service (SAWS). The NDMC activated the NJFCC to coordinate efforts by all relevant stakeholders for provision of relief and response measures to address immediate needs from existing arrangements and programmes.

The floods situation gravitated to other provinces, affecting Eastern Cape, Free State and North-West. The rains brought with very devastating effects which resulted in loss of lives, injuries, missing persons, damage to houses, roads, and many other critical infrastructure.

These conditions necessitated reclassification of the disaster by the NDMC to a national disaster as per section 23(3) of DMA, followed by the declaration of a national disaster by the COGTA National Minister, subsequent to consulting responsible Cabinet Members. A notice to this effect was published in Government Gazette No. 46247 – R. 2029 of 18 April 2022. The primary purpose of the declaration was to augment existing legislation and contingency arrangements of the affected organs of state as well as activate other extraordinary measures as and when required to address the effects of the disaster.

Government adopted a three-tier transitional approach to better coordinate response, recovery and reconstruction measures within all affected provinces. These include 3 phases which are immediate humanitarian relief, stabilization and recovery as well as rehabilitation and reconstruction measures. Assistance came from all walks of life from government, Non-Governmental Organizations, Private Sector, individual communities including donor funding and support from the regional and international communities.

The Department allocated an amount of R516.7 million from the Disaster Response Grants for relief measures in the affected municipalities in KwaZulu-Natal and Eastern Cape which were the most affected provinces. An additional amount of R3.3 billion was allocated in March 2023 from the Municipal Disaster Recovery Grant for implementation of reconstruction and rehabilitation projects. Implementation of interventions by relevant organs of state is underway through the support and monitoring of implementation by the National Government. The Office of the Auditor General also conducts audit on the allocated resources across the spheres of government.

The NDMC continues to put emphasis on disaster risk reduction which includes effective disaster management planning by all organs of state to enhance resilience and “Building Back Better” principle within communities.

**Directorate: Information Technology, Intelligence And Information Management Systems** guides the development of a comprehensive information management and communication system and establishes integrated

communication links with all disaster management role players.

**The Directorate: Risk Assessment and Early Warnings (Formerly known as Early Warning and Capability Management Systems)** comprises a Senior Manager, Manager (Geographical Information System (GIS) and is supplemented by two (2) GIS contractors.

The Directorate's purpose is to promote, develop, evaluate, and maintain the suite of national risk and vulnerability profiles, develop the disaster management early warning system in collaboration with the SAWS and maintain a spatial repository of information within the GIS platform. During the past financial year, the Directorate completed activities related to its specific scope of work in terms of the following functions:

- Improving Early Warning Systems And Conducting District Level Training. In 2022/2023, The Directorate sought to continue with its training, awareness building activities thereby improving all functions related to the dissemination of Early Warning notifications, hazard information and weather-related advisories. This was done by strengthening both the institutional relations with institutions like the SA Weather Service (SAWS), Agricultural Research Organisation (ARC) and Council for Geoscience. A second level of improvement was to improve the distribution of products and services associated with weather related early warnings.
- During the 2022/2023 financial year the Directorate undertook to complete its third-year target of training 54 districts and 9 metropolitan areas in Impact Based Early Warnings System and its platform of services. In collaboration with South African Weather Service (SAWS), the Directorate undertook workshops and training across a total of 32 Districts, 7 metros and 9 Provincial stakeholders. These workshops sought to create a high level of awareness and practical application of Impact Based Early Warnings and the necessary information to be considered in each level.

This training would enable districts and Local Municipality to work together to understand their regional vulnerabilities and a range of mitigation actions that could be taken in respect of their regional vulnerabilities. The workshops also performed secondary benefits of delivering improved registrations to the early warnings' stakeholder email distribution lists, source new user requirements, showcase recently developed national spatial data applications in support of impact based early warnings.

The screenshot shows the 'Early Warnings Registration' form. At the top, there are logos for 'cooperative governance' and 'Department of Cooperative Governance REPUBLIC OF SOUTH AFRICA'. The form fields are as follows:

- Title:** A dropdown menu with the text 'Please select a value...'.
- Name:** A text input field with an asterisk indicating it is required.
- Surname:** A text input field with an asterisk indicating it is required.
- Organisation:** A text input field.
- Designation:** A text input field with an asterisk indicating it is required.
- Work Title:** A text input field with an asterisk indicating it is required.
- Email Address:** A text input field with an asterisk indicating it is required.
- Cellphone Numbers:** A text input field.
- Warning for which Geographical Location?:** A dropdown menu with 'All (National)' selected.
- Physical Location (Province):** A dropdown menu with 'Please select a value...'.
- Physical Location (District):** A dropdown menu with 'Please select a value...'.
- Physical Location (Municipality):** A dropdown menu with 'Please select a value...'.

At the bottom of the form, there are two buttons: 'Save' and 'Cancel'.

**Figure 1: Early Warning Registration Page**

During the 2022/2023 financial year, The Directorate continued with its improvements of early warnings tools and services hosted on the NDMC GIS Portal (<http://gismap.ndmc.gov.za/>).

These included:

- The Impact Based Early Warning notifications on the GIS Webportal was refined and redeployed to provide stakeholders with a near real-time view of weather warnings issued by SAWS for all areas in South Africa. This was shown to be accessible for all disaster management stakeholders with a built in frequent refresh capability to ensure that all warnings below shown as they are received from the weather service.
- In 2022/23 the Daily Fire Index Early Warning System was optimized to not only include daily fire danger early warnings and live satellite fire observations, but also provided a new five day forecast to all regions. Fire managers at local, district and provincial levels will now have a daily and a weekly view of fire danger in their respective areas.

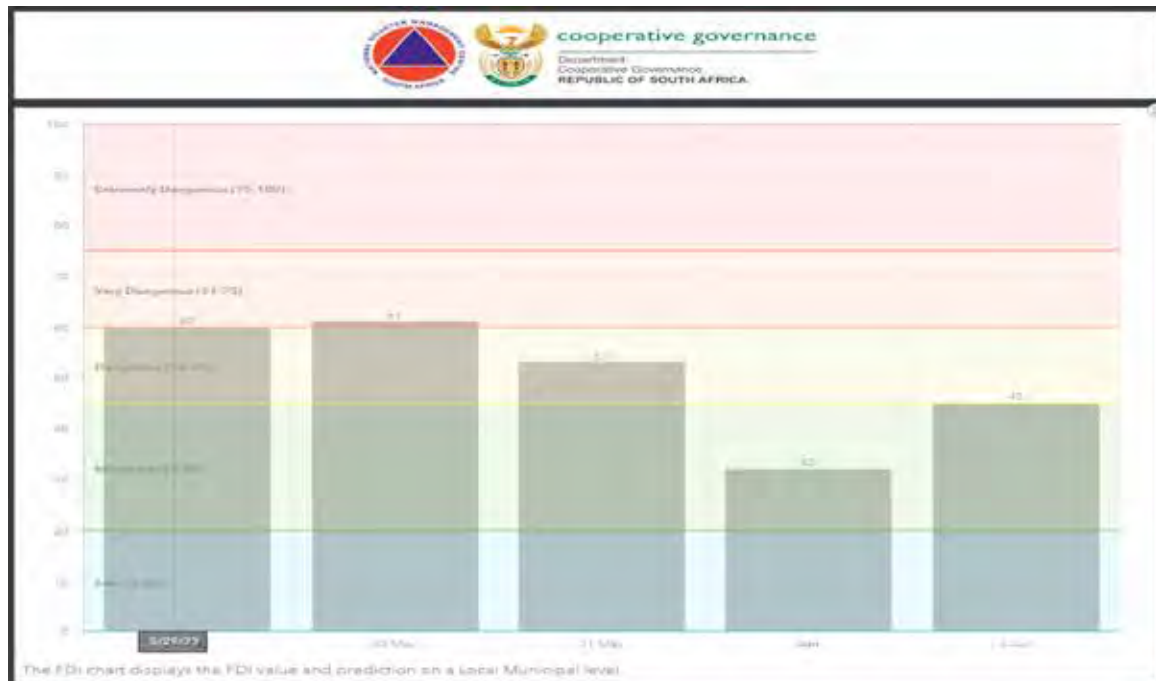


**Figure 2: The 5-Day Fire Danger Forecast sourced Daily from the SA Weather Service. This forms part of the daily Fire Index Early Warning System on the NDMC GIS Web Portal**

- The Directorate continued with its quarterly hosting of the Early Warnings Task Team (EWTT) meetings. These meetings bring in key stakeholders across sector Departments. Improvements for the financial year in question included a more rigorous form of engagements with each meeting, improved feedback from sector Departments on their localised interventions and improved advisory support to the National Disaster Management Advisory Forum (NDMAF).
- Seasonal Hazard Profile The Directorate: Risk Assessment and Early Warnings continued to guide and inform disaster management stakeholders in all spheres of government of the medium term (3 month) forecast as it pertains to various hazards throughout South Africa. One of the main goals of the seasonal profiles are to create awareness around potential and current conditions (situational awareness) to augment short-term EWS and assist in identifying possible areas of targeted DRR initiatives. The Seasonal Hazard Profile is produced at the beginning of each season (every 3 months) and is available from the NDMC website ([www.ndmc.gov.za](http://www.ndmc.gov.za)).

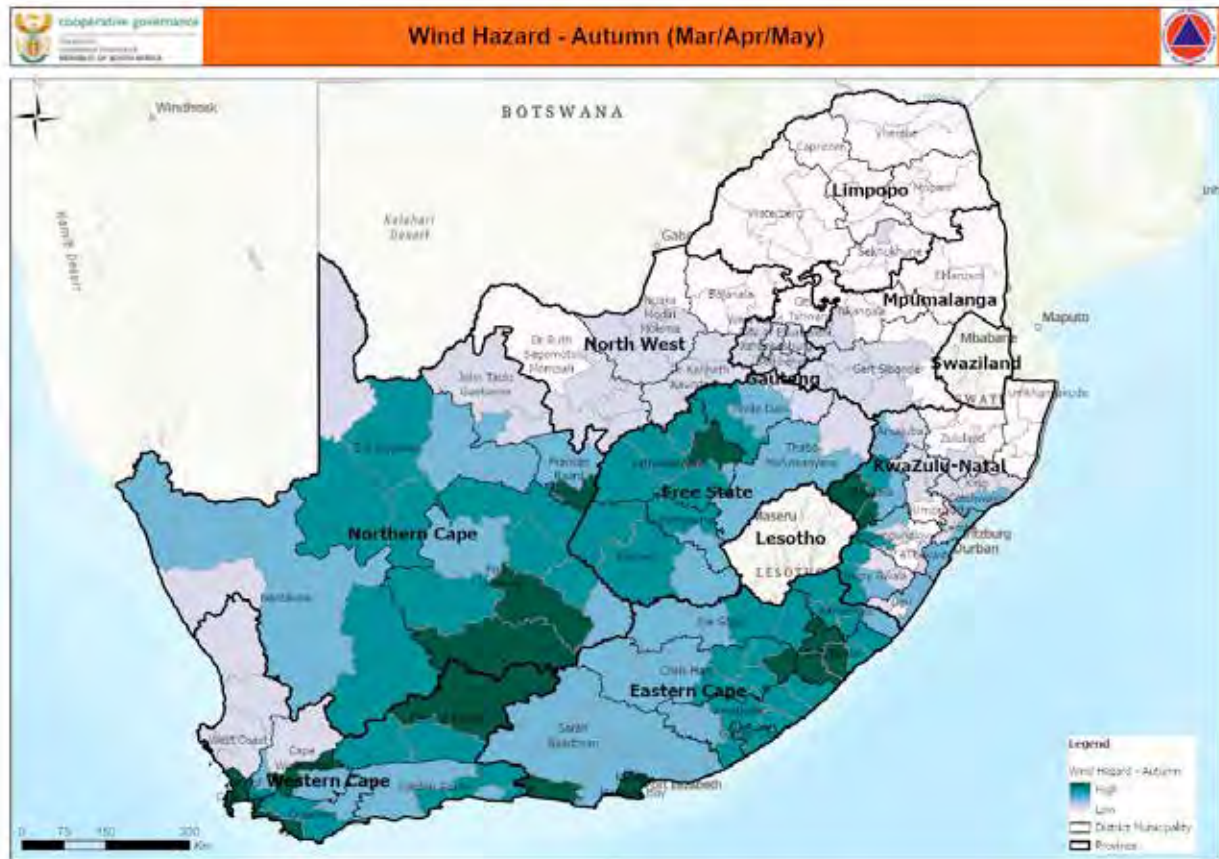


**Figure 3: Seasonal wind hazard map indicating where elevated (darker colours) hazard scores exist for the autumn months of march, April and May.**

In 2022/2023, the Directorate (with SAWS and CGS) participated in the international IOWAVE and Tsunami test exercises with other Indian Ocean Member states like Indonesia, Australia, and India. These exercises involved testing the country's Standard Operating Procedures for tsunami hazard events especially in the vicinity of the eastern shoreline. These exercises sought to provide new insights and practices to members states to improve their in-country practices.

#### **Tsunami Bulletin:**

06830  
WEIO24 AMMC 212034

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TSUNAMI BULLETIN NOTIFICATION MESSAGE NUMBER 7 IOTWMS TSUNAMI SERVICE PROVIDER AUSTRALIA [IATWC] ISSUED AT 2034 UTC SUNDAY 21 MAY 2023

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TO: INDIAN OCEAN NATIONAL TSUNAMI WARNING CENTRES [NTWCs]  
FROM: IOTWMS-TSP AUSTRALIA

NOTIFICATION:  
IOTWMS-TSP AUSTRALIA HAS JUST ISSUED TSUNAMI BULLETIN NUMBER 7 FOR THE INDIAN OCEAN, BASED ON THE FOLLOWING EARTHQUAKE EVENT:

MAGNITUDE: 6.8 MWP  
DEPTH: 10KM  
DATE: 21 MAY 2023  
ORIGIN TIME: 1456 UTC  
LATITUDE: 43.50S  
LONGITUDE: 39.17E  
LOCATION: PRINCE EDWARD ISLANDS REGION

## • GEOGRAPHIC INFORMATION SYSTEMS (GIS)

The NDMC GIS platform is the main spatial processing tool that forms the basis of spatial decision making for provinces and districts. Besides the normal functional enhancements from a system perspective in 2022/2023, and in 2021/22, there was also the optimization of GIS Portal products and services.



**Figure 4: NDMC GIS Portal Landing Page**

The NDMC GIS Portal (<http://gismap.ndmc.gov.za/>) is the central entry point to spatial services and tools available to the disaster management fraternity and the public.

## IMPACT BASED EARLY WARNING SYSTEM ENHANCEMENTS

During the 2022/23 financial year the Directorate: Risk Assessment and Early Warnings (Dir: RAEW) embarked on extending functionality of the Impact Based Severe Weather Early Warning System to include an interactive map web interface and temporal timestamps. This allows users to validate data ingestion and understand the temporal nature of the weather warnings. Additionally, work has commenced further enhancements providing users the ability to report back against received warnings by means of an integrated survey.



**Figure 5: Impact Based Weather Early Warning System**

- TROPICAL CYCLONE TRACKER DEVELOPMENT**

During 2022/23 an online web application was developed to convey global tropical cyclone risk information, provide historical data, and monitor and track near real-time observations of tropical cyclones. This tool was instrumental in providing situational awareness and tracking of Tropical Cyclone Freddy in February 2023.



**Figure 6: Tropical Cyclone Tracker**

- DISASTER MANAGEMENT COMPLIANCE MONITORING DASHBOARD**

During 2022/23 a set of requirements were collected for the development of operational dashboards with a spatial interface. This application provided a baseline analysis for understanding disaster management institutional compliance. The surveys and supporting dashboards focussed on Disaster Management Centres (DMC) staffing, their establishment, access to early warnings and the submission of disaster management annual reports. This addition improved governance reporting for the NDMC.



**Figure 7: The Operations Dashboard Illustrating Findings From The Annual Survey On Disaster Management Centres (DMC) Establishment.**

In 2023/24, The Directorate: RAEW, will endeavour to extend this dashboard development to more functional areas such as monitoring and evaluation of the disaster management function.

#### • DROUGHT MONITORING

The Directorate was also charged with the responsibility of monitoring and mapping the 2022/2023 drought hazard for both provincial disaster management stakeholder and important governance committees like the National Drought Joint Coordination Committee (NJDCC). The Directorate continued its information support in mitigation of drought conditions by means of developing monthly spatial products and providing information and advisories on the progression of the drought hazard for specific geographical areas. In addition, the unit maintained and updated the Drought Monitoring Tool on its Webportal interface. This tool provides stakeholders the ability to track drought conditions (measured by means of Precipitation Index (SPI)) temporally across various quaternary catchments.

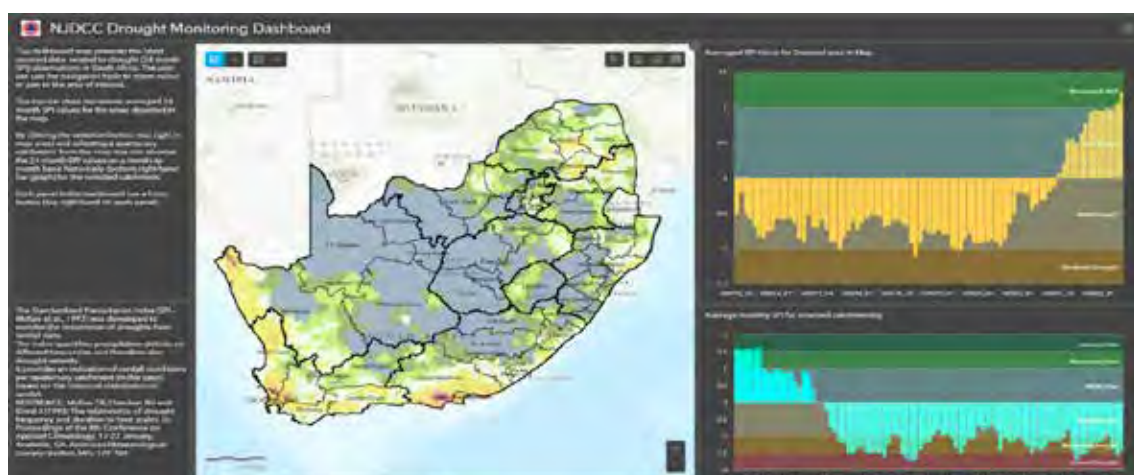


**Figure 8: NJDCC Drought Monitoring Dashboard**

## THE ACTIVATION OF THE INTERNATIONAL CHARTER FOR SPACE AND MAJOR DISASTERS: 2022/2023

The International Charter for Space and Major Disasters is a collaboration with international satellite owners and service providers facilitated by the European Space Agency (ESA). The Charter makes satellite data and mapped products and services available to disaster management organisations on a global scale with no costs attached. In terms of the provisions to member states, multi-resolutions satellite imagery and data products is provided to for response and mitigations efforts. The Charter also allows resources and expertise to be coordinated for rapid response to major disaster events by assisting civil protection authorities and international humanitarian communities with information required. The NDMC is a member of the International Charter for Space and Major Disasters since 2021 and has since activated the Charter on numerous occasions to manage large scale disasters in South Africa. The following provides some examples of the Charters activation for the following incidents:

- **KwaZulu Natal Floods – April 2023**

During the 2023 torrential rains that persisted in many parts of the country, the KZN province endured large scale flooding, mudslides, and infrastructural damage. The NDMC activated the Charter in order to receive high resolution satellite imagery. This would enable the Directorate to track, monitor and get a spatial indication of impact. The directorate was also able to assess the damage over a wider scaled area and this would guide decision making and response efforts. The maps below were compiled for the 2023 KZN flood hazard.



**FIGURE 9: before and after the flood imagery for the at r102 (south coast Rd), m30 interchange in eThekweni municipality**



**Figure 10: Before and after imagery of the SAPREF refinery in the eThekweni municipality.**

- The Jagersfontein Mining Dam Failure – September 2022**

In September 2022, the Jagersfontein Mine's tailing dam failed in terms of its wall infrastructure. The result was large scale flooding of mining sludge to the Jagersfontein town and surrounding residential areas. The NDMC activated the Charter shortly after the incident occurred and received various resolution satellite imagery. This imagery was used to:

- Map flooding extent
- Residential and other damage
- Infrastructural damage to waste water treatments and utilities supplies.



**Figure 11: Satellite imagery of extent of flood and damage to housing structures.**



**Figure 12: Satellite imagery received that showed the damage to the nearby wastewater treatment works plant (before and after).**

### DISASTER MANAGEMENT JOINT SPECIAL OPERATIONS COMMAND DISASTER GIS MAPPING ACTIVITIES

The directorate offers support to the Disaster Management Joint Special Operations Command (DMJSC) formally known as Disaster Operations Centre (DOC). Some of the functions of the DMJSC is to analyse, compile and consolidate reports of multi-hazard incidents that occur throughout the year and mapping of these hazard incidents. The DMJSC supports different units within the NDMC to ensure that the disaster management activities are carried out accordingly as per the Disaster Management Act.

In 2022/23 the Directorate worked within various DMJSC workstreams to manage incidents and support the spatial incident mapping and reporting of disasters in various areas. This included GIS support and reporting on the KZN Floods in April 2023 and the subsequent months thereafter; the collapse of the Jagersfontein tailing dam wall. Further incident mapping and reporting was conducted for Limpopo and Mpumalanga Provinces in terms of flooding that occurred as a result of Tropical Cyclone Freddy that occurred in February 2023, as well as Port St Johns flooding incidents that took place in March 2023.

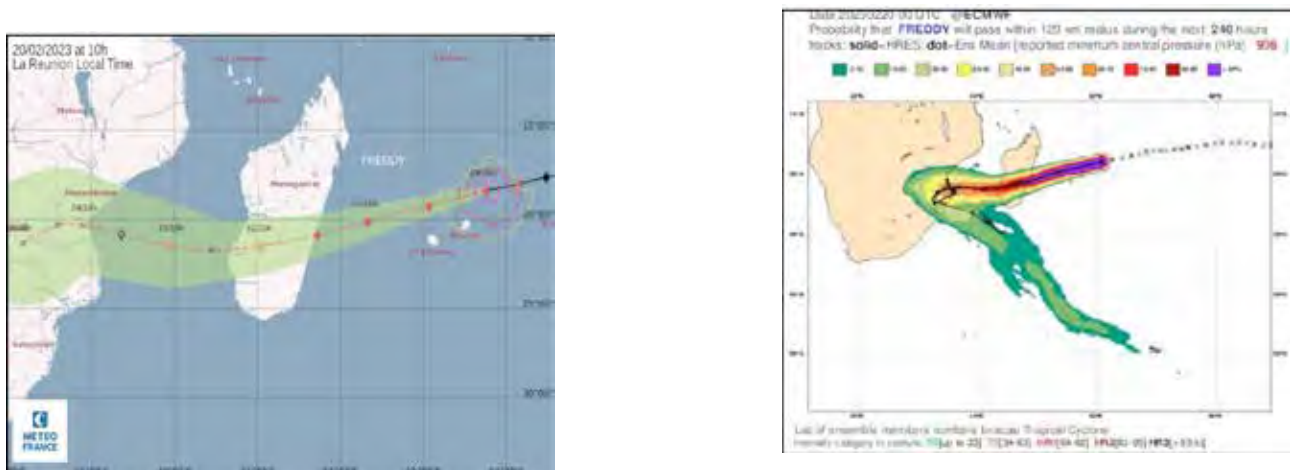


**Figure 13: Tropical Cyclone Freddy tracker satellite map**

## Disaster Grants

The following are disaster grants managed by the National Disaster Management Centre:

**Municipal Disaster Response Grant** is a conditional allocation that aims to provide immediate relief for disasters classified by the NDMC as per the Disaster Management Act. Transfers are made only when a disaster has been classified and all the grant conditions have been met by the affected municipalities.

**Provincial Disaster Response Grant** is a conditional allocation that aims to provide immediate relief for disasters classified by the NDMC as per the Disaster Management Act. Transfers are made only when a disaster has been classified and all the grant conditions have been met by the affected provincial sector Departments.

**Municipal Disaster Recovery Grant** is a conditional allocation meant for the reconstruction and rehabilitation of disaster damages. Transfers are made only when a disaster has been classified as a disaster and declared as a state of disaster in terms of the Disaster Management Act.

The table below presents the outcomes, outputs, output indicators, targets and actual achievements for the APP 2022/23 FY that was tabled on 10 March 2022 and implemented till 31 March 2022.

### Strategy to overcome areas of under-performance.

None. The programme achieved all the set targets.

| Output                                                   | Output Indicator                                                                                             | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22                                                | Planned Annual Target 2022/23                                                                                              | *Actual Achievement 2022/23                                                                                                                   | Deviation from Planned Target | Reasons for Deviations |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------|
| <b>Outcome: Integrated planning and service delivery</b> |                                                                                                              |                                    |                                                                                   |                                                                                                                            |                                                                                                                                               |                               |                        |
| <b>Outcome 6 Disaster Risk Reduction</b>                 |                                                                                                              |                                    |                                                                                   |                                                                                                                            |                                                                                                                                               |                               |                        |
| Revised disaster funding arrangements                    | 4.1 Report on identified sector Departments supported on the implementation of disaster funding arrangements | New indicator                      | A model for disaster funding arrangements developed and approved by 31 March 2021 | Report indicating two sector Departments supported on the implementation of disaster funding arrangements by 31 March 2023 | <b>Achieved</b><br>Report indicating two sector Departments supported in the implementation of disaster funding arrangements by 31 March 2023 | N/A                           | N/A                    |

| Output                                         | Output Indicator                                                                                                                                                                         | Audited Actual Performance 2020/21                     | Audited Actual Performance 2021/22                                                                                                                                                                                                                                                                                                                                                  | Planned Annual Target 2022/23                                                                                                                                                                           | *Actual Achievement 2022/23                                                                                                                                                                                                                  | Deviation from Planned Target | Reasons for Deviations |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------|
|                                                | 4.2 Number of municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through the implementation of the applicable disaster management plans | 10 municipalities in priority disaster areas supported | <b>Achieved</b><br>10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through implementation of the applicable disaster management plans i.e.,<br>Ngaka Modiri Molema;<br>Dr Kenneth Kaunda;<br>Dr Ruth Segomotsi Mompoti;<br>Ehlanzeni;<br>Vhembe;<br>Sekhukhune;<br>uMkhanyakude;<br>Madibeng;<br>uThukela;<br>and uMzinyathi | 10 municipalities and one Sector Department supported to prevent, prepare for and mitigate disaster risks through the effective implementation of applicable disaster management plans by 31 March 2023 | <b>Achieved</b><br>Ten municipalities in priority disaster areas and 1 sector Department (DoH) supported to prevent, prepare and mitigate disaster risks through the implementation of applicable disaster management plans by 31 March 2023 | N/A                           | N/A                    |
| Updated National Disaster Management Framework | 4.3 Draft adjusted National Disaster Management Framework approved                                                                                                                       | Disaster Management Framework                          | Disaster Management Framework                                                                                                                                                                                                                                                                                                                                                       | Draft adjusted National Disaster Management Framework approved by 31 March 2023                                                                                                                         | <b>Achieved</b><br>Disaster Management Framework approved by 31 March 2023.                                                                                                                                                                  | N/A                           | N/A                    |

## Linking performance with budgets

### Sub-programme expenditure

| Programme 4:<br>National Disaster<br>Management Centre                                  | 2022/23          |                       |                |                                        | 2021/22         |                       |
|-----------------------------------------------------------------------------------------|------------------|-----------------------|----------------|----------------------------------------|-----------------|-----------------------|
|                                                                                         | Final<br>Budget  | Actual<br>Expenditure | Variance       | Expenditure<br>as % of final<br>budget | Final<br>Budget | Actual<br>Expenditure |
|                                                                                         | R'000            | R'000                 | R'000          | %                                      | R'000           | R'000                 |
| <b>Sub-programme</b>                                                                    |                  |                       |                |                                        |                 |                       |
| 1. Management: Head of The National Disaster Management Centre                          | 24 603           | 24 566                | 37             | 99,8%                                  | 5 864           | 5 850                 |
| 2. Disaster Risk Reduction, Capacity Building and Intervention                          | 18 068           | 9 952                 | 8 116          | 55,1%                                  | 147 067         | 112 544               |
| 3. Legislation And Policy Management                                                    | 8 011            | 7 094                 | 917            | 88,6%                                  | 7 160           | 6 339                 |
| 4. Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems | 4 997            | 4 095                 | 902            | 81,9%                                  | 2 536           | 1 368                 |
| 5. Fire Services                                                                        | 4 371            | 977                   | 3 394          | 22,4%                                  | 4 881           | 2 351                 |
| 6. Information Technology, Intelligence and Information Management Systems              | 30 647           | 17 957                | 12 690         | 58,6%                                  | 31 960          | 30 092                |
| 7. Disaster Response Grant                                                              | 861 248          | 516 661               | 344 587        | 60,0%                                  | 498 788         | 378 371               |
| 8. Municipal Disaster Recovery Grant                                                    | 3 318 742        | 3 318 741             | 1              | 100,0%                                 | -               | -                     |
| <b>TOTAL</b>                                                                            | <b>4 270 687</b> | <b>3 900 043</b>      | <b>370 644</b> | <b>91,3%</b>                           | <b>698 256</b>  | <b>536 915</b>        |
| <b>Economic classification</b>                                                          |                  |                       |                |                                        |                 |                       |
| <b>Current payments</b>                                                                 | <b>85 367</b>    | <b>62 809</b>         | <b>22 558</b>  | <b>73,6%</b>                           | <b>192 123</b>  | <b>151 294</b>        |
| Compensation of employees                                                               | 29 773           | 23 154                | 6 619          | 77,8%                                  | 26 649          | 24 854                |
| Goods and services                                                                      | 55 594           | 39 655                | 15 939         | 71,3%                                  | 165 474         | 126 440               |
| <b>Transfers and subsidies</b>                                                          | <b>4 182 196</b> | <b>3 837 215</b>      | <b>344 981</b> | <b>91,8%</b>                           | <b>499 110</b>  | <b>378 598</b>        |
| <b>Payments for capital assets</b>                                                      | <b>3 105</b>     | <b>-</b>              | <b>3 105</b>   | <b>-</b>                               | <b>7 006</b>    | <b>7 006</b>          |
| <b>Payment for financial assets</b>                                                     | <b>19</b>        | <b>19</b>             | <b>-</b>       | <b>100,0%</b>                          | <b>17</b>       | <b>17</b>             |
| <b>TOTAL</b>                                                                            | <b>4 270 687</b> | <b>3 900 043</b>      | <b>370 644</b> | <b>91,3%</b>                           | <b>698 256</b>  | <b>536 915</b>        |

## 4.5 PROGRAMME 5: COMMUNITY WORK PROGRAMMEMEME

**Programme purpose:** To create income security and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment through the provision of work opportunities in local municipalities, ensuring skills and community development.

**Management:** Community Work Programmememe provides strategic management and leadership to the programme.

### Programme

**Programme purpose:** The Community Work Programmememe (CWP) is a poverty alleviation program of government that is intended to provide work opportunities to unemployed and under employed South African citizens drawn from Wards afflicted by high levels of poverty. In so doing, create income security and work experience for participants and promote social and economic inclusion simultaneously ensuring skills and community development.

### Coordination

To date the CWP has achieved a participation rate of 287

292 which far exceeds the Annual Performance Plan target of 250 000. Inclusive in this target are the demographic targets relating to female, People living with disabilities as well as Youth participation. In this regard the CWP has far exceeded the 55% female participation target with a performance that currently stands at 79%, the 2.5% participation for People living with Disabilities means the 2% has been achieved. Regrettably the 55% target for Youth participation has not been achieved with current performance standing at 27%.

With regard to the 10% Training target which translates to 25 000 participants trained by 31 March 2023, the target was not achieved. The Program was able to provide training to only 15 942 Participants which translates to 64% of the Actual target. The reasons for the under performance is due to cumbersome procurement processes that caused delays with respect to the clearance of the suspense account. Therefore, prohibiting the Program from approving further procurement of training. Going forward additional capacity is required to fast track the approval processes that will ensure the desired value for money spending on the part of IAs.

The table below presents the outcomes, outputs, output indicators, targets and actual achievements for the APP 2022/23 FY that was tabled on 10 March 2022 and implemented till 31 March 2022.

| Output                                                             | Output Indicator                                    | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22                                                | Planned Annual Target 2022/23                                  | Actual Achievement 2022/2023                                                     | Deviation from Planned Target       | Comment on Deviations                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------|-----------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome: Integrated planning and service delivery</b>           |                                                     |                                    |                                                                                   |                                                                |                                                                                  |                                     |                                                                                                                                                                                                                                                                                                                                               |
| <b>Sub-programme: Programme Planning, Monitoring and Reporting</b> |                                                     |                                    |                                                                                   |                                                                |                                                                                  |                                     |                                                                                                                                                                                                                                                                                                                                               |
| CWP participants enrolled                                          | 5.1 Number of people participating in the programme | 250 000                            | <b>Achieved</b><br>250 000 people participating in the programme by 31 March 2021 | 250 000 people participating in the programme by 31 March 2023 | <b>Achieved</b><br>273 848 people participated in the programme by 31 March 2023 | Over achievement by + 23 848 people | The overachievement is due to high demand for participation                                                                                                                                                                                                                                                                                   |
| CWP participants trained                                           | 5.2 Number of participants trained annually         | 25 000 participants trained        | <b>Not Achieved</b><br>13 347 CWP participants trained by 31 March 2022           | 25 000 CWP participants trained annually by 31 March 2023      | <b>Not Achieved</b><br>15 942 CWP participants trained by 31 March 2023.         | -9 058 under-achievement            | Implementing agents were advised that no procurement of goods and services including training should commence until all advances in relation to the contract period ending on 30 September 2022 were cleared.<br><br>Most Implementing Agents were unable to clear all their advances within the stipulated time hence the under achievement. |

## Linking performance with budget

## Sub-programme expenditure

| Programme 5:<br>COMMUNITY WORK<br>PROGRAMME      | 2022/23          |                       |                |                                        | 2021/22          |                       |
|--------------------------------------------------|------------------|-----------------------|----------------|----------------------------------------|------------------|-----------------------|
|                                                  | Final<br>Budget  | Actual<br>Expenditure | Variance       | Expenditure<br>as % of final<br>budget | Final<br>Budget  | Actual<br>Expenditure |
|                                                  | R'000            | R'000                 | R'000          | %                                      | R'000            | R'000                 |
| <b>Sub-programme</b>                             |                  |                       |                |                                        |                  |                       |
| 1. Management: Community Work Programmeme        | 4 238 430        | 3 787 616             | 450 814        | 89,4%                                  | 4 158 993        | 3 523 241             |
| 2. Programme Coordination                        | 47 527           | 45 644                | 1 883          | 96,0%                                  | 34 287           | 1 357                 |
| 3. Partnerships, Norms, Standards and Innovation | 15 247           | 835                   | 14 412         | 5,5%                                   | 11 873           | 1 049                 |
| <b>TOTAL</b>                                     | <b>4 301 204</b> | <b>3 834 095</b>      | <b>467 109</b> | <b>89,1%</b>                           | <b>4 205 153</b> | <b>3 525 647</b>      |
| <b>Economic classification</b>                   |                  |                       |                |                                        |                  |                       |
| <b>Current payments</b>                          | <b>4 265 775</b> | <b>3 817 678</b>      | <b>448 097</b> | <b>89,5%</b>                           | <b>4 171 621</b> | <b>3 492 445</b>      |
| Compensation of employees                        | 31 762           | 25 460                | 6 302          | 80,2%                                  | 32 114           | 31 408                |
| Goods and services                               | 4 234 013        | 3 792 218             | 441 795        | 89,6%                                  | 4 139 507        | 3 461 037             |
| <b>Transfers and subsidies</b>                   | <b>292</b>       | <b>290</b>            | <b>2</b>       | <b>99,3%</b>                           | <b>85</b>        | <b>85</b>             |
| <b>Payments for capital assets</b>               | <b>35 000</b>    | <b>15 990</b>         | <b>19 010</b>  | <b>45,7%</b>                           | <b>33 447</b>    | <b>33 117</b>         |
| <b>Payment for financial assets</b>              | <b>137</b>       | <b>137</b>            | <b>-</b>       | <b>100,0%</b>                          | <b>-</b>         | <b>-</b>              |
| <b>TOTAL</b>                                     | <b>4 301 204</b> | <b>3 834 095</b>      | <b>467 109</b> | <b>89,1%</b>                           | <b>4 205 153</b> | <b>525 647</b>        |

## Strategy to overcome areas of under-performance.:

## 5.2: Number of participants trained annually

The training targeted as reported has not been achieved. Going forward the CWP needs to work very closely with the Provincial colleagues to facilitate the expedition of targeted training of Participants in accordance with their skills profile as determined by the Training Plans attached as part of each Site Business Plan.

## 5. TRANSFER PAYMENTS

### 5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Transfer payments to public entities The table below reflects transfers made to public entities by the Department during the period under review.

| Name of Public Entity                      | Key Outputs of the public entity | Amount transferred to the public entity | Amount spent by the public entity | Achievements of the public entity |
|--------------------------------------------|----------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------|
| Municipal Demarcation Board                |                                  | 74,340,000                              | 74,340,000                        |                                   |
| Municipal Infrastructure Support Agent     |                                  | 400,216,000                             | 400,216,000                       |                                   |
| South African Local Government Association |                                  | 36,280,000                              | 36,280,000                        |                                   |

### 5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Transfer payments to all organisations other than public entities

| Name of transferee           | Type of organisation | Purpose for which the funds were used | Did the Dept. comply with S 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|------------------------------|----------------------|---------------------------------------|----------------------------------------------------|----------------------------|----------------------------|---------------------------------------------|
| South African Cities Network |                      |                                       | Yes                                                | 8,508,000                  | 8,508,000                  |                                             |

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022, but no transfer payments were made

| Name of transferee | Purpose for which the funds were to be used | Amount budgeted for (R'000) | Amount transferred (R'000) | Reasons why funds were not transferred |
|--------------------|---------------------------------------------|-----------------------------|----------------------------|----------------------------------------|
|                    |                                             |                             |                            |                                        |

## 6. CONDITIONAL GRANTS

### 6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

Conditional grants and earmarked funds paid

Conditional Grant 1:

|                                                                |                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department/Municipality to whom the grant has been transferred | Municipalities                                                                                                                                                                                                                                                                                                       |
| Purpose of the grant                                           | <p>To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities.</p> <p>To provide specific funding for the development of asset management plans for infrastructure servicing the poor.</p> |

|                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                       |                                                                                       |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------|
| <b>Expected outputs of the grant</b>                                                                       | <p>The MIG is a schedule 5 (direct grant) to municipalities. Infrastructure include the construction of new infrastructure and the upgrading and renewal of existing infrastructure that includes:</p> <ul style="list-style-type: none"> <li>• basic water and sanitation services</li> <li>• central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites</li> <li>• Sport and recreation facilities</li> <li>• street and community lighting</li> <li>• public facilities</li> <li>• municipal roads (also maintenance)</li> </ul> <p>Also included, work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs.</p> <p>Other includes:</p> <ul style="list-style-type: none"> <li>• Specialised vehicles for waste management servicing the poor</li> <li>• Repairs and refurbishment of water services infrastructure servicing the poor</li> <li>• Asset management planning development</li> <li>• Maintaining project management capacity at a municipal level to support the MIG programme and other schedule 5B grants.</li> </ul> |                       |                                                                                       |
| <b>Actual outputs achieved</b>                                                                             | <p>The MIG is a municipal grant, which implies funds are spent between 1 July and 30 June the next year. Municipalities have until 30 June 2023 to achieve outputs against their implementation plans. The 2022/23 MIG Annual Report in Section 10 of the Division of Revenue Act express the outputs achieved in 2022/23 which is due to National Treasury on 30 October 2023.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                       |                                                                                       |
| <b>Amount per amended DoRA</b>                                                                             | R16 842 001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                                                                                       |
| <b>Amount transferred (R'000)</b>                                                                          | R16 842 001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                                                                                       |
| <b>Reasons if amount as per DoRA not transferred</b>                                                       | All funds were transferred municipalities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       |                                                                                       |
| <b>Amount spent by the Department/Municipality (R'000)</b>                                                 | As at the end of March 2023, R 9 256 962 (54,96) of the MIG 2022/23 of allocation was spent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |                                                                                       |
| <b>Reasons for the funds unspent by the entity</b>                                                         | <p>The MIG is a municipal grant, which implies funds are spent according to municipal financial years (between 1 July and 30 June the next year). Municipalities have until 30 June 2023 to spend the MIG funds transferred as an advance in March 2023.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |                                                                                       |
| <b>Monitoring mechanism by the transferring Department</b>                                                 | <p>Project monitoring is undertaken by DCoG, provinces and sector Departments through spot checks. Expenditure monitoring includes the submission of proof of payments by the municipalities on projects, verified by provinces and confirm nationally through the MIG-MIS.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                       |                                                                                       |
| <b>Municipal Disaster Recovery Grant</b><br><br><b>Municipality to whom the grant has been transferred</b> | <p>Allocation to address the flood damages of 2019 and 2020 in KZN. Transfer to the municipality was done in tranches in July 2022 and December 2022.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                       |                                                                                       |
|                                                                                                            | <b>Province</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Municipality</b>   | <b>Purpose of allocation</b>                                                          |
|                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                       | <b>Approved and transferred amount '000</b>                                           |
|                                                                                                            | KZN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | uMzumbi municipality  | Rehabilitate damaged municipal infrastructure from the floods of 2019 and 2020 in KZN |
|                                                                                                            | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1 municipality</b> | <b>R9 000</b>                                                                         |

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                |                                               |                     |                                             |            |  |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------|---------------------|---------------------------------------------|------------|--|
|                                               | Allocation to address the flood damages in the affected municipalities. The funds were transferred to municipalities in March 2023.                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                |                                               |                     |                                             |            |  |
|                                               | Province                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Municipality                                                                   |                                               |                     | Approved and transferred amount<br><br>'000 |            |  |
|                                               | 1. EC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1. Winnie Mandela                                                              |                                               |                     | R33 806                                     |            |  |
|                                               | 2. KZN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2. eThekweni Metro                                                             |                                               |                     | R1 534 785                                  |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3. uMhlathuze City                                                             |                                               |                     | R34 966                                     |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4. King Cetshwayo DM                                                           |                                               |                     | R4 500                                      |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5. Inkosi Langalibalele LM                                                     |                                               |                     | R76 950                                     |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 6. Alfred Duma LM                                                              |                                               |                     | R22 000                                     |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7. iLembe DM                                                                   |                                               |                     | R14 549                                     |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 8. KwaDukuza LM                                                                |                                               |                     | R1 271 098                                  |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 9. uMgungundlovu DM                                                            |                                               |                     | R10 100                                     |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 10. Mandeni LM                                                                 |                                               |                     | R17 023                                     |            |  |
|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3. WC                                                                          | 11. Theewaterskloof LM                        |                     |                                             | R1 194     |  |
|                                               | 12. Swellendam LM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                |                                               | R3 553              |                                             |            |  |
|                                               | 13. Breede Valley LM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                |                                               | R1 031              |                                             |            |  |
|                                               | 14. Oudtshoorn LM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                |                                               | R26 664             |                                             |            |  |
|                                               | 15. George LM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                |                                               | R237 498            |                                             |            |  |
|                                               | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 15 municipalities                                                              |                                               |                     | R3 318 742                                  |            |  |
|                                               | Purpose of the grant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | To rehabilitate and reconstruct municipal infrastructure damaged by a disaster |                                               |                     |                                             |            |  |
|                                               | Expected outputs of the grant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Municipal infrastructure damaged by a disaster reconstructed and rehabilitated |                                               |                     |                                             |            |  |
| Actual outputs achieved                       | <ul style="list-style-type: none"><li>Repairs to municipal infrastructure damaged by the floods. Significant progress in the implementation of projects and expenditure was realised by realised uMzambe Municipality as the funds were transferred in tranches in July and December 2022</li><li>Not much progress was realised in the implementation of intervention measures from the other allocation as the amount of R3.3 billion was transferred to municipalities in March 2023. Implementation of projects therefore started late in March 2023.</li></ul> |                                                                                |                                               |                     |                                             |            |  |
| Amount per amended DORA                       | R3 318 742 000 (R3.3 billion)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                |                                               |                     |                                             |            |  |
| Amount transferred (R'000)                    | R3 318 742 000 (R3.3 billion)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                |                                               |                     |                                             |            |  |
| Reasons if amount as per DORA not transferred | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                |                                               |                     |                                             |            |  |
| Amount spent by the municipality (R'000)      | Province                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Municipality                                                                   | Purpose of allocation                         | Approved allocation | Cumulative expenditure<br>R'000             | Percentage |  |
|                                               | KZN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | UMzambe Municipality                                                           | Rehabilitate damaged municipal infrastructure | R9 000              | R8 593                                      | 95%        |  |
|                                               | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                |                                               | R9 000              | R8 593                                      | 95%        |  |

|                                                            | Province                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Municipality               | Approved amount   | Cumulative Expenditure R'000 | Balance           |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|------------------------------|-------------------|
|                                                            | 1. EC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1. Winnie Mandela          | R33 806           | R13 929                      | R19 876           |
|                                                            | 2. KZN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2. eThekweni Metro         | R1 534 785        | R0                           | R1 534 785        |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 3. uMhlathuze City         | R34 966           | R0                           | R34 966           |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4. King Cetshwayo DM       | R4 500            | R0                           | R4 500            |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5. Inkosi Langalibalele LM | R76 950           | R4 382                       | R72 568           |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6. Alfred Duma LM          | R22 000           | R0                           | R22 000           |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 7. iLembe DM               | R14 549           | R0                           | R14 549           |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 8. KwaDukuza LM            | R1 271 098        | R9 403                       | R1 261 098        |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 9. uMgungundlovu DM        | R10 100           | R1 873                       | R8 226            |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 10. Mandeni LM             | R17 023           | R520                         | R16 502           |
|                                                            | 3. WC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11. Theewaterskloof LM     | R1 194            | R0                           | R1 194            |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 12. Swellendam LM          | R3 553            | R0                           | R3 553            |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 13. Breede Valley LM       | R1 031            | R0                           | R1 031            |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 14. Oudtshoorn LM          | R26 664           | R918                         | R25 754           |
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 15. George LM              | R237 498          | R12 590                      | R224 907          |
|                                                            | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>15 municipalities</b>   | <b>R3 318 742</b> | <b>R43 615</b>               | <b>R3 245 509</b> |
| <b>Reasons for the funds unspent by the entity</b>         | <ul style="list-style-type: none"> <li>The amount R3.3 billion was transferred to municipalities in March 2023, therefore implementation of projects started late in March 2023.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                   |                              |                   |
| <b>Monitoring mechanism by the transferring Department</b> | <ul style="list-style-type: none"> <li>Attends and participates in provincial project steering committee meetings.</li> <li>Conduct project site visits and stakeholder engagements to monitor progress.</li> <li>Analyse submitted reports, identify areas of concern for appropriate actions and interventions;</li> <li>Provide guidance and support to grant recipients in the implementation of interventions;</li> <li>Issue regular reminders to the grant recipients on the submission of performance and financial reports, supporting documentation as well as outstanding matters.</li> <li>Issuance of non-compliance letters to non-complying grant recipients.</li> <li>Escalation of critical areas of concern to the executive and relevant structures for interventions.</li> </ul> |                            |                   |                              |                   |

**Conditional Grant 3: Municipal Disaster Recovery Grant**

| <b>Municipal Disaster Response Grant</b><br><br><b>Municipality to whom the grant has been transferred</b>                                                            | Province                                                                                                                                                                                                                                                                | Municipalities           | Allocation<br>R'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------|
|                                                                                                                                                                       | KZN                                                                                                                                                                                                                                                                     | 1. Msunduzi              | R620                |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 2. Mkhambathini          | R8 200              |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 3. iLembe                | R19 500             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 4. Inkosi Langalibalele  | R48 393             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 5. uGu                   | R2 000              |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 6. Alfred Duma           | R14 354             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 7. Kwa-Dukuza            | R109 103            |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 8. Ray Nkonyeni          | R19 100             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 9. e-Thekwini            | R185 000            |
|                                                                                                                                                                       | EC                                                                                                                                                                                                                                                                      | 10. Port St John         | R13 300             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 11. Ingquza Hill         | R4 130              |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 12. Nyandeni             | R2 693              |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 13. Umzimbuvu            | R10 500             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 14. Ntabankulu           | R5 111              |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 15. Mbashe               | R14 415             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 16. Winnie Mandela       | R12 790             |
|                                                                                                                                                                       |                                                                                                                                                                                                                                                                         | 17. OR Tambo             | R46 872             |
|                                                                                                                                                                       | <b>Total</b>                                                                                                                                                                                                                                                            | <b>17 municipalities</b> | <b>R516 748</b>     |
| <ul style="list-style-type: none"> <li>The funds were transferred to municipalities between July -September 2022 to address damages due to floods of 2022.</li> </ul> |                                                                                                                                                                                                                                                                         |                          |                     |
| <b>APPPurpose of the grant</b>                                                                                                                                        | To provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with 2 (1)(b) of the Disaster Management Act                                                                                                |                          |                     |
| <b>Expected outputs of the grant</b>                                                                                                                                  | Emergency repair of critical infrastructure<br>Emergency provision of critical goods and services                                                                                                                                                                       |                          |                     |
| <b>Actual outputs achieved</b>                                                                                                                                        | Municipal critical infrastructure repaired to restore service delivery                                                                                                                                                                                                  |                          |                     |
| <b>Amount per amended DoORA</b>                                                                                                                                       | Initial combined allocation for Disaster Response Grants was R516 748 000 with the breakdown as follows:<br>Municipal Disaster Response Grant: R371 42 000<br>Provincial Disaster Response Grant: R145 328 000<br>Replenishment: MDRDG: R247 614 000. PDRG: R98 688 000 |                          |                     |
| <b>Amount transferred (R'000) (R'000)</b>                                                                                                                             | A total of R516 million was transferred to municipalities for the repairs of damages due to the floods of 2022.                                                                                                                                                         |                          |                     |
| <b>Reasons if amount as per DORA not transferred</b>                                                                                                                  | An amount of R344 500 000. The NDMC received funding applications in March 2023 few days before end of financial year. After the end of financial year, unspent unallocated funds are returned to the national fiscus.                                                  |                          |                     |

| Amount spent by the Department/ Municipality (R'000) | Province                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Municipalities          | Allocation R'000 | Expenditure R'000 as at 18/04/2023 |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------|------------------------------------|
|                                                      | KZN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1. Msunduzi             | R620             | R620                               |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2. Mkhambathini         | R8 200           | R8 200                             |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3. iLembe               | R19 500          | R18 674                            |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4. Inkosi Langalibalele | R48 393          | R43 655                            |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5. uGu                  | R2 000           | R1 980                             |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 6. Alfred Duma          | R14 354          | R13 792                            |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7. Kwa-Dukuza           | R109 103         | R44 519                            |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 8. Ray Nkonyeni         | R19 100          | R19 100                            |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 9. e-Thekwini           | R185 000         | R98 674                            |
|                                                      | EC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 10. Port St John        | R13 300          | R8 840                             |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 11. Ingquza Hill        | R4 130           | R2 067                             |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 12. Nyandeni            | R2 693           | R1 904                             |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 13. Umzimbuvu           | R10 500          | R8 856                             |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 14. Ntabankulu          | R5 111           | R5 089                             |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 15. Mbashe              | R14 415          | R11 845                            |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 16. Winnie Mandela      | R12 790          | R12 790                            |
|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 17. OR Tambo            | R46 872          | R23 822                            |
|                                                      | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>17</b>               | <b>R516 748</b>  | <b>R324 427</b>                    |
| Reasons for the funds unspent by the entity          | <p>The following reasons are reported by grant recipients:</p> <ul style="list-style-type: none"> <li>challenges regarding the Supply Chain Management processes</li> <li>unfavourable weather conditions for implementation of projects;</li> <li>service delivery protests.</li> <li>Capacity constraints within municipalities</li> </ul> <p>The funds were transferred between July and September 2022. Municipalities with unspent funds were granted extension until 30 June 2023 as per the grant framework.</p>                                                                                                                                                                                                                                                                             |                         |                  |                                    |
| Monitoring mechanism by the transferring Department  | <ul style="list-style-type: none"> <li>Attends and participates in provincial project steering committee meetings.</li> <li>Conduct project site visits and stakeholder engagements to monitor progress.</li> <li>Analyse submitted reports, identify areas of concern for appropriate actions and interventions;</li> <li>Provide guidance and support to grant recipients in the implementation of interventions;</li> <li>Issue regular reminders to the grant recipients on the submission of performance and financial reports, supporting documentation as well as outstanding matters.</li> <li>Issuance of non-compliance letters to non-complying grant recipients.</li> <li>Escalation of critical areas of concern to the executive and relevant structures for interventions</li> </ul> |                         |                  |                                    |

## 6.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

- The Department has not received any conditional grants.

| NAME OF GRANT                       | GRANT ALLOCATION                          |       |                |                  |                   |                   | SPENT                         |                            |                        |                                          | 2021/22                 |                            |
|-------------------------------------|-------------------------------------------|-------|----------------|------------------|-------------------|-------------------|-------------------------------|----------------------------|------------------------|------------------------------------------|-------------------------|----------------------------|
|                                     | Division of Revenue Act/Provincial Grants | R'000 | Roll Overs     | DoRA Adjustments | Other Adjustments | Total Available   | Amount received by Department | Amount spent by Department | Under/ (Over-spending) | % of available funds spent by Department | Division of Revenue Act | Amount spent by Department |
|                                     |                                           | R'000 |                |                  |                   |                   | R'000                         | R'000                      | R'000                  | %                                        | R'000                   | R'000                      |
| Municipal Infrastructure Grant      | 16 842 001                                |       | 291 011        | -                | -                 | 17 133 012        | 16 842 001                    | 9 396 200                  | 7 445 801              | 55,8%                                    | 15 592 748              | 13 992 082                 |
| Integrated Urban Development Grant  | 1 085 368                                 |       | 10 124         | -                | -                 | 1 095 492         | 1 085 368                     | 593 445                    | 491 923                | 54,7%                                    | 1 009 068               | 996 397                    |
| Disaster Response Grant             | 516 748                                   |       | -              | 344 500          | -                 | 861 248           | 861 248                       | 301 939                    | 559 309                | 35,1%                                    | 498 788                 | 378 371                    |
| Municipal Systems Improvement Grant | 140 331                                   |       | -              | -                | -                 | 140 331           | 140 331                       | 63 544                     | 76 787                 | 45,3%                                    | 135 302                 | 45 914                     |
| Municipal Disaster Recovery Grant   | 26 023                                    |       | -              | 3 292 719        | -                 | 3 318 742         | 3 318 742                     | 8 593                      | 3 310 149              | 0,3%                                     | -                       | -                          |
| <b>TOTAL</b>                        | <b>18 610 471</b>                         |       | <b>301 135</b> | <b>3 637 219</b> | <b>-</b>          | <b>22 548 825</b> | <b>22 247 690</b>             | <b>10 363 721</b>          | <b>11 883 969</b>      | <b>46,6%</b>                             | <b>17 235 906</b>       | <b>1 512 764</b>           |

## 7. DONOR FUNDS

### 7.1 DONOR FUNDS RECEIVED

Donor Fund:

|                                               |                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>                          | Southern African Development Community                                                                                                                                                                                                                                                                              |
| <b>Full amount of the funding</b>             | R 4 641 900 (\$ 300 000)                                                                                                                                                                                                                                                                                            |
| <b>Period of the commitment</b>               | Not Specified                                                                                                                                                                                                                                                                                                       |
| <b>Purpose of the funding</b>                 | Provide relief materials to shelters / mass care centres still in operation and where applicable to persons living in Temporary Residential Units                                                                                                                                                                   |
| <b>Expected outputs</b>                       | <ul style="list-style-type: none"> <li>Supply &amp; delivery of non-perishable food items, hot meals where needed and hygiene packs</li> <li>Supply &amp; delivery of chemical Toilets at mass care centres</li> <li>Supply &amp; delivery of non-perishable food items for people sheltered at churches</li> </ul> |
| <b>Actual outputs achieved</b>                | N/A                                                                                                                                                                                                                                                                                                                 |
| <b>Amount received (R'000)</b>                | R 4 641 900 (\$ 300 000)                                                                                                                                                                                                                                                                                            |
| <b>Amount spent by the Department (R'000)</b> | R 4 641 900 (\$ 300 000)                                                                                                                                                                                                                                                                                            |
| <b>Reasons for the funds unspent</b>          | N/A                                                                                                                                                                                                                                                                                                                 |
| <b>Monitoring mechanism by the donor</b>      | NDMC to provide report to donor at next Ministerial meeting taking place in 2024.                                                                                                                                                                                                                                   |

|                                               |                                                                                                                                                                                                               |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>                          | Esri                                                                                                                                                                                                          |
| <b>Full amount of the funding</b>             | R50 000                                                                                                                                                                                                       |
| <b>Period of the commitment</b>               | 11 to 15 July 2022                                                                                                                                                                                            |
| <b>Purpose of the funding</b>                 | Sponsored air travel and accommodation for attendance of the ESRI International User Conference in San Diego, California.                                                                                     |
| <b>Expected outputs</b>                       | <ul style="list-style-type: none"> <li>Engagement of international GIS users from various organizations.</li> <li>Direct interaction with product teams, industry experts, and training personnel.</li> </ul> |
| <b>Actual outputs achieved</b>                | <ul style="list-style-type: none"> <li>Improve GIS skills in technical workshops and hands-on labs.</li> </ul>                                                                                                |
| <b>Amount received (R'000)</b>                | Procurements undertaken by sponsor.                                                                                                                                                                           |
| <b>Amount spent by the Department (R'000)</b> | N/A                                                                                                                                                                                                           |
| <b>Reasons for the funds unspent</b>          | N/A                                                                                                                                                                                                           |
| <b>Monitoring mechanism by the donor</b>      | N/A                                                                                                                                                                                                           |

|                                   |                                                                                                                                                                                                                                             |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>              | African Union Commission                                                                                                                                                                                                                    |
| <b>Full amount of the funding</b> | R40 000                                                                                                                                                                                                                                     |
| <b>Period of the commitment</b>   | 29-31 August 2022                                                                                                                                                                                                                           |
| <b>Purpose of the funding</b>     | Sponsored air travel for participation at the 4th Session of the African Union Specialised Technical Committee on Public Service, Local Governments, Urban Development and Decentralisation (AU STC No.8) in Cairo, Egypt                   |
| <b>Expected outputs</b>           | <ul style="list-style-type: none"> <li>Renewal of the AU-STC No.8 Bureau</li> <li>Consideration of the two-year work plan of the Bureau</li> <li>Consideration of the draft Statutes of the AU High Council of Local Authorities</li> </ul> |

|                                               |                                                                                                                                                                                                                                                           |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Actual outputs achieved</b>                | <ul style="list-style-type: none"> <li>• Renewal of the AU-STC No.8 Bureau for a 2-year period (2022-2023)</li> <li>• Draft Statutes of the AU High Council of Local Authorities referred to members for amendments and further consultations.</li> </ul> |
| <b>Amount received (R'000)</b>                | Funds not received; procurement undertaken by sponsor                                                                                                                                                                                                     |
| <b>Amount spent by the Department (R'000)</b> | N/A                                                                                                                                                                                                                                                       |
| <b>Reasons for the funds unspent</b>          | N/A                                                                                                                                                                                                                                                       |
| <b>Monitoring mechanism by the donor</b>      | N/A                                                                                                                                                                                                                                                       |

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>                          | Deutsche Gesellschaft für<br>Internationale Zusammenarbeit (GIZ)<br>Deutsche Gesellschaft für<br>Internationale Zusammenarbeit (GIZ) GmbH<br>Deutsche Gesellschaft für<br>Internationale Zusammenarbeit (GIZ) GmbH                                                                                                                                                                                                                    |
| <b>Full amount of the funding</b>             | R273 000                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Period of the commitment</b>               | 10 to 16 September 2022                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Purpose of the funding</b>                 | Sponsorship for participation in the South African-German Peer-Learning Network and the Federal National Urban Policy Congress in Germany                                                                                                                                                                                                                                                                                             |
| <b>Expected outputs</b>                       | Second South African-German Peer-Learning Network workshop                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Actual outputs achieved</b>                | <ul style="list-style-type: none"> <li>• Reporting on all living lab projects located in participating South African and German municipalities</li> <li>• Enhanced understanding of integrated Urban Development, equity and urban safety (especially for vulnerable groups, i.e. women or the elderly)</li> <li>• Peer advice and engagement</li> <li>• Joint participation at the Federal National Urban Policy Congress</li> </ul> |
| <b>Amount received (R'000)</b>                | No funds received, procurement undertaken by the sponsor                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Amount spent by the Department (R'000)</b> | Full amount                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Reasons for the funds unspent</b>          | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Monitoring mechanism by the donor</b>      | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>              | African Union Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Full amount of the funding</b> | R20 000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Period of the commitment</b>   | 20 to 24 February 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Purpose of the funding</b>     | Sponsored air travel and Subsistence and Travel allowance for participation at the second Continental Disaster and Risk Reduction Workshop in Dar es Salaam, Tanzania                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Expected outputs</b>           | Technical validation of the Africa Urban Resilience Programme (AURP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Actual outputs achieved</b>    | The main objective of this workshop is to present the draft of the Programme document to the AU Member States and relevant stakeholders, to curate and streamline detailed discussions, feedback and recommendations that reflect the broad interests and ambitions of participants and, to facilitate initial reflections and refinements on supplementary components of programme delivery and coordination, such as financing, institutional responsibilities and mechanisms for programme advocacy and raising the agenda of urban resilience on the continent. |
| <b>Amount received (R'000)</b>    | No funds received, procurement undertaken by the sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                               |     |
|-----------------------------------------------|-----|
| <b>Amount spent by the Department (R'000)</b> | N/A |
| <b>Reasons for the funds unspent</b>          | N/A |
| <b>Monitoring mechanism by the donor</b>      | N/A |

|                                               |                                                                                                                                                                                                                                                                         |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>                          | Centre for the Study of Violence and Reconciliation (CSVR)                                                                                                                                                                                                              |
| <b>Full amount of the funding</b>             | R40 000                                                                                                                                                                                                                                                                 |
| <b>Period of the commitment</b>               | 3-4 November 2022                                                                                                                                                                                                                                                       |
| <b>Purpose of the funding</b>                 | Sponsorship of air travel and accommodation for participation in a two-day conference in Abidjan, Cote d'Ivoire                                                                                                                                                         |
| <b>Expected outputs</b>                       | Engagement with government officials from other countries involved in implementing public employment programmes.                                                                                                                                                        |
| <b>Actual outputs achieved</b>                | Enhanced cooperation between DCOG and CSVR                                                                                                                                                                                                                              |
| <b>Amount per amended DORA</b>                | Initial combined allocation for Disaster Response Grants was R516 748 000 with the breakdown as follows:<br>Municipal Disaster Response Grant: R371 42 000<br>Provincial Disaster Response Grant: R145 328 000<br>Replenishment: MDRDG: R247 614 000. PDRG: R98 688 000 |
| <b>Amount transferred (R'000)</b>             |                                                                                                                                                                                                                                                                         |
| <b>Amount received (R'000)</b>                | Procurement undertaken by sponsoring organisation                                                                                                                                                                                                                       |
| <b>Amount spent by the Department (R'000)</b> | N/A                                                                                                                                                                                                                                                                     |
| <b>Reasons for the funds unspent</b>          | N/A                                                                                                                                                                                                                                                                     |
| <b>Monitoring mechanism by the donor</b>      | N/A                                                                                                                                                                                                                                                                     |

|                                               |                                                                                                                                           |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>                          | United Nations Office for Outer Space                                                                                                     |
| <b>Full amount of the funding</b>             | R30 000                                                                                                                                   |
| <b>Period of the commitment</b>               | 20-22 February 2023                                                                                                                       |
| <b>Purpose of the funding</b>                 | Participation at an International training workshop                                                                                       |
| <b>Expected outputs</b>                       | Capacity development                                                                                                                      |
| <b>Actual outputs achieved</b>                | Capacity development focusing on the use of Artificial Intelligence, GLOFAS and the UN-SPIDER Recommended Practices for flood management. |
| <b>Amount received (R'000)</b>                | Procurement undertaken by sponsor                                                                                                         |
| <b>Amount spent by the Department (R'000)</b> | N/A                                                                                                                                       |
| <b>Reasons for the funds unspent</b>          | N/A                                                                                                                                       |
| <b>Monitoring mechanism by the donor</b>      | N/A                                                                                                                                       |

|                                   |                                                                                                                                      |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of donor</b>              | African Union Commission                                                                                                             |
| <b>Full amount of the funding</b> | R19 000                                                                                                                              |
| <b>Period of the commitment</b>   | 12-13 September 2022                                                                                                                 |
| <b>Purpose of the funding</b>     | Participation in a workshop on the Second Biennale Report on Disaster Risk Reduction (DRR) for the SADC States in Maputo, Mozambique |

|                                               |                                                                                                                                                                                         |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Expected outputs</b>                       | Data collection workshop for the development of the 2nd Biennial Report on the implementation of the Programme of Action (PoA) for the implementation of the Sendai Framework in Africa |
| <b>Actual outputs achieved</b>                | Generated Disaster and Risk Reduction Report on the implementation of the POA in the SADC Region and this regional report; which feeds into the continental report.                     |
| <b>Amount received (R'000)</b>                | Procurement undertaken by sponsoring organisation                                                                                                                                       |
| <b>Amount spent by the Department (R'000)</b> | N/A                                                                                                                                                                                     |
| <b>Reasons for the funds unspent</b>          | N/A                                                                                                                                                                                     |
| <b>Monitoring mechanism by the donor</b>      | N/A                                                                                                                                                                                     |

# PART C: GOVERNANCE



## 1. INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. The Department has put

measures in place to ensure that the good governance structures are effectively, efficiently and economically utilising state resources.

## 2. RISK MANAGEMENT

The Department has an approved risk management policy and strategy. An annual risk management plan is in place and the implementation thereof is monitored on an ongoing basis.

A Risk Management Committee (RMC) has been established to assist the Accounting Officer to execute his/her responsibilities on risk management and is chaired by an independent Chairperson. RMC has terms of reference, which guide its activities and areas of focus. It meets quarterly to review the effectiveness of risk management in the Department and recommended areas of improvement to the Accounting Officer. RMC reviewed the risk management and business continuity policies and frameworks during the period under review. The implementation of remedial action plans pertaining to irregular expenditure and material irregularities and provided recommendations to the Accounting Officer.

Risk assessments were conducted at strategic, operational and major project levels. Emerging risks were reviewed and reported quarterly as well.

The key risks that were identified and managed for the year under review, amongst others, included the following:

- Aging/Deteriorating municipal Infrastructure.
- Municipal governance failures.
- Weak/Ineffective IGR system.
- Ineffective disaster management system.
- Organisational structure not effectively implemented.
- Cyber security vulnerabilities on ICT systems.

## 3. FRAUD AND CORRUPTION

The Department has adopted a zero-tolerance approach to fraud and corruption. The anti-fraud and corruption strategic approach is centred around prevention, detection, investigation, and resolution. Emphasis is also put on the promotion of ethics and integrity.

The Department maintains anti-corruption and whistleblowing policies and a strategy. Fraud risks were

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

## 4. MINIMISING CONFLICT OF INTEREST

All designated employees are required to disclose their financial interests annually. This incorporates the management of the process of Remunerative Work

Outside the Public Service applications, lifestyle reviews, gifts and courtesies.

## 5. CODE OF CONDUCT

The Department complies with the Code of Conduct by ensuring that ethics risks are assessed, managed, and reported. The Ethics Committee continues to convene

and monitor compliance with the Code of Conduct and provides recommendations to the Accounting Officer.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

OHS Committee has been appointed, meeting quarterly and as and when required.

Health and Safety Representatives (HSR) has been appointed and trained.

HSR conduct monthly H & S inspections in building(s)

Consolidated H & S inspections reports are presented to the OHS Committee for noting and inputs.

Fire marshals and first aiders has been appointed and trained.

Emergency evacuation drills are conducted annually.

Emergency evacuation maps and OHS signage displayed in buildings.

Emergency assembly point is easily reachable from the building

## 7. PORTFOLIO COMMITTEES

The Department had engagements with the Portfolio Committee on Cooperative Governance and Traditional Affairs. The Portfolio Committee also had meetings with various entities including municipalities, provinces and law

enforcement agencies. The table below summarises the key activities and matters made by the Portfolio Committee during the interaction with the Department:

| Committee Dates | Topic                                                                                   | Matters raised by the Portfolio Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 03 May 2022     | Briefing by the Department of Cooperative Governance (DCoG) on the recent floods in KZN | <ul style="list-style-type: none"> <li>Members expressed sincere condolences to the people of KZN not forgetting the people of the Eastern Cape and Western Cape who had fallen victim to the floods. The presentation was welcomed but long overdue.</li> <li>The Committee indicated that government needed to take climate change seriously. Members agreed that an oversight visit to KZN needed to be prioritised. Members commented that it was an African tradition to pay respects to a grieving family by visiting the family without delay.</li> <li>Members reported complaints of Non-Profit Organisations (NPOs) locking away food in shelters while people were hungry. Members also reported that some people and hospitals were without water.</li> <li>The Minister was asked to explain how 70 water tankers had been provided to a population of four million people. Members were also concerned about the possibility of corruption.</li> <li>Members wanted to know whether there were instruments put in place to ensure that the Department, province, districts and municipalities pre-empted all forms of corruption. What would the Minister do to closely monitor monetary donations to ensure each cent was accounted for?</li> <li>The Committee also wanted to know whether there would be interventions in respect of the South African Social Security Agency (SASSA) grants. There were concerns about the status of missing persons (whether they could be legally declared deceased) and the steps families needed to take for assistance. Some members felt that more hands were needed on the ground while others acknowledged the work of the Department and Minister. One member commented that the actions of Cabinet and the Minister did not go unnoticed and they should "keep up the good work".</li> </ul> |

| Committee Dates       | Topic                                                                                                                                                                                      | Matters raised by the Portfolio Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>03 May 2022</b>    | Briefing on the 2022/23 Annual Performance Plans of the Department of Cooperative Governance (DCoG); Municipal Infrastructure Support Agent (MISA); and Department of Traditional Affairs. | <ul style="list-style-type: none"> <li>Members expressed concern about the sustainability and effectiveness of the CWP. The concern was that a lot of money had been allocated to the programme yet many issues had been raised in respect of the programme.</li> <li>Members noted that consequence management had been left out of the reports. Members were concerned about the training of internal audit teams.</li> <li>Members wanted to know whether there was sufficient training of the internal audit teams in terms of transferring the skills from the consultants.</li> <li>The Committee noted that the idea of redesigning and refurbishing rural areas as smart cities/towns were challenged and linked to spatial colonialism.</li> <li>Members raised the issue of social cohesion, gender-based violence, conflict and determining customary laws of succession to ensure certainty and stability.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>10 May 2022</b>    | The Portfolio Committee on CoGTA Budget Report                                                                                                                                             | <ul style="list-style-type: none"> <li>The Department of Cooperative Governance must conduct an evaluation and cost-benefit analysis of the Community Work Programme to assess whether it was serving its intended purpose and to determine whether the cost incurred on the programme is consistent with the benefit derived.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>08 June 2022</b>   | Progress on the implementation of recommendations in the State of Local Government report.                                                                                                 | <ul style="list-style-type: none"> <li>The Committee expressed the need for a formal report on the details of progress made to fully understand both the challenges and progress being made.</li> <li>The Committee raised various issues relating to the state of local government such as financial recovery plans, relationship between the Department and treasuries, municipalities under intervention, establishment of the ward committees, service delivery, land invasions and the organograms of municipalities.</li> <li>Members were concerned about political interference – they said “80% of challenges in municipalities were due to political obstacles” and councils do not understand their roles.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>30 August 2022</b> | Department of Cooperative Governance briefed the Committee on the Independent Municipal Demarcation Authority Bill                                                                         | <ul style="list-style-type: none"> <li>The Committee members asked what provisions were in the Bill to avoid a merger having a devastating effect on municipalities' finances and causing institutional disruption. They asked questions on Section 23(1)(e) on what the objectives of the determination and redetermination of boundaries should be, and on Section 23(2) that spatial justice should be accommodated in terms of the Spatial Planning and Land Use Management Act (SPLUMA). They said they could not find definitions for some of the terms used in the Bill, and Section 24(n) was very broad and vague.</li> <li>The Committee wanted to know if national or provincial policies would be a factor in determining municipal boundaries, as such a scenario would have a constitutional impact. Other issues raised included the regular assessment of municipalities' capacity; the disqualification of a member of the Board when a member of the MDB was elected to a party-political position; on the prohibition of the MDB borrowing money; and the composition of the MDB which had to reflect regional diversity.</li> <li>The Committee wanted clarity on Section 7, which states that the Minister determines the number of members of the Board. What were the Minister's criteria? They asked if the Board's minutes would be made available as public records and if not, how would it be held accountable.</li> </ul> |

| Committee Dates          | Topic                                                                                           | Matters raised by the Portfolio Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>31 August 2022</b>    | DCoG, DTA and MISA Quarter 4 2021/22 Performance (finance and non-finance) Report               | <ul style="list-style-type: none"> <li>The Committee members raised questions about having security as an in-house function instead of outsourced to a private company.</li> <li>Members asked MISA in what respect had their support improved rural municipalities and developed local industries to improve revenue and create jobs and discourage migration.</li> <li>Members wanted an update on the R7 billion unspent MIG funds as at the end of the third quarter and on the criminal charges report that implicated the Chief Executive Officer (CEO) of MISA in wrongdoing and what was the status of the disciplinary processes in this regard.</li> <li>Members were concerned about MISA's fruitless and wasteful expenditure interest payments to service providers.</li> <li>Members said the targets to reduce the losses on electricity and water should be achieved as this was the main revenue base of municipalities. Members said people participating in the Community Work Programmeme (CWP) claim they were not paid, yet it was ticked as being achieved and that no training was conducted in this programme.</li> <li>Members wanted a breakdown of the CWP numbers per province and per district, as well as that of the bursaries, learnerships, and support and training programmes per province. Members asked what the Department's remedial action in implementing the remodelled Agrarian Revolution Programme in traditional communities was.</li> <li>Members questioned the underspending in disaster relief grants. Members wanted an update on MISA's engagement with Treasury to transfer rollover funds back to MISA.</li> <li>Members asked what awareness campaigns the Department had done and what workshops had been conducted in villages on customary initiation and what precautionary measures were in place to curtail deaths.</li> <li>Members questioned whether active participants were being paid in the CWP programme. Members raised the issue of illegal electricity sales in the Department's offices.</li> </ul> |
| <b>21 September 2022</b> | Progress report on intervention at Mangaung Metropolitan and Enoch Mgijima Local Municipalities | <ul style="list-style-type: none"> <li>The Committee called for the improvements in both municipalities to be sustained, so that the municipalities could assist their citizens and become centres of excellence.</li> <li>The Committee also demanded an urgent settlement of the R1.3 billion in government debt owed to the Mangaung Metropolitan Municipality, as the municipality needed that money now more than ever.</li> <li>The Committee hoped that the commitment made by the Department that it would not fail in these two interventions would be met. Failure would affect the people, and the intervention was meant to save the people from a failure involving the three spheres of government. It would not only fail the people, but the country as a whole, because this was the last hope and the last line of defence for the people.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>10 October 2022</b>   | CoGTA Portfolio Audit Outcomes: AGSA briefing; DCoG, DTA and MISA Annual Reports 2021/22        | <ul style="list-style-type: none"> <li>The Committee members expressed major dissatisfaction with the engagements as important questions were not being clearly addressed. There were complaints about ongoing issues that had persisted for a long time without any resolution.</li> <li>The Committee members indicated that government entities needed to understand, plan and act on the duties which they had to play within districts, municipalities and communities at large.</li> <li>The key issue which seemed to persist was that of the Community Work Programmeme and members did not seem to understand why the issue was not being resolved, as there had been a remodelling at some point.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Committee Dates         | Topic                                                                                                        | Matters raised by the Portfolio Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>20 October 2022</b>  | Budgetary Review and Recommendations<br>Report of the Portfolio Committee on CoGTA                           | <ul style="list-style-type: none"> <li>The Committee recommended that the Auditor-General and the Department of Cooperative Governance should strive to find common ground regarding the potential irregularities identified in the process of appointing the latest cohort of Implementing Agents. In the next Budgetary Review and Recommendations (BRR) reporting cycle, both the AG and DCoG should update the Portfolio Committee on how this matter has been resolved.</li> <li>The Portfolio Committee should, at the earliest convenience, convene a workshop with the Department of Cooperative Governance to discuss the Community Work Programmeme in more detail.</li> <li>The Portfolio Committee should, at the earliest convenience, engage the South African Local Government Association on the role it ought to play in the constitutional intervention process in municipalities.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                    |
| <b>20 November 2022</b> | Engagement with DCoG; SoLG, Progress on tabling of the Monitoring, Support and Interventions Management Bill | <ul style="list-style-type: none"> <li>The Committee raised concerns about the lack of capacity in the Department, which they believed was the root of all the problems faced.</li> <li>The Committee members questioned the classification of certain municipalities as either stable, high risk, medium risk or low risk, and gave examples of some whose status was at variance with what the Department had presented at the meeting.</li> <li>The Committee members expressed the hope that the Bill, once implemented, would help resolve many of the burning issues that had led to a hot debate after the SoLG presentation.</li> <li>The Committee raised concerns about the delay in implementing the Bill, which the Auditor-General had attributed to the Department's poor planning. Members felt that there was no sense of community involvement or consultation, which would have helped in raising issues from the people on how this Bill could help the communities to get better service delivery, because it needed to benefit the poor in deep rural areas and ensure what was due to them.</li> <li>The Committee asked the Department for a workshop or some strategic session where there would be further deliberation on the issues at hand.</li> </ul> |
| <b>28 February 2023</b> | DCoG, DTA and MISA quarter 3 2022/23 Performance (Finance and non-finance)                                   | <ul style="list-style-type: none"> <li>The Committee members questioned the large underspending by DCoG with poor expenditure on the MIG budget and Disaster Response Grant budget.</li> <li>The members asked why municipalities such as Kareeberg Municipality, were not receiving their Local Government Equitable Share allocations.</li> <li>There was a concern at so much underspending yet ordinary citizens continue to live in poverty with poor infrastructure, dismal service delivery and ongoing natural disasters.</li> <li>Members asked for details on how the 58 dysfunctional municipalities were supported.</li> <li>More information was requested on the audit action plan to address the Auditor-General's findings. It was insufficient to report on numbers as the Committee sought the details on projects to properly conduct oversight.</li> <li>Members asked about the progress on the Intergovernmental Monitoring, Support and Intervention Bill.</li> </ul>                                                                                                                                                                                                                                                                                       |
| <b>07 March 2023</b>    | Briefing by AGSA: Status update on Material Irregularities in DCoG                                           | <ul style="list-style-type: none"> <li>The Committee members were concerned about the delays in these investigations, because the incidents being investigated had occurred in 2019.</li> <li>The AGSA was asked what else it could do regarding its mandate, other than to identify the financial mismanagement involved, speak to the Department, and inform the Committee that management was not dealing with the issues. Did it have the powers and provisions to identify where it was not seeing progress, and decide to take the next step?</li> <li>The Committee wanted to know whether the Department had created a best practice model derived from the AGSA's recommendations.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## 8. SCOPA RESOLUTIONS

During the 2022/23 financial year, the Department was not invited or required to appear before the Committee and there were no Committee resolutions that required implementation by the Department.

| Date | Details | Response by the Department | Resolved (Yes/No) |
|------|---------|----------------------------|-------------------|
| None | None    | None                       | None              |

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance                                                                                                                                                                                       | Financial year in which it first arose | Progress made in clearing / resolving the matter                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualification</b>                                                                                                                                                                                                                                                     |                                        |                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Movable Tangible Assets</b><br><br>Insufficient appropriate audit evidence for movable tangible assets could not be provided, assets from register could not be traced to the assets on the floor and assets on the floor could not be traced to the assets register. | <b>2018/19</b>                         | The Department reconstructed the asset register including the verification of assets. The verification was completed, and asset register was submitted to Auditor General however, several findings were raised by the AG and no reliance was placed on the register.<br><br>Department to procure an asset management system to improve the management of assets in the new financial year. |
| <b>Goods &amp; Services</b><br><br>The Department could not provide accurate and complete substantiating records evidence for project management fees paid to implementing agents                                                                                        | <b>2018/19</b>                         | The NPO's were given till 31 March 2023 to submit all valid invoices to enable an accurate calculation of the Project management fees.<br><br>Process to be finalised with the close out reports for the expired contracts.                                                                                                                                                                  |
| <b>Prepayment and Advances</b><br><br>Duplicate invoices used to clear the implementing agents advance account.                                                                                                                                                          | <b>2021/22</b>                         | The Department revisited the whole population to identify the duplicate invoices and reversed the duplicate invoices on the BAS during the year 2022/23.                                                                                                                                                                                                                                     |

## 10. INTERNAL CONTROL UNIT

The Internal Control Unit is a management tool and facilitated to the extent possible that the Department maintains an effective, efficient, and transparent internal control system, the hosting of the Audit Steering Committee and supported by Governance and Administration Steering Committee in ensuring and monitoring that all audit matters are resolved and attended on time.

### (a) Objectives

The objective of Internal Control is to provide assurance to management that adequate controls and actions put in place are effective and are working as intended to improve the operations of the Department.

### (b) Activities

The main functions performed by the Internal Control Unit as follows:

- Facilitation coordination of the audit process;
- Management of the Loss Control and Asset Disposal activities;
- Safeguarding of financial documents; and
- Development and monitoring of the Post Audit Action Plans as well as consequence management on matters relating to noncompliance with policies and prescripts. Work performed.

## II. INTERNAL AUDIT AND AUDIT COMMITTEES

### Internal Audit

#### Objectives and Key activities of the Audit Committee

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

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

#### a) Internal Audit Objective

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

#### b) Internal Audit Key Activities

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

IAA executed the risk-based audits assignment as per the annual plan. Included in areas audited are Performance Information, Financial Statements, Procurement Processes, Assets Management, Community Work Programmememe, Information Communication Technology, Human Resource Management, Disaster Grants, Municipal Infrastructure Grants and Risk Management. The results of those audits indicated an overall control weakness and management undertook to address those identified weaknesses, through a comprehensive action plan.

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

## 12. AUDIT COMMITTEE REPORT

### Objectives and Key activities of the Audit Committee

#### (a) Objectives of the Audit Committee

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

#### (b) Key activities of the Audit Committee

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

### Audit Committee Members Qualifications, Appointment & Meeting Attendance

| Name                       | Qualifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Internal or external | If internal, position in the Department | Date appointed                                                           | Date resigned | No. of meetings attended |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------|--------------------------------------------------------------------------|---------------|--------------------------|
| Dr P Dala<br>(chairperson) | PhD (Information Technology), Masters (Information Technology), BSc Hons (Computer Science), Bachelor of Information Technology, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH) and Computer Hacking Forensic Investigator (CHFI). | External             | N/A                                     | Member appointed on 1 July 2020<br><br>Appointed Chairperson 14 May 2021 | N/A           | 9/9                      |

| Name                          | Qualifications                                                                                                                                                                                            | Internal or external | If internal, position in the Department | Date appointed                   | Date resigned | No. of meetings attended |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------|----------------------------------|---------------|--------------------------|
| Mr L. Makibinyane             | Degree in Bachelor of Engineering with Honours (Chemical Engineering) –<br>Post Graduate Certificate Management Development,<br>Masters in Business Leadership (MBL)                                      | External             | N/A                                     | Member appointed on 1 July 2020  | N/A           | 9/9                      |
| Ms. Crystal Abdoll            | Chartered Accountant – CA (SA) 1997,<br>Post Graduate Diploma: Certified Internal Auditing,<br>Certificate in the Theory of Accounting,<br>B Compt Hons,<br>B Com Accounting.                             | External             | N/A                                     | Member appointed on 14 May 2021  | N/A           | 9/9                      |
| Sathiaseelan (Sathie) Gounden | B. Compt.<br>Post-graduate Diploma in Accountancy (CTA)<br>Chartered Accountant (SA)<br>Certificate in Forensic Accounting and Fraud Examination<br>Executive Leadership Development Institute            | External             | N/A                                     | Member appointed on 14 May 2021  | N/A           | 9/9                      |
| Noziphiwo Phumeza Lubanga     | Executive Development Programme (EDP)<br>BCom: Internal Auditing<br>Internal Audit Quality Assessor/Validator<br>Certificate: Internal Control and Risk Management<br>National Diploma: Internal Auditing | External             | N/A                                     | Member appointed on 01 July 2020 | N/A           | 9/9                      |

## AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT COMMITTEE

The Audit Committee ("the Committee") is pleased to present its report for the financial year ended 31 March 2023.

### AUDIT COMMITTEE RESPONSIBILITY

The Committee has complied with its responsibilities arising from sections 38 (1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 3.1. Furthermore, the Committee has adopted a formal terms of reference as its Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

### EFFECTIVENESS OF INTERNAL CONTROL

An assessment of the findings identified by Internal Audit as well as the audit and management reports presented to the Committee by the Auditor-General of South Africa (AGSA), reveals that the internal control, risk management and governance processes require significant improvement. Accordingly, the Committee can report that the system of internal controls for the period under review was generally partially adequate and ineffective. As a result, the Committee has identified the following key areas of concern that should be addressed:

- Asset management;
- Community Work Programme (CWP);
- Combined assurance;
- Compliance monitoring;
- ICT and cyber security;
- Management culture (lack of accountability) and management override of controls;
- Procurement and contract management;
- Quality of the annual financial statements and performance information on predetermined objectives (material misstatements and material findings respectively);
- Rate of implementation of audit action plans emanating from Internal Audit and AGSA findings as well as risk mitigation measures; and
- Record keeping.

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

- Annual Financial Statements for 2021/22;
- Annual Performance Information Report Review for 2021/22;
- Annual/Interim Financial Statements Reporting Process;
- Asset Management Review;
- CWP MIS Data Input Controls Review;
- CWP Pre-payment Review;
- CWP Site Visit Review;
- Cyber Security Review;
- DDM Governance Review;
- Ethics Management Review;
- Follow-up Audits (AGSA and IA Findings);
- Governance Review;
- Human Resource Management Review;
- MSIG/LGES Review;
- Municipal Infrastructure Grant;
- NDMC Disaster Grant Review;
- Performance Reporting Process Review;
- Procurement Process (Quotations) Review;
- Strategic Planning Review (Annual Performance Plan);
- Subsistence and Travel Review;
- Transfers other than DORA Review;
- CWP AGSA Direct Assistance (Ad-hoc); and
- CWP Probity Assessment - Implementing Agents Appointment (Ad-hoc).

### IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORTS

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

human resource management, legal and compliance) during the year under review.

## **EVALUATION OF FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT**

The Committee has reviewed:

- The unaudited annual financial statements, with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management. During the review the Committee raised specific concerns relating to the asset management processes associated with the CWP and lack of progress in addressing previous audit findings and its potential impact on the quality of the unaudited annual financial statements;
- Changes in accounting policies and practices where applicable;
- Compliance with legal and regulatory provisions;
- The basis for the going concern assumption, including any financial sustainability risks and issues;
- The unaudited annual performance information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- The AGSA audit and management reports, with due consideration of the responses provided by Management; and
- The audited annual financial statements as well as the annual performance information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Officer.

## **AUDITOR-GENERAL OF SOUTH AFRICA (AGSA) REPORT**

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

## **CONCLUSION**

The Committee notes with concern the qualified audit opinion and recommended that the Department must ensure that an adequate audit action plan addressing the root causes associated with both internal and external audit findings is developed and monitored to ensure effective implementation, underpinned by a culture of

accountability, in order to achieve an improved audit outcome for the 2023/24 financial year. In addition, an end-to-end review of CWP needs to be undertaken in order to address the control deficiencies and effectively mitigate the risks associated with the programme. Furthermore, the overall quality assurance processes associated with the annual financial statements and performance information on predetermined objectives needs to be enhanced.

*P. Dala*

**Dr. P Dala**

**Chairperson of the Audit Committee**

**Department of Cooperative Governance**

**Date: 9 August 2023**

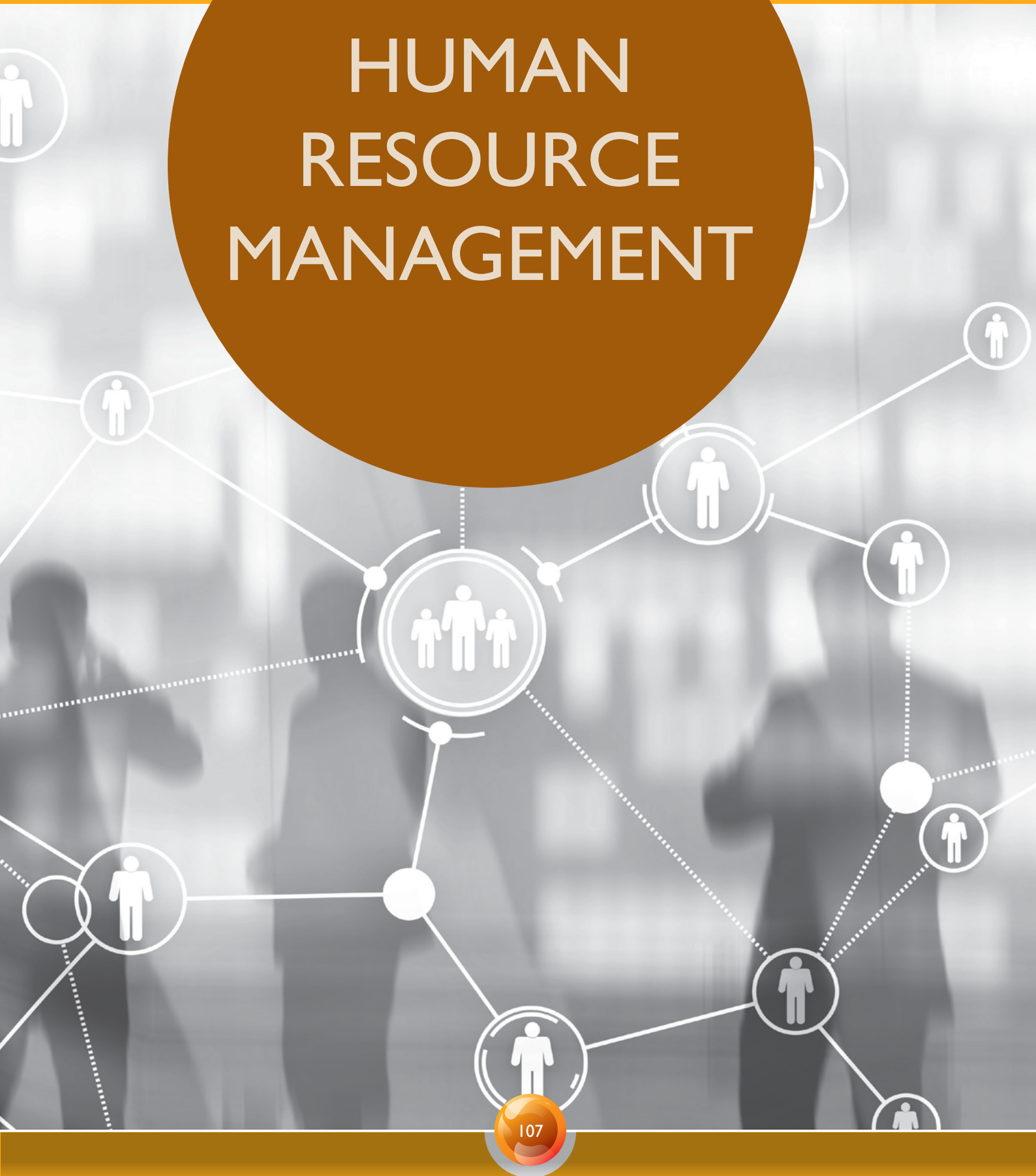
### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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.

| <b>Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:</b>    |                              |                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Criteria</b>                                                                                                                                          | <b>Response<br/>Yes / No</b> | <b>Discussion<br/>(include a discussion on your response and indicate what measures have been taken to comply)</b> |
| Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law? |                              |                                                                                                                    |
| Developing and implementing a preferential procurement policy?                                                                                           |                              |                                                                                                                    |
| Determining qualification criteria for the sale of state-owned enterprises?                                                                              |                              |                                                                                                                    |
| Developing criteria for entering into partnerships with the private sector?                                                                              |                              |                                                                                                                    |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?                 |                              |                                                                                                                    |



# PART D: HUMAN RESOURCE MANAGEMENT



## I. 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.

### (a) Human resource priorities for the year under review and the impact of these:

**Alignment of the organisational structure** to the strategic plan Minister approved the revised organisational structure on 27 May 2022. The organisational structure is a product of comprehensive strategic review process as well as extensive consultations within the Department. The most notable feature of the revised organisational structure is that it provides stronger alignment of our resources to our legislative mandate, providing direction and support at provincial and local level. The Department consulted with all Senior Managers and organised labour on the implementation of the organisational structure and circulated the matching and placement process and principles to employees. The process of matching and placing of employees on the revised organisational structure was concluded in August 2022. New job descriptions were issued to employees and signed job descriptions were received from branches. All vacant funded posts were advertised internally and externally, and employees were encouraged to apply for any of the advertised posts, irrespective of their current salary level in the most suitable areas of the revised organisational structure.

**Training and development:** The activities highlighted relating to training and development priority, were all achieved, and these are as follows: • Automation of the Performance Development Plan (e-PDP) finalised. The variance of what was planned and implemented from the 2021/22 WSP was implemented with the challenges highlighted below under training and development. The 2022/23 WSP was submitted to the Public Service Sector Education and Training Authority (PSETA) by the due date. The planned training programmes were marketed through the Departmental media. Training sessions were scheduled according to the training plan. Quarterly Monitoring Reports were submitted to the PSETA. The budget for the 2022/23 training was R525 000 and shifting of funds was done.

**Conduct Skills Audit** After the restructuring process, a service provider was appointed to a conduct skills audit

for 455 staff members with specific terms of reference. The achievements were as follows: Qualifications per the job description and their major subjects were coded. Two major subjects per qualification were coded. Branch competency frameworks were approved by the Branch Heads. All participating staff members had their skills and qualifications audited. Integrated skills audit report with gap analysis was developed. Training interventions per critical and scarce skills per branch were developed. Learning and development plan for employees based on gaps was done. Three-year transition training plan to close gaps was created. Skills transfer to Human Resource Development (HRD) staff via workshops was conducted. The Skills Audit project ended on 31 March 2023 with a request for an extension of two weeks (1 April 2023-14 April 2023) to submit the close out report which was adhered to.

### (b) Employee performance management:

In the 2022/23 performance cycle, staff members were assessed and subsequently moderated for the 2021/22 performance year. Effectively staff members on salary levels 1-14 were paid performance incentives in the form of a pay progression only as performance bonuses were phased out as at 2021/22 financial year. Staff members submitted their 2022/23 performance agreements.

### (c) Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The Department underwent a restructuring exercise during the 2022/23 financial year to identify the requisite skills and capabilities required to execute the Department's mandate. During the reporting period, the Department filled the majority of its newly created vacancies emanating from the restructuring exercise, with a great number of staff being promoted internally. The Department also utilised its existing and growing social media presence to place advertisements to attract a wider pool of skilled and competent professionals. The recruitment process is also enhanced by in-house competency testing prior to the interview process. This testing is available for managers to utilise for all job levels, with administrative staff also subjected to excel and/or other practical tests. The pre-interview testing process has given managers a realistic preview of the incoming incumbent's technical proficiency that promoted targeted development and increased speed to productivity after on-boarding.

Unfortunately, in the last year, the Department was unable to attract persons with disabilities from the pool of applicants. Greater partnership is required with other public serving Departments who have databases of unemployed persons with disabilities to attract from. In addition to this, as the Department appoints highly capable staff who, by their profession, require registration with professional bodies, the Department has approved the payment of membership fees to these professional bodies. Being mindful of the constrained fiscus, with the increasing demand for talent in the public sector, the Department aims to leverage the access to databases of professional bodies to source and attract skilled professionals.

#### (d) Employee wellness programmes

The Department commissioned an in-house professional service to provide psycho-social counselling, support and therapy. The service was launched on 1 July 2022. • Wellness sessions were hosted onsite on 10 June 2022 to allow employees to do voluntary health screening. Services such as blood pressure, weight, height, circumference, blood sugar, alcohol, cholesterol and heart diseases were

offered. • A Blood Donation Drive was held at DCoG on 12 October and 08 November 2022 as well as 19 January and 23 March 2023. The Blood Donation Drive was held as an outreach project, contributing towards saving the lives of those in need of blood. The session provides an alternative opportunity for employees to know their blood type and to do health screening. • Facilitated one HIV and AIDS awareness, counselling and testing session. • Climate survey was conducted between December 2022 and January 2023 with 25% of employees participating in the survey. The purpose was to identify areas of improvement within the Department and guide efforts to create a positive and supportive workplace culture.

#### Challenges

- The reviewed organisational structure resulted in the phasing out of some position i.e., Admin Assistants for Directors, which created access staff to the establishment.
- The challenges presented by the implementation of the new structure affected employees to an extent that only 25% of staff participated in the survey.

## 2. HUMAN RESOURCES OVERSIGHT STATISTICS

### 4.1 PERSONNEL RELATED EXPENDITURE

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. It provides an indication of the amount spent on personnel, salaries, overtime, homeowners' allowance and medical aid.

**Table 4.1.1 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                                        | 348 080                   | 166 990                       | 903                          | 6 440                                                 | 48.0%                                             | 724                                         |
| Local Government Support and Interventions Management | 18 520 496                | 87 022                        | -                            | 3 745                                                 | 0.5%                                              | 853                                         |
| Institutional Development                             | 84 106 367                | 43 801                        | 63                           | 6 925                                                 | 0.1%                                              | 695                                         |
| National Disaster Management Centre                   | 3 900 043                 | 23 154                        | 30                           | 3 166                                                 | 0.6%                                              | 1007                                        |
| Community Work Programmeme                            | 3 834 095                 | 25 460                        | 86 978                       | 182 101                                               | 0.7%                                              | 1414                                        |
| <b>Total</b>                                          | <b>110 709 081</b>        | <b>366 212</b>                | <b>87 974</b>                | <b>202 377</b>                                        | <b>0.3%</b>                                       | <b>793</b>                                  |

**Table 4.1.2 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)               |                               |                           |                  |                                             |
| Skilled (Levels 3-5)                     | 17 977                        | 5.1%                      | 60               | 299 617                                     |
| Highly skilled production (Levels 6-8)   | 50 519                        | 14.3%                     | 110              | 459 264                                     |
| Highly skilled supervision (Levels 9-12) | 110 862                       | 31.3%                     | 142              | 780 718                                     |
| Senior and Top Management (Levels 13-16) | 125 296                       | 35.4%                     | 93               | 1 347 269                                   |
| Contract (Levels 1-2)                    | 188                           | 0.1%                      | 1                | 188 000                                     |
| Contract (Levels 3-5)                    | 11 176                        | 3.2%                      | 11               | 1 016 000                                   |
| Contract (Levels 6-8)                    | 4 195                         | 1.2%                      | 2                | 2 097 500                                   |
| Contract (Levels 9-12)                   | 8 021                         | 2.3%                      | 8                | 1 002 625                                   |
| Contract (Levels >=13)                   | 20 043                        | 5.7%                      | 7                | 2 863 286                                   |
| Contract Other                           | 649                           | 0.2%                      | 0                | 0                                           |
| Periodical Remuneration                  | 401                           | 0.1%                      | 3                | 133 667                                     |
| <b>Total</b>                             | <b>349 326</b>                | <b>98.6%</b>              | <b>437</b>       | <b>799 737</b>                              |

**Table 4.1.3 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                                        | 144 047        | 84.9                               | 3 740          | 2.5                                | 2 853                 | 3.9                           | 4 708          | 10.3                                  |
| Local Government Support and Interventions Management | 80 043         | 114.6                              | 82             | 0.2                                | 1 133                 | 2.5                           | 2 102          | 4.8                                   |
| Institutional Development                             | 31 731         | 86.8                               | 15             | 0                                  | 345                   | 0.9                           | 741            | 2.0                                   |
| National Disaster Management Centre                   | 20 275         | 86.5                               | 15             | 0.1                                | 257                   | 1.1                           | 390            | 1.7                                   |
| Community Work Programmeme                            | 25 213         | 83.3                               | 626            | 2.1                                | 647                   | 2.1                           | 627            | 2.1                                   |
| <b>Total</b>                                          | <b>301 308</b> | <b>85.1</b>                        | <b>4 477</b>   | <b>1.3</b>                         | <b>5 235</b>          | <b>1.5</b>                    | <b>8 617</b>   | <b>2.4</b>                            |

**Table 4.1.4 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 |
| Skilled (Levels 3-5)                     | 12 422         | 69                                 | 940            | 5.2                                | 1 066                 | 5.9                           | 1 950          | 10.8                                  |
| Highly skilled production (Levels 6-8)   | 38 240         | 75.2                               | 1 769          | 3.5                                | 1 985                 | 3.9                           | 3 801          | 7.5                                   |
| Highly skilled supervision (Levels 9-12) | 94 900         | 84.6                               | 1 633          | 1.5                                | 1 149                 | 1.0                           | 2 181          | 1.9                                   |
| Senior management (Levels 13-16)         | 112 420        | 87.8                               | 0              | 0                                  | 1 036                 | 0.8                           | 685            | 0.5                                   |
| Contract (Levels 1-2)                    | 188            | 100                                | 0              | 0                                  |                       | 0                             |                | 0                                     |
| Contract (Levels 3-5)                    | 10 921         | 95.4                               | 62             | .5                                 |                       | 0                             |                | 0                                     |
| Contract (Levels 6-8)                    | 4 097          | 96.3                               | 60             | 1.4                                |                       | 0                             |                | 0                                     |
| Contract (Levels 9-12)                   | 7 956          | 98.5                               | 1              | 0                                  |                       | 0                             |                | 0                                     |
| Contract (Levels >=13)                   | 19 520         | 96.7                               |                | 0                                  |                       | 0                             |                | 0                                     |
| Contract Other                           | 635            | 95.5                               | 12             | 1.8                                |                       | 0                             |                | 0                                     |
| <b>Total</b>                             | <b>301 308</b> | <b>85.1</b>                        | <b>4 477</b>   | <b>1.3</b>                         | <b>5 235</b>          | <b>1.5</b>                    | <b>8 617</b>   | <b>2.4</b>                            |

## 4.2 EMPLOYMENT AND VACANCIES

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 4.2.1 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                             | 279                                       | 233                    | 16           | 67                                                  |
| Local Government Support and Interventions | 84                                        | 72                     | 14           | 3                                                   |
| Policy, Governance and Administration      | 111                                       | 93                     | 16           | 3                                                   |
| National Disaster Management Centre        | 34                                        | 25                     | 26           | 0                                                   |
| <b>Total</b>                               | <b>508</b>                                | <b>423</b>             | <b>17%</b>   | <b>73</b>                                           |



**Table 4.2.2 Employment and vacancies by salary band as on 31 March 2022**

| Salary band                              | Number of posts on approved establishment | Number of posts filled | Vacancy rate | Number of employees additional to the establishment |
|------------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| Lower skilled (Levels 1-2)               | 1                                         | 1                      | 0            | 0                                                   |
| Skilled(3-5)                             | 72                                        | 68                     | 6%           | 38                                                  |
| Highly skilled production (Levels 6-8)   | 133                                       | 108                    | 19%          | 21                                                  |
| Highly skilled supervision (Levels 9-12) | 188                                       | 149                    | 21%          | 7                                                   |
| Senior management (Levels 13-16)         | 114                                       | 97                     | 15%          | 7                                                   |
| <b>Total</b>                             | <b>508</b>                                | <b>423</b>             | <b>17%</b>   | <b>73</b>                                           |

**Table 4.2.3 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 |
|---------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| SMS                 | 114                                       | 97                     | 15%          | 7                                                   |

### 4.3 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 4.3.1 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 | 1                                | 1                                | 100%                  | 0                                | 0%                    |
| Salary Level 15  | 5                                | 4                                | 80%                   | 1                                | 20%                   |
| Salary Level 14  | 27                               | 19                               | 70%                   | 8                                | 30%                   |
| Salary Level 13  | 81                               | 73                               | 90%                   | 8                                | 9%                    |
| <b>Total</b>     | <b>114</b>                       | <b>97</b>                        | <b>85%</b>            | <b>17</b>                        | <b>15%</b>            |

**Table 4.3.2 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 | 1                                | 1                                | 100%                  | 0                                | 0                     |
| Salary Level 15  | 5                                | 2                                | 40%                   | 3                                | 60%                   |
| Salary Level 14  | 27                               | 21                               | 78%                   | 6                                | 22%                   |
| Salary Level 13  | 81                               | 72                               | 89%                   | 9                                | 11%                   |
| <b>Total</b>     | <b>114</b>                       | <b>96</b>                        | <b>84%</b>            | <b>18</b>                        | <b>16%</b>            |

**Table 4.3.3 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 | 0                                                                       | 0                                                                   | 0                                                                            |
| Salary Level 15  | 3                                                                       | 0                                                                   | 2                                                                            |
| Salary Level 14  | 8                                                                       | 0                                                                   | 3                                                                            |
| Salary Level 13  | 8                                                                       | 0                                                                   | 4                                                                            |
| <b>Total</b>     | <b>16</b>                                                               | <b>0</b>                                                            | <b>7</b>                                                                     |

**Table 4.3.4 Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reasons for vacancies not advertised within six months</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| SMS posts on the re-aligned staff establishment were advertised within 6 months of becoming vacant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Reasons for vacancies not filled within 12 months</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>The post of Deputy Director-General: Local Government Operations and Support was re-advertised after the nominated candidate declined the offer. The interview process with the head hunted candidates are scheduled for April 2023.</p> <p>The posts of Chief Director: Local Government Operations and Support (KZN and NC) were delayed due to the restructuring and the non-suitability of female applicants for inclusion on the shortlist.</p> <p>The posts of Chief Director: Office of the Director-General, Chief Director: Strategic and Executive Support and Chief Audit Executive are in the process of finalisation.</p> <p>The four posts of Director: Strategic Support, Director: CWP Participation, Director: Research and Director: Corporate Secretariat are in the process of finalisation.</p> |

**Table 4.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2023**

|                                                          |
|----------------------------------------------------------|
| <b>Reasons for vacancies not filled within 12 months</b> |
| Not applicable                                           |
| <b>Reasons for vacancies not filled within 12 months</b> |
| Not applicable                                           |

## 4.4 JOB EVALUATION

**Table 4.4.1 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 |
| Lower Skilled (Levels 1-2)             | 1                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Skilled (Levels 3-5)                   | 72                                        | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Highly skilled production (Levels 6-8) | 133                                       | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |

| Salary band                              | Number of posts on approved establishment | Number of jobs evaluated | % of posts evaluated by salary bands | Posts upgraded |                      | Posts downgraded |                      |
|------------------------------------------|-------------------------------------------|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
|                                          |                                           |                          |                                      | Number         | % of posts evaluated | Number           | % of posts evaluated |
| Highly skilled supervision (Levels 9-12) | 188                                       | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band A         | 81                                        | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band B         | 27                                        | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band C         | 5                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band D         | 1                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| <b>Total</b>                             | <b>508</b>                                | <b>0</b>                 | <b>0</b>                             | <b>0</b>       | <b>0</b>             | <b>0</b>         | <b>0</b>             |

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

**Table 4.4.2 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 | White    | Total    |
|-----------------------------|----------|----------|----------|----------|----------|
| Female                      | 0        | 0        | 0        | 0        | 0        |
| Male                        | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| Employees with a disability |          |          |          |          | 0        |

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 4.4.3 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 |
|------------------------------------------------------------------------------------------|---------------------|----------------------|--------------------|----------------------|
| None                                                                                     | 0                   | 0                    | 0                  | 0                    |
| Total number of employees whose salaries exceeded the level determined by job evaluation | 0                   | 0                    | 0                  | 0                    |
| Percentage of total employed                                                             | 0                   | 0                    | 0                  | 0                    |

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

**Table 4.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023**

| Gender                      | African  | Asian    | Coloured | White    | Total    |
|-----------------------------|----------|----------|----------|----------|----------|
| Female                      | 0        | 0        | 0        | 0        | 0        |
| Male                        | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| Employees with a disability | 0        | 0        | 0        | 0        | 0        |

## 4.5 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 4.5.1 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 |
|------------------------------------------|---------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Lower skilled (Levels 1-2)               | 1                                                       | 0                                              | 0                                                | 0             |
| Skilled (Levels 3-5)                     | 69                                                      | 9                                              | 7                                                | 10            |
| Highly skilled production (Levels 6-8)   | 117                                                     | 6                                              | 10                                               | 9             |
| Highly skilled supervision (Levels 9-12) | 149                                                     | 4                                              | 16                                               | 11            |
| Senior Management Service Bands A        | 72                                                      | 3                                              | 9                                                | 13            |
| Senior Management Service Bands B        | 21                                                      | 2                                              | 5                                                | 24            |
| Senior Management Service Bands C        | 2                                                       | 1                                              | 0                                                | 0             |
| Senior Management Service Bands D        | 1                                                       | 0                                              | 0                                                | 0             |
| Contracts                                | 51                                                      | 81                                             | 193                                              | 378           |
| <b>Total</b>                             | <b>483</b>                                              | <b>106</b>                                     | <b>240</b>                                       | <b>50%</b>    |

**Table 4.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023**

| Occupation                | Employees 1 April 2021 | Appointment and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|---------------------------|------------------------|-----------------------------------------------|--------------------------------------------------|---------------|
| Senior Management Service | 96                     | 6                                             | 27                                               | 28%           |
| <b>TOTAL</b>              | <b>96</b>              | <b>6</b>                                      | <b>27</b>                                        | <b>28%</b>    |

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

**Table 4.5.3 Reasons why staff left the Department for the period 1 April 2022 and 31 March 2023**

| Termination type                                                     | Number     | % of total resignations |
|----------------------------------------------------------------------|------------|-------------------------|
| Death                                                                | 2          | 0.75                    |
| Resignation                                                          | 29         | 12                      |
| Expiry of contract                                                   | 193        | 80                      |
| Dismissal – operational changes                                      | 0          | 0                       |
| Dismissal – misconduct                                               | 0          | 0                       |
| Dismissal – inefficiency                                             | 0          | 0                       |
| Discharged due to ill-health                                         | 1          | 0.4                     |
| Retirement                                                           | 8          | 3                       |
| Transfer to other Public Service Departments                         | 7          | 3                       |
| Other                                                                | 0          | 0                       |
| <b>Total</b>                                                         | <b>240</b> | <b>100</b>              |
| <b>Total number of employees who left as a % of total employment</b> | <b>50%</b> | <b>100</b>              |

**Table 4.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023**

| Occupation                   | Employees<br>1 April 2021 | Promotions<br>to another<br>salary level | Salary level<br>promotions as a<br>% of employees<br>by occupation | Progressions to<br>another notch<br>within a salary<br>level | Notch<br>progression as a<br>% of employees<br>by occupation |
|------------------------------|---------------------------|------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| Senior Management<br>Service | 96                        | 8                                        | 8%                                                                 | 96                                                           | 8                                                            |
| <b>Total</b>                 | <b>96</b>                 | <b>8</b>                                 | <b>8%</b>                                                          | <b>96</b>                                                    | <b>8</b>                                                     |

**Table 4.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023**

| Salary band                                 | Employees<br>1 April 2021 | Promotions<br>to another<br>salary level | Salary bands<br>promotions as a<br>% of employees<br>by salary level | Progressions to<br>another notch<br>within a salary<br>level | Notch<br>progression as a<br>% of employees<br>by salary bands |
|---------------------------------------------|---------------------------|------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------|
| Lower skilled ( Levels 1-2)                 | 1                         | 0                                        | 0                                                                    | 0                                                            | 0                                                              |
| Skilled (Levels 3-5)                        | 69                        | 0                                        | 0                                                                    | 0                                                            | 0                                                              |
| Highly skilled production<br>(Levels 6-8)   | 117                       | 8                                        | 7%                                                                   |                                                              |                                                                |
| Highly skilled supervision<br>(Levels 9-12) | 149                       | 15                                       | 10%                                                                  |                                                              |                                                                |
| Senior Management<br>(Level 13-16)          | 96                        | 8                                        | 8%                                                                   |                                                              |                                                                |
| <b>Total</b>                                | <b>432</b>                | <b>31</b>                                | <b>7%</b>                                                            |                                                              |                                                                |

## 4.6 EMPLOYMENT EQUITY

**Table 4.6.1 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     |            |
| Legislators, senior officials and managers | 105        | 7        | 4        | 6        | 126        | 4        | 3        | 8         | 263        |
| Professionals                              | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Technicians and associate professionals    | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Clerks                                     | 67         | 0        | 2        | 1        | 132        | 0        | 2        | 5         | 209        |
| Service and sales workers                  | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Skilled agriculture and fishery workers    | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Craft and related trades workers           | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Plant and machine operators and assemblers | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Elementary occupations                     | 15         | 0        | 0        | 0        | 12         | 0        | 0        | 0         | 27         |
| <b>Total</b>                               | <b>187</b> | <b>7</b> | <b>6</b> | <b>7</b> | <b>270</b> | <b>4</b> | <b>5</b> | <b>13</b> | <b>499</b> |
| Employees with disabilities                | 1          | 0        | 0        | 0        | 2          | 1        | 1        | 1         | 3          |

**Table 4.6.2 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     |            |
| Top Management                                                                                                    | 2          | 2        | 0        | 1        | 2          | 0        | 1        | 0         | 8          |
| Senior Management                                                                                                 | 37         | 4        | 4        | 3        | 43         | 3        | 1        | 4         | 99         |
| Professionally qualified and experienced specialists and mid-management                                           | 66         | 1        | 0        | 2        | 81         | 1        | 1        | 4         | 156        |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 39         | 0        | 2        | 1        | 80         | 0        | 2        | 5         | 129        |
| Semi-skilled and discretionary decision-making                                                                    | 43         | 0        | 0        | 0        | 63         | 0        | 0        | 0         | 106        |
| Unskilled and defined decision-making                                                                             | 0          | 0        | 0        | 0        | 1          | 0        | 0        | 0         | 1          |
| <b>Total</b>                                                                                                      | <b>187</b> | <b>7</b> | <b>6</b> | <b>7</b> | <b>270</b> | <b>4</b> | <b>5</b> | <b>13</b> | <b>499</b> |

**Table 4.6.3 Recruitment for the period 1 April 2022 to 31 March 2023**

| Occupational band                                                                                                 | Male      |          |          |          | Female    |          |          |          | Total     |
|-------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
|                                                                                                                   | African   | Coloured | Indian   | White    | African   | Coloured | Indian   | White    |           |
| Top Management                                                                                                    | 3         | 0        | 1        | 0        | 1         | 0        | 0        | 0        | 5         |
| Senior Management                                                                                                 | 7         | 2        | 1        | 1        | 2         | 1        | 0        | 0        | 14        |
| Professionally qualified and experienced specialists and mid-management                                           | 6         | 0        | 0        | 0        | 13        | 0        | 0        | 1        | 20        |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 8         | 0        | 0        | 0        | 6         | 0        | 0        | 0        | 14        |
| Semi-skilled and discretionary decision-making                                                                    | 4         | 0        | 0        | 0        | 4         | 0        | 0        | 0        | 8         |
| Unskilled and defined decision-making                                                                             | 0         | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 0         |
| <b>Total</b>                                                                                                      | <b>28</b> | <b>2</b> | <b>2</b> | <b>1</b> | <b>26</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>62</b> |
| Employees with disabilities                                                                                       |           |          |          |          |           |          |          |          |           |

**Table 4.6.4 Promotions for the period 1 April 2022 and 31 March 2023**

| Occupational band                                                                                                 | Male      |          |          |          | Female    |          |          |          | Total     |
|-------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
|                                                                                                                   | African   | Coloured | Indian   | White    | African   | Coloured | Indian   | White    |           |
| Top Management                                                                                                    | 1         | 0        | 1        | 0        | 0         | 0        | 0        | 0        | 2         |
| Senior Management                                                                                                 | 3         | 1        | 1        | 1        | 0         | 0        | 0        | 0        | 6         |
| Professionally qualified and experienced specialists and mid-management                                           | 6         | 0        | 0        | 0        | 8         | 0        | 0        | 1        | 15        |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 5         | 0        | 0        | 0        | 3         | 0        | 0        | 0        | 8         |
| Semi-skilled and discretionary decision-making                                                                    | 0         | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 0         |
| Unskilled and defined decision-making                                                                             | 0         | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 0         |
| <b>Total</b>                                                                                                      | <b>15</b> | <b>1</b> | <b>2</b> | <b>1</b> | <b>11</b> | <b>0</b> | <b>0</b> | <b>1</b> | <b>31</b> |
| Employees with disabilities                                                                                       |           |          |          |          |           |          |          |          |           |

**Table 4.6.5 Terminations for the period 1 April 2022 to 31 March 2023**

| Occupational band                                                                                                 | Male      |          |          |          | Female     |          |          |          | Total      |
|-------------------------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|------------|----------|----------|----------|------------|
|                                                                                                                   | African   | Coloured | Indian   | White    | African    | Coloured | Indian   | White    |            |
| Top Management                                                                                                    | 1         | 0        | 1        | 0        | 1          | 0        | 0        | 0        | 3          |
| Senior Management                                                                                                 | 11        | 2        | 0        | 1        | 10         | 0        | 1        | 2        | 27         |
| Professionally qualified and experienced specialists and mid-management                                           | 11        | 0        | 0        | 1        | 12         | 1        | 0        | 1        | 26         |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 14        | 0        | 0        | 0        | 30         | 0        | 1        | 2        | 47         |
| Semi-skilled and discretionary decision-making                                                                    | 47        |          |          |          | 115        |          |          |          | 162        |
| Unskilled and defined decision-making                                                                             |           |          |          |          |            |          |          |          |            |
| <b>Total</b>                                                                                                      | <b>84</b> | <b>2</b> | <b>1</b> | <b>2</b> | <b>168</b> | <b>1</b> | <b>2</b> | <b>5</b> | <b>265</b> |
| Employees with disabilities                                                                                       |           |          |          |          |            |          |          |          |            |

**Table 4.6.6 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 |       |
| Negligence          | 1       |          |        |       |         |          |        |       | 1     |
| Dereliction of duty | 2       |          |        |       | 1       |          |        |       | 3     |
| Gross negligence    |         |          |        |       | 1       |          |        |       | 1     |

**Table 4.6.7 Skills development for the period 1 April 2021 and 31 March 2023**

| Occupational category                      | Male    |          |        |       | Female  |          |        |       | Total |
|--------------------------------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
|                                            | African | Coloured | Indian | White | African | Coloured | Indian | White |       |
| Legislators, senior officials and managers | 27      | 0        | 5      | 2     | 36      | 1        | 1      | 3     | 75    |
| Professionals                              | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| Technicians and associate professionals    | 75      | 2        | 1      | 1     | 156     | 0        | 1      | 6     | 242   |
| Clerks                                     | 25      | 0        | 0      | 0     | 78      | 3        | 0      | 3     | 109   |
| Service and sales workers                  | 3       | 0        | 0      | 2     | 4       | 1        | 0      | 0     | 10    |
| Skilled agriculture and fishery workers    | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |

| Occupational category                      | Male       |          |          |          | Female     |          |          |           | Total      |
|--------------------------------------------|------------|----------|----------|----------|------------|----------|----------|-----------|------------|
|                                            | African    | Coloured | Indian   | White    | African    | Coloured | Indian   | White     |            |
| Craft and related trades workers           | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Plant and machine operators and assemblers | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| Elementary occupations                     | 0          | 0        | 0        | 0        | 0          | 0        | 0        | 0         | 0          |
| <b>Total</b>                               | <b>130</b> | <b>2</b> | <b>6</b> | <b>5</b> | <b>274</b> | <b>5</b> | <b>2</b> | <b>12</b> | <b>436</b> |
| Employees with disabilities                | 1          | 0        | 0        | 0        | 1          | 0        | 0        | 1         | 3          |

## 4.7 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 4.7.1 Signing of performance agreements by SMS members as on 31 May 2023**

| SMS Level                           | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|-------------------------------------|----------------------------------|-----------------------------|-----------------------------------------------|-------------------------------------------------------------------|
| Director-General/Head of Department | 1                                | 1                           | 1                                             | 100%                                                              |
| Salary Level 16                     | 0                                | 0                           | 0                                             | 0%                                                                |
| Salary Level 15                     | 5                                | 2                           | 2                                             | 100%                                                              |
| Salary Level 14                     | 34                               | 21                          | 19                                            | 90%                                                               |
| Salary Level 13                     | 85                               | 74                          | 66                                            | 89%                                                               |
| <b>Total</b>                        | <b>125</b>                       | <b>98</b>                   | <b>88</b>                                     | <b>90%</b>                                                        |

**Table 4.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 March 2023**

- 3 SMS members were unable to sign on time due to e-PMDS related challenges.
- 1 SMS member was placed additional to the establishment because of the restructuring process.
- 1 SMS member was unable to sign due to lack of clear reporting lines.
- 2 SMS members did not sign on time and reasons were not provided.
- 3 SMS were on suspension.

**Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2023**

**No disciplinary action was taken against non-compliant SMS members who did not provide reasons.**

## 4.8 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 4.8.1 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         | 0                       | 0                   | 0                       | 0            | 0                         |
| Male            | 0                       | 0                   | 0                       | 0            | 0                         |
| Female          | 0                       | 0                   | 0                       | 0            | 0                         |
| Asian           | 0                       | 0                   | 0                       | 0            | 0                         |
| Male            | 0                       | 0                   | 0                       | 0            | 0                         |
| Female          | 0                       | 0                   | 0                       | 0            | 0                         |
| Coloured        | 0                       | 0                   | 0                       | 0            | 0                         |
| Male            | 0                       | 0                   | 0                       | 0            | 0                         |
| Female          | 0                       | 0                   | 0                       | 0            | 0                         |
| White           | 0                       | 0                   | 0                       | 0            | 0                         |
| Male            | 0                       | 0                   | 0                       | 0            | 0                         |
| Female          | 0                       | 0                   | 0                       | 0            | 0                         |
| <b>Total</b>    | <b>0</b>                | <b>0</b>            | <b>0</b>                | <b>0</b>     | <b>0</b>                  |

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**Table 4.8.2 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                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| Skilled (Levels 3-5)                     | 0                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| Highly skilled production (Levels 6-8)   | 0                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| Highly skilled supervision (Levels 9-12) | 0                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| <b>Total</b>                             | <b>0</b>                | <b>0</b>            | <b>0</b>                       | <b>0</b>           | <b>0</b>                  | <b>0</b>                                             |

**Table 4.8.3 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 |
| Senior Manager *    | 0                       | 0                   | 0                            | 0                  | 0                         |
| <b>Total</b>        | <b>0</b>                | <b>0</b>            | <b>0</b>                     | <b>0</b>           | <b>0</b>                  |

**Table 4.8.4 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                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| Band B       | 0                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| Band C       | 0                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| Band D       | 0                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| <b>Total</b> | <b>0</b>                | <b>0</b>            | <b>0</b>                       | <b>0</b>           | <b>0</b>                  | <b>0</b>                                             |

## 4.9 FOREIGN WORKERS

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

**Table 4.9.1 foreign workers by salary band 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 |
| Professionals and Managers | 0             | 0          | 0             | 0          | 0        | 0        |
| <b>Total</b>               | <b>0</b>      | <b>0</b>   | <b>0</b>      | <b>0</b>   | <b>0</b> | <b>0</b> |

**Table 4.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023**

| Major occupation           | 01 April 2021 |            | 31 March 2022 |            | Change   |          |
|----------------------------|---------------|------------|---------------|------------|----------|----------|
|                            | Number        | % of total | Number        | % of total | Number   | % Change |
| Professionals and Managers | 0             | 0          | 0             | 0          | 0        | 0        |
| <b>Total</b>               | <b>0</b>      | <b>0</b>   | <b>0</b>      | <b>0</b>   | <b>0</b> | <b>0</b> |

## 4.10 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 4.10.1 Sick leave for the period 1 January 2022 to 31 December 2023**

| Salary band                               | Total days   | % days with medical certification | Number of employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated cost (R'000) |
|-------------------------------------------|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower skills (Levels 1-2)                 | 0            | 0                                 | 0                                    | 0                                     | 0                         | 0                      |
| Skilled (Levels 3-5)                      | 637          | 76.25                             | 90                                   | 23.40                                 | 13                        | 582                    |
| Highly skilled production (Levels 6-8)    | 961          | 74.45                             | 104                                  | 27.10                                 | 14                        | 1 431                  |
| Highly skilled supervision (Levels 9 -12) | 874          | 79.65                             | 118                                  | 30.70                                 | 13                        | 2 466                  |
| Top and Senior Management (Levels 13-16)  | 520          | 95.25                             | 64                                   | 16.60                                 | 15                        | 2 448                  |
| <b>Total</b>                              | <b>2 992</b> | <b>81.40%</b>                     | <b>376</b>                           | <b>97.80</b>                          | <b>8</b>                  | <b>6 927</b>           |

**Table 4.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2023**

| Salary band                              | Total days | % days with medical certification | Number of employees using disability leave | % of total employees using disability leave | Average days per employee | Estimated cost (R'000) |
|------------------------------------------|------------|-----------------------------------|--------------------------------------------|---------------------------------------------|---------------------------|------------------------|
| Lower skilled (Levels 1-2)               | 0          | 0                                 | 0                                          | 0                                           | 0                         | 0                      |
| Skilled (Levels 3-5)                     | 32         | 100                               | 2                                          | 14.30                                       | 16                        | 30                     |
| Highly skilled production (Levels 6-8)   | 328        | 100                               | 4                                          | 28.60                                       | 56                        | 610                    |
| Highly skilled supervision (Levels 9-12) | 18         | 100                               | 1                                          | 14.30                                       | 9                         | 53                     |
| Senior Management (Levels 13-16)         | 0          | 0                                 | 0                                          | 0                                           | 0                         | 0                      |
| <b>Total</b>                             | <b>378</b> | <b>100</b>                        | <b>7</b>                                   | <b>19%</b>                                  | <b>27</b>                 | <b>693</b>             |

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (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 4.10.3 Annual leave for the period 1 January 2022 to 31 December 2023**

| Salary band                              | Total days taken | Number of employees using annual leave | Average per employee |
|------------------------------------------|------------------|----------------------------------------|----------------------|
| Lower skilled (Levels 1-2)               | 17               | 1                                      | 17                   |
| Skilled (Levels 3-5)                     | 1 864            | 117                                    | 29                   |
| Highly skilled production (Levels 6-8)   | 3 387            | 141                                    | 33                   |
| Highly skilled supervision (Levels 9-12) | 3 758            | 161                                    | 35                   |
| Senior Management (Levels 13-16)         | 2 332            | 105                                    | 33                   |
| <b>Total</b>                             | <b>11 358</b>    | <b>525</b>                             | <b>29.40</b>         |

**Table 4.10.4 Capped leave for the period 1 January 2022 to 31 December 2023**

| Salary band                              | Total days of capped leave taken | Number of employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2022 |
|------------------------------------------|----------------------------------|----------------------------------------|-------------------------------------------|-------------------------------------------------------|
| Lower skilled (Levels 1-2)               | 0                                | 0                                      | 0                                         | 0                                                     |
| Skilled (Levels 3-5)                     | 0                                | 0                                      | 0                                         | 33                                                    |
| Highly skilled production (Levels 6-8)   | 0                                | 0                                      | 0                                         | 9                                                     |
| Highly skilled supervision (Levels 9-12) | 0                                | 0                                      | 0                                         | 32                                                    |
| Senior Management (Levels 13-16)         | 0                                | 0                                      | 0                                         | 44                                                    |
| <b>Total</b>                             | <b>0</b>                         | <b>0</b>                               | <b>0</b>                                  | <b>32</b>                                             |

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

**Table 4.10.5 Leave pay-outs for the period 1 April 2022 and 31 March 2023**

| Reason                                                        | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---------------------------------------------------------------|----------------------|---------------------|------------------------------|
| Annual - Discounting with resignation (workdays)              | 1 390                | 59                  | 23 559                       |
| Annual - Discounting: unused vacation credits (workdays)      | 455                  | 8                   | 56 875                       |
| Annual - Gratuity: death/retirement/medical retirement (work) | 372                  | 6                   | 62 000                       |
| Capped - Gratuity: death/retirement/medical retirement (work) | 731                  | 5                   | 146 200                      |
| <b>Total</b>                                                  | <b>2 948</b>         | <b>78</b>           | <b>72 158.50</b>             |

## 4.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

**Table 4.11.1 Steps taken to reduce the risk of occupational exposure**

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any) | Key steps taken to reduce the risk                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All employees                                                                                              | HIV voluntary counselling and testing. HIV and AIDS awareness raising session. Information poster on HIV prevention. Condom distribution in all bathrooms. Observation of World Aids Day. |

**Table 4.11.2 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 I of the Public Service Regulations, 2001? If so, provide her/his name and position.                                                                          | x   |    | Mr Sonwabo Shibane<br>Position: Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 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. | x   |    | Two officials at the level of Director and Deputy Director:<br><br>Budget is provided in the Chief Directorate: Human Resource Facilities and Security Management when required.                                                                                                                                                                                                                                                                                                                                    |
| 3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.                                                                                                           | x   |    | The Department has availed the following prevention programmes to its employees: <ul style="list-style-type: none"> <li>• Monthly health promotion posters</li> <li>• through internal media</li> <li>• 24hrs telephone counselling</li> <li>• Face-to-face counselling.</li> <li>• Health screening (blood pressure, TB, cancer; glucose, eye testing ear testing and weight).</li> <li>• HIV and Aids awareness and voluntary testing</li> <li>• Financial wellness session</li> <li>• Blood donations</li> </ul> |

| Question                                                                                                                                                                                                                                                | Yes | No | Details, if yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | x   |    | The Department has established the Human Resource Committee that address all the human capital management matters. Members of the committee are:<br><br>The Chief Director: Human Capital Management as a chair, Representative from PSA and NEHAWU, and representative from each Branch of the Department.                                                                                                                                                                                                     |
| 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.                   | x   |    | The following policies were reviewed for inclusivity<br><br>Policy on Health and Productivity and Wellness Management <ul style="list-style-type: none"> <li>• Policy on Sexual Harassment</li> <li>• Policy on Human Resource Development</li> <li>• Policy on Occupational Health and Safety</li> <li>• Policy on Special Leave</li> <li>• Remote Working Arrangement</li> <li>• Policy on Working Hours and Overtime</li> </ul>                                                                              |
| 6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.                                                                  | x   |    | The Department protects employees through the following measures: <ul style="list-style-type: none"> <li>• Awareness sessions addressing HIV and AIDS stigma.</li> <li>• Policy on Health and Productivity and Wellness Management which prohibits discrimination on the basis of HIV status.</li> <li>• Policy on discipline.</li> <li>• Grievance process and service standards that afford employees opportunity to lodge a complaint.</li> <li>• 24-hours counselling for debriefing and support</li> </ul> |
| 7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.                                                                                                            | x   |    | The Department creates opportunity for voluntary counselling and testing during the health screening. An additional platform is created during a blood donation drive. About 83 employees were exposed to voluntary counselling and testing during the wellness sessions and 57 during blood donation sessions.                                                                                                                                                                                                 |
| 8. Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.                                                                                       | x   |    | The impact of the programme is monitored through the following measures: <ul style="list-style-type: none"> <li>• EHW annual report.</li> <li>• Employee Health and Wellness operational plan with annual indicators</li> <li>• System Monitoring Tool.</li> </ul>                                                                                                                                                                                                                                              |

## 4.12 LABOUR RELATIONS

**Table 4.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023**

| Subject matter                               | Date |
|----------------------------------------------|------|
| None                                         |      |
| <b>Total number of Collective agreements</b> |      |

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

**Table 4.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023**

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

**Table 4.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023**

| Type of misconduct  | Number   | % of total  |
|---------------------|----------|-------------|
| Negligence          | 1        | 20%         |
| Dereliction of duty | 3        | 80%         |
| <b>Total</b>        | <b>4</b> | <b>100%</b> |

**Table 4.12.4 Grievances lodged for the period between 1 April 2022 and 31 March 2023**

| Grievances                               | Number   | % of Total  |
|------------------------------------------|----------|-------------|
| Number of grievances resolved            | 1        | 50%         |
| Number of grievances not resolved        | 1        | 50%         |
| <b>Total number of grievances lodged</b> | <b>2</b> | <b>100%</b> |

**Table 4.12.5 Disputes lodged with Councils for the period 1 April 2022 and 31 March 2023**

| Disputes                               | Number   | % of Total  |
|----------------------------------------|----------|-------------|
| Number of disputes upheld              | 1        | 50%         |
| Number of disputes dismissed           | 0        | 0%          |
| Number of disputes in process          | 0        | 0%          |
| Number of disputes withdrawn           | 0        | 0%          |
| Number of disputes settled             | 1        | 50%         |
| <b>Total number of disputes lodged</b> | <b>2</b> | <b>100%</b> |

**Table 4.12.6 Strike actions for the period 1 April 2022 and 31 March 2023**

|                                                        |         |
|--------------------------------------------------------|---------|
| Total number of persons working days lost              | 1       |
| Total costs working days lost                          | 1       |
| Amount recovered as a result of no work no pay (R'000) | R672.98 |

**Table 4.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023**

|                                                    |               |
|----------------------------------------------------|---------------|
| Number of people suspended                         | 5             |
| Number of people whose suspension exceeded 30 days | 5             |
| Average number of days suspended                   | 2 464         |
| Cost of suspension (R'000)                         | R8 740 680.61 |

## 4.13 SKILLS DEVELOPMENT

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

**Table 4.13.1 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 | Total      |
| Legislators, senior officials and managers | Female | 49                                     | 0                                                          | 60                                      | 0                       | 60         |
|                                            | Male   | 49                                     | 0                                                          | 45                                      | 0                       | 45         |
| Professionals                              | Female | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male   | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
| Technicians and associate professionals    | Female | 137                                    | 0                                                          | 95                                      | 0                       | 0          |
|                                            | Male   | 117                                    | 0                                                          | 80                                      | 0                       | 80         |
| Clerks                                     | Female | 83                                     | 0                                                          | 120                                     | 0                       | 120        |
|                                            | Male   | 38                                     | 0                                                          | 90                                      | 0                       | 90         |
| Service and sales workers                  | Female | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male   | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
| Skilled agriculture and fishery workers    | Female | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male   | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
| Craft and related trades workers           | Female | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male   | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
| Plant and machine operators and assemblers | Female | 1                                      | 0                                                          | 3                                       | 0                       | 3          |
|                                            | Male   | 2                                      | 0                                                          | 6                                       | 0                       | 6          |
| Elementary occupations                     | Female | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male   | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
| Sub-total                                  | Female | 270                                    | 0                                                          | 278                                     | 0                       | 278        |
|                                            | Male   | 206                                    | 0                                                          | 221                                     | 0                       | 206        |
| <b>Total</b>                               |        | <b>476</b>                             | <b>0</b>                                                   | <b>499</b>                              | <b>0</b>                | <b>484</b> |

**Table 4.13.2 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) | Total      |
| Legislators, senior officials and managers | Female | 49                                     | 0                                             | 60                                      | 0                                    | 60         |
|                                            | Male   | 49                                     | 0                                             | 45                                      | 0                                    | 45         |
| Professionals                              | Female | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
|                                            | Male   | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
| Technicians and associate professionals    | Female | 137                                    | 0                                             | 95                                      | 0                                    | 0          |
|                                            | Male   | 117                                    | 0                                             | 80                                      | 0                                    | 80         |
| Clerks                                     | Female | 83                                     | 0                                             | 120                                     | 0                                    | 120        |
|                                            | Male   | 38                                     | 0                                             | 90                                      | 0                                    | 90         |
| Service and sales workers                  | Female | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
|                                            | Male   | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
| Skilled agriculture and fishery workers    | Female | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
|                                            | Male   | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
| Craft and related trades workers           | Female | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
|                                            | Male   | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
| Plant and machine operators and assemblers | Female | 1                                      | 0                                             | 3                                       | 0                                    | 3          |
|                                            | Male   | 2                                      | 0                                             | 6                                       | 0                                    | 6          |
| Elementary occupations                     | Female | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
|                                            | Male   | 0                                      | 0                                             | 0                                       | 0                                    | 0          |
| Sub-total                                  | Female | 270                                    | 0                                             | 278                                     | 0                                    | 278        |
|                                            | Male   | 206                                    | 0                                             | 221                                     | 0                                    | 206        |
| <b>Total</b>                               |        | <b>476</b>                             | <b>0</b>                                      | <b>499</b>                              | <b>0</b>                             | <b>484</b> |

## 4.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

**Table 4.14.1 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 | 0        | 0          |
| Temporary total disablement           | 0        | 0          |
| Permanent disablement                 | 0        | 0          |
| Fatal                                 | 0        | 0          |
| <b>Total</b>                          | <b>0</b> | <b>0</b>   |

## 4.15 UTILISATION OF CONSULTANTS

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

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

**Table 4.15.1 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 |
|---------------|----------------------------------------------------|----------------------|------------------------|
| n/a           | n/a                                                | n/a                  | n/a                    |

| Total number of projects | Total individual consultants | Total duration Work days | Total contract value in Rand |
|--------------------------|------------------------------|--------------------------|------------------------------|
| n/a                      | n/a                          | n/a                      | n/a                          |

**Table 4.15.2 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 |
|---------------|------------------------------------|-------------------------------------|----------------------------------------------------------------|
| None          | None                               | None                                | None                                                           |

**Table 4.15.3 Report on consultant appointments using donor funds for the period 1 April 2022 and 31 March 2023**

No tenders were awarded using donor funding.

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

| Total number of projects | Total individual consultants | Total duration (work days) | Total contract value in Rand |
|--------------------------|------------------------------|----------------------------|------------------------------|
| None                     | None                         | None                       | None                         |
|                          |                              |                            |                              |

**Table 4.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023**

No tenders were awarded using donor funding.

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

## 4.16 SEVERANCE PACKAGES

**Table 4.16.1 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                               | 0                                           | 0                                        | 0                                         |
| Skilled (Levels 3-5)                     | 0                               | 0                                           | 0                                        | 0                                         |
| Highly skilled production (Levels 6-8)   | 0                               | 0                                           | 0                                        | 0                                         |
| Highly skilled supervision (Levels 9-12) | 0                               | 0                                           | 0                                        | 0                                         |
| Senior Management (Levels 13-16)         | 0                               | 0                                           | 0                                        | 0                                         |
| <b>Total</b>                             | <b>0</b>                        | <b>0</b>                                    | <b>0</b>                                 | <b>0</b>                                  |

# PART E: PFMA COMPLIANCE REPORT



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

## I.1 IRREGULAR EXPENDITURE

### a) Reconciliation of irregular expenditure

| Description                                                                         | 2022/2023        | 2021/2022        |
|-------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                     | R'000            | R'000            |
| Opening balance                                                                     | 3,598,176        | 3,355,146        |
| Prior year error                                                                    | 93,265           | (256,419)        |
|                                                                                     | 3,691,441        | 3,098,727        |
| Add: Irregular expenditure relating to current year confirmed (Redefine Properties) | 6,394            | 7,371            |
| Add: Irregular expenditure relating to current year confirmed (Iron Mountain)       | 105              | -                |
| Add: - C2 PM Fees                                                                   | -                | 128,974          |
| Add: - C2 Procurement                                                               | -                | 363,104          |
| Add: C2 (April 2018- September 2021, paid 2022/23 FY)                               | 15,255           | -                |
| Add: - C3 PM Fees                                                                   | 172,369          | -                |
| Add: - C3 Procurement                                                               | 281,074          | -                |
| Less: Prior year amounts condoned                                                   | (753,617)        | -                |
| Less: Current year amounts condoned                                                 | -                | -                |
| Less: Prior year amounts not condoned and removed                                   | (7,716)          | -                |
| Less: Current year amounts not condoned and removed                                 | -                | -                |
| Less: Amounts recoverable(current and prior year)                                   | -                | -                |
| Less: Irregular expenditure not recovered and written off                           | -                | -                |
| <b>Closing balance</b>                                                              | <b>3,405,305</b> | <b>3,598,176</b> |

### Reconciling notes

| Description                                                             | 2022/2023        | 2021/2022 <sup>1</sup> |
|-------------------------------------------------------------------------|------------------|------------------------|
|                                                                         | R'000            | R'000                  |
| Irregular expenditure that was under assessment in 2021/22              | 2,836,843        | 3,098,727              |
| Irregular expenditure that relates to 2021/22 and identified in 2022/23 | 93,265           | -                      |
| Irregular expenditure for the current year                              | 475,197          | 499,449                |
| <b>Total</b>                                                            | <b>3,405,305</b> | <b>3,598,176</b>       |

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

| Description <sup>2</sup>                  | 2022/2023        | 2021/2022        |
|-------------------------------------------|------------------|------------------|
|                                           | R'000            | R'000            |
| Irregular expenditure under assessment    | 994,242          | 1,187,113        |
| Irregular expenditure under determination | -                | -                |
| Irregular expenditure under investigation | 2,411,063        | 2,411,063        |
| <b>Total <sup>3</sup></b>                 | <b>3,405,305</b> | <b>3,598,176</b> |

<sup>1</sup> Record amounts in the year in which it was incurred

<sup>2</sup> Group similar items

<sup>3</sup> Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

**c) Details of current and previous year irregular expenditure condoned**

| Description                    | 2022/2023      | 2021/2022 |
|--------------------------------|----------------|-----------|
|                                | R'000          | R'000     |
| Irregular expenditure condoned | 753,617        | -         |
| <b>Total</b>                   | <b>753,617</b> | <b>-</b>  |

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

| Description                                                                     | 2022/2023    | 2021/2022 |
|---------------------------------------------------------------------------------|--------------|-----------|
|                                                                                 | R'000        | R'000     |
| Irregular expenditure NOT condoned and removed in terms of paragraph 57         | 373          | -         |
| Irregular expenditure NOT condoned and removed - wrongly classified             | 565          | -         |
| Irregular expenditure NOT condoned and removed - reclassified to non-compliance | 6,778        | -         |
| <b>Total</b>                                                                    | <b>7,716</b> | <b>-</b>  |

**e) Details of current and previous year irregular expenditure recovered**

| Description                     | 2022/2023 | 2021/2022 |
|---------------------------------|-----------|-----------|
|                                 | R'000     | R'000     |
| Irregular expenditure recovered | -         | -         |
| <b>Total</b>                    |           |           |

**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 | -         | -         |
| <b>Total</b>                      | <b>-</b>  | <b>-</b>  |

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         |
|              |
|              |
|              |
| <b>Total</b> |

**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  | 20YY/20ZZ | 20XX/20YY |
|--------------|-----------|-----------|
|              | R'000     | R'000     |
| None         |           |           |
|              |           |           |
|              |           |           |
|              |           |           |
| <b>Total</b> |           |           |

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

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

## 1.2 FRUITLESS AND WASTEFUL EXPENDITURE

**a) Reconciliation of fruitless and wasteful expenditure**

| Description                                         | 2022/2023  | 2021/2022    |
|-----------------------------------------------------|------------|--------------|
|                                                     | R'000      | R'000        |
| Opening balance                                     | 1,082      | 1,228        |
| Add: Fruitless and wasteful expenditure confirmed   | 16         | 12           |
| Less: Airline cancellation fees written off         | (191)      | (77)         |
| Less: Interest charged on late payments written off | (14)       | (71)         |
| Less: No-show at hotels written off                 | (4)        | (10)         |
| Less: No-show recoverable                           | (1)        | -            |
| <b>Closing balance</b>                              | <b>888</b> | <b>1,082</b> |

**Reconciling notes**

| Description                                                                          | 2022/2023    | 2021/2022    |
|--------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                      | R'000        | R'000        |
| Fruitless and wasteful expenditure that was under assessment in 2021/22              | 1,082        | 1,228        |
| Fruitless and wasteful expenditure that relates to 2020/21 and identified in 2021/22 | -            | 1            |
| Fruitless and wasteful expenditure for the current year                              | 16           | 11           |
| Less: Fruitless and wasteful expenditure written off                                 | (209)        | (158)        |
| Less: Fruitless and wasteful expenditure recoverable                                 | (1)          | -            |
| <b>Total</b>                                                                         | <b>1,082</b> | <b>1,228</b> |

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

| Description <sup>4</sup>                               | 2022/2023  | 2021/2022    |
|--------------------------------------------------------|------------|--------------|
|                                                        | R'000      | R'000        |
| Fruitless and wasteful expenditure under assessment    | 862        | 862          |
| Fruitless and wasteful expenditure under determination | 26         | 220          |
| Fruitless and wasteful expenditure under investigation | -          | -            |
| <b>Total<sup>5</sup></b>                               | <b>888</b> | <b>1,082</b> |

**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)        | -         |
| <b>Total</b>                                 | <b>(1)</b> | <b>-</b>  |

<sup>4</sup> Group similar items

<sup>5</sup> Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

**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        |
| Airline cancellation fee    | (191)        | (77)         |
| Interest on overdue account | (14)         | (71)         |
| No show                     | (4)          | (10)         |
| <b>Total</b>                | <b>(209)</b> | <b>(158)</b> |

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

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

**1.3 UNAUTHORISED EXPENDITURE****a) Reconciliation of unauthorised expenditure**

| Description                                                   | 2022/2023    | 2021/2022    |
|---------------------------------------------------------------|--------------|--------------|
|                                                               | R'000        | R'000        |
| Opening balance                                               | 1 123        | 1 123        |
| Add: unauthorised expenditure confirmed                       | -            | -            |
| Less: unauthorised expenditure approved with funding          | -            | -            |
| Less: unauthorised expenditure approved without funding       | -            | -            |
| Less: unauthorised expenditure recoverable                    | -            | -            |
| Less: unauthorised not recovered and written off <sup>6</sup> | -            | -            |
| <b>Closing balance</b>                                        | <b>1 123</b> | <b>1 123</b> |

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

**Reconciling notes**

| Description                                                                | 2022/2023    | 2021/2022    |
|----------------------------------------------------------------------------|--------------|--------------|
|                                                                            | R'000        | R'000        |
| Unauthorised expenditure that was under assessment in 2021/22              | 1 123        | 1 123        |
| Unauthorised expenditure that relates to 20XX/YY and identified in 20YY/ZZ | -            | -            |
| Unauthorised expenditure for the current year                              | -            | -            |
| <b>Total</b>                                                               | <b>1 123</b> | <b>1 123</b> |

6 This amount may only be written off against available savings

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

| Description <sup>7</sup>                     | 2022/2023    | 2021/2022    |
|----------------------------------------------|--------------|--------------|
|                                              | R'000        | R'000        |
| Unauthorised expenditure under assessment    | 1 123        | 1 123        |
| Unauthorised expenditure under determination | -            | -            |
| Unauthorised expenditure under investigation | -            | -            |
| <b>Total<sup>8</sup></b>                     | <b>1 123</b> | <b>1 123</b> |

<sup>7</sup> Group similar items

<sup>8</sup> Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

# PART F: FINANCIAL INFORMATION

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 3: DEPARTMENT OF COOPERATIVE GOVERNANCE

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Department of Cooperative Governance set out on pages xx to xx, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Department of Cooperative Governance as at 31 March 2023 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act No. 05 of 2022 (Dora).

### Basis for qualified opinion

#### Movable tangible capital assets

3. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for movable tangible capital assets and minor assets for the community work programme (CWP) implementing agents, due to the status of the accounting records. I could not trace the assets from the asset register to the floor and I could not trace assets selected from the floor to the asset register due to a lack of unique identification information. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets stated at R359 862 000 (2022: R341 617 000) and minor assets stated at R70 000 000 (2022: R87 492 000) in note 37 to the financial statements.

## Goods and services

4. During 2021-22, I was unable to obtain sufficient appropriate audit evidence for goods and services payments made to consultants: Business and advisory service because the department did not provide accurate and complete substantiating records for payments made for project management fees to the community work programme (CWP) implementing agents. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to consultants: Business and advisory service stated at R323 258 000 in note 6 to the financial statement comparative. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the goods and services for the current period as management did not make adjustments to the prior year misstatement.

### Context for opinion

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

### Emphasis of matters

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

### Assets under investigation

9. With reference to disclosure note 37 to the financial statements, the department has disclosed assets under investigation to the value of R154 325 000. The ultimate outcome of the matter cannot presently be determined and therefore no provision has been made for any potential adjustment to the asset balance in the financial statements.

### Unaudited supplementary schedules

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

### Other matters

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

### National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

12. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular, fruitless, and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note xxx and xxx to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Department of Cooperative Governance. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.
13. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

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

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

19.

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

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

21. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as were committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

22. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance conclusion.

23. The material findings on the performance information of the selected programmes are as follows:

#### **Programme 2: Local government support and interventions management**

##### **Various indicators**

24. The indicators were included in the approved annual performance plan and strategic plan but then not clearly defined during planning processes. It was also not determined how the related targets would be measured and what evidence would be needed to support the achievements. Consequently, the information might be less useful for measuring performance.

| Indicator                                                                                 | Reported target                                                                                                                                                   |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.6 Percentage of MIG allocations spent on municipal infrastructure                       | 85% of 2021/22 MIG allocations spent on municipal infrastructure by June 2022.<br>60% of 2022/23 MIG allocations spent on municipal infrastructure by March 2023. |
| 2.8 Number of small towns identified for redesign and refurbishment as smart cities/towns | Three existing towns identified and plans for redesign and refurbishment as cities/ towns developed by 31 March 2023                                              |
| 2.9 Number of progress reports on planned Coastal City                                    | Three progress Reports on planned Coastal City by 31 March 2023                                                                                                   |

25. Adequate supporting evidence was not submitted to clearly explain how the indicators and targets of items listed below would contribute to achieving planned objectives and strategic goals. This is due to the lack of required content and milestones expected from the technical indicator description or internal process. It would thus be difficult to track the department's

achievement of these targets. Furthermore, the achievements listed below were reported against the targets as stated. However, the actual achievements for the indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less.

| Indicator                                                                                                                  | Reported target                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 2.2 Guideline for mainstreaming of the GBVF in the IDPs of municipalities developed                                        | Guideline for mainstreaming of the GBVF in the IDPs of municipalities developed by 31 March 2023                                 |
| 2.3 Integrated monitoring framework for DDM reporting consulted and piloted in identified districts/metros                 | Integrated Monitoring Framework for DDM reporting consulted and piloted in 3 Districts/ Metros 31 March 2023.                    |
| 2.4 DDM IMS developed and implemented                                                                                      | DDM IMS developed and piloted in 1 Districts by 31 March 2023.                                                                   |
| 2.5 Number of district and metro economic recovery plans implementation monitored                                          | 44 District and 8 Metro Economic Recovery Plans implementation monitored by 31 March 2023.                                       |
| 2.7 Number of reports on the identified district/metros readiness to establish and operationalise the district/ metro hubs | 3 reports on the identified District/Metros readiness to establish and operationalise the District/ Metro Hubs by 31 March 2023. |
| 2.10 Intergovernmental Monitoring, Support and Intervention Bill submitted in Parliament                                   | IMSI Bill submitted in Parliament by 31 March 2023.                                                                              |
| 2.11 Number of dysfunctional municipalities supported to implement municipal support & intervention plans (MSIPs)          | 64 dysfunctional municipalities supported by 31 March 2023                                                                       |

### Programme 3: Institutional development

#### Various indicators

26. The indicators were included in the approved annual performance plan and strategic plan but then not clearly defined during planning processes.

It was also not determined how the related targets would be measured and what evidence would be needed to support the achievements. Consequently, the information might be less useful for measuring performance.

| Indicator                                                                                                                        | Reported target                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 3.3 Number of district stakeholder engagements held on responsible citizenry                                                     | 18 district stakeholder engagements held on Responsible Citizenry by 31 March 2023 |
| 3.4 Number of provinces implementing the GovChat social media platform for community engagement and service delivery improvement | 9 provinces implementing the GovChat social media platform by 31 March 2023        |

27. Adequate supporting evidence was not submitted to clearly explain how the indicators and targets of items listed below would contribute to achieving planned objectives and strategic goals. This is due to the lack of required content and milestones expected from the technical indicator description or internal process. It would thus be difficult to track the department's

achievement of these targets. Furthermore, the achievements listed below were reported against the targets as stated. However, the actual achievements for the indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less.

| Indicator                                                                                                                              | Reported target                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1 Number of reports on the implementation of the recommendations of the Budget Forum on the Local Government Fiscal Framework (LGFF) | Four reports by 31 March 2023                                                                                                                                                                                    |
| 3.2 Integrated Local Government Capacity Building Strategy (LGCBS) piloted in identified districts and metros                          | Integrated LGCBS piloted in 2 Districts and 1 Metro by 31 March 2023                                                                                                                                             |
| 3.5 Number of provinces supported to capacitate municipalities to maintain functional ward committees                                  | 9 Provinces supported to capacitate municipalities to maintain functional ward committees by 31 March 2023                                                                                                       |
| 3.6 Number of MPAC functionality assessment reports developed                                                                          | 4 MPAC functionality assessment reports developed by 31 March 2023                                                                                                                                               |
| 3.7 Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA                  | Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA submitted to form part of sec 48 report/ state of local government report by 31 December 2022. |

#### Programme 4: National disaster management centre

28. The indicator 4.2 Number of municipalities in priority disaster areas supported to prevent, prepare, and mitigate disaster risks through the implementation of the applicable disaster management plans, was included in the approved annual performance plan and strategic plan but then not clearly defined during planning processes. It was also not determined how the related target would be measured and what evidence would be needed to support the achievement. Consequently, the information might be less useful for measuring performance.

#### Other matters

29. I draw attention to the matter below.

#### Achievement of planned targets

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

#### Material misstatements

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programmes 2, 3 and 4. Management did not correct the misstatements and I reported material findings in this regard.

#### Report on compliance with legislation

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

#### Annual financial statements, performance reports and annual reports

36. The financial statements submitted for audit on 31 May 2023 were not prepared in accordance with the prescribed financial reporting framework and were not supported by full and proper records as required by sections 40(1)(a) and 40(1)(b) of the PFMA.

### Expenditure management

37. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 30 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

### Asset management

38. Proper control systems were not in place at the department to ensure that assets were adequately safeguarded and maintained, as required by treasury regulation 10.1.1(a). Furthermore, preventative mechanisms were not in place to eliminate loss, wastage and misuse of assets, as required by treasury regulation 10.1.1(a).

### Performance management

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

### Procurement and contract management

40. Some of the goods and services were procured without obtaining at least three written price quotations as per treasury regulation 16A6.1, paragraph 3.3.1 of practice note 8 of 2007-08. and paragraph 3.2.1 of SCM instruction note 2 of 2021-22.
41. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3.
42. Some of the bid documentation / invitations to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 procurement regulation 8(2).

### Other information in the annual report

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

44. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
45. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

47. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
48. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
49. Leadership did not exercise oversight of financial and performance reporting and compliance and the related internal controls.
50. Leadership did not implement effective human resource management to ensure that critical areas are capacitated.
51. Leadership did not establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

52. Leadership did not perform adequate oversight of the implementation of action plans to address internal control deficiencies.
53. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
54. The recording, review and recording and reporting processes and controls over assets recognised in the financial statements were not adequate. Management did not prepare regular, accurate and complete financial reports.
55. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
56. Management did not adequately review and monitor compliance with applicable legislation and regulations and did not have sufficient monitoring controls to prevent irregular, fruitless and wasteful expenditure.

### Material irregularities

57. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

### Status of previously reported material irregularities

#### Transfer payment to incorrect recipient for municipality infrastructure grant

58. The department incorrectly made a municipal infrastructure grant (MIG) payment totalling of R183 450 000,00 to a supplier on the central payment system with a similar name in July and August 2018 as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1. The department is likely to incur a material financial loss of R98 241 000 as the amount was still not recovered at year-end, as disclosed in note 15.5 of the financial statements.
59. The accounting officer was notified of the material irregularity on 24 July 2019. The following actions have been taken to resolve the material irregularity:

60. On request of the accounting officer, the internal audit units conducted an investigation to identify officials who approved the payments and to initiate consequence management. The investigation was completed during the 2020-21 financial year; disciplinary hearings were conducted and consequence management has been effected, where relevant.
61. The disciplinary action taken against the six officials who were involved in the transactions is as follows:
62. Two officials (level 5) in Finance were given six months final warnings and two months suspension without pay.
63. Two officials (level 8 and level 11) were dismissed.
64. One SMS member resigned before the disciplinary hearing was held.
65. A disciplinary hearing in terms on one SMS member was conducted and employee was not found guilty of misconduct.
66. The Special Commercial Crimes Unit (Hawks), state attorney and the Special Investigating Unit have taken service provider who was erroneously paid in the 2019-20 financial year to court. To date the accounting officer has managed to recover R4 750 000 of the R102 991 000. The accounting officer committed to strengthen controls and I have not noted any similar incorrect payment since the notification of the material irregularity.
67. The department, through the state attorney, is in the process of drafting default judgment applications against the defendants.
68. I will follow up during my next audit on the progress made with the recovery of the financial loss through the criminal cases arising from the outcome of the court ruling to determine whether the department can recover the balance of R98 421 000 during my next audit.

#### Payments for services not received – Deceased participants on CWP

69. Payments were made in 2018-19 through the CWP to deceased participants, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance is likely to result in a material financial loss, if the payments are not recovered.

70. The accounting officer was notified of the material irregularity on 13 August 2019. The following actions have been taken to resolve the material irregularity:
71. The accounting officer appointed a service provider on 31 October 2019 to perform an investigation and to quantify the financial loss incurred.
72. The external investigations were completed in October 2020. The investigation confirmed the non-compliance and identified officials who were responsible for the breakdown of internal controls and consequently the non-compliance. The recommendation that disciplinary action be taken against the responsible officials has been carried out.
73. The investigation resulted in four of the six officials found to be responsible for the material irregularity being acquitted, while two were found not guilty as per the conclusion of the disciplinary proceedings.
74. The current year's follow-up revealed that the number of instances has decreased significantly since the material irregularity was raised and, in addition, management has been identifying the deceased-participant instances on a consistent basis and is deducting any payments made to deceased participants from the payments due to the implementing agents on the new contract.
75. The financial losses for deceased participants were quantified and the department is in the process of recovering the losses. Five of the eight implementing agents signed the notification of debt in May 2022 in terms of payments to deceased participants. The amounts will be recovered by withholding retention fees payable to the implementing agents after the close-out processes are concluded.
76. I will follow up on the progress and the implementation of the planned actions taken during my next audit, including the recovery of the financial losses from the implementing agents.

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

77. The department made quarterly advance payments to implementing agents on the CWP without the required evidence that previous advance payments had been spent correctly, resulting in payments being made for goods and services that were not received at the CWP sites, as effective internal controls were not in place for the approval and processing of payments

as required by treasury regulation 8.1.1. The non-compliance is likely to result in a material financial loss, if payments are not recovered. The accounting officer was notified of the material irregularity on 13 August 2019.

78. Four of the initial six officials found to be responsible for the material irregularity were acquitted and two were found not guilty by the disciplinary committee.
79. In the previous year, I reported that the close-out procedures were still in progress due to the reconciliation of the fixed asset registers relating to CWP assets procured by the implementing agents on behalf of the department. The reconciliation has been performed and the department was able to quantify the loss through the assets that could not be verified by the department during the verification process.
80. The department has indicated that assets worth R154 025 658 were under investigation and that attempts are being made to recover the loss from the implementing agents. Letters were issued to the implementing agents during July 2023 notifying them of the completion of the reconciliation and confirmation of retention fees.
81. In the current financial year, the department only made payments to the implementing agents after it was satisfied that there was a need to procure the goods or services. This is an improvement in the internal controls as prepayments are no longer being made using the budget and without supporting evidence.
82. The department is awaiting feedback from the implementing agents on the letters issued. I will follow up on the conclusion of the close-out processes in the next audit cycle.

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

83. The department made a project management payment to the implementing agents for the CWP whose contract had commenced on 1 April 2018 and ended on 30 September 2021, with inadequate evidence to justify such payments. This resulted in payments for services not received, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance is likely to result in a material financial loss, if payments are not recovered.

84. The accounting officer was notified of the material irregularity on 26 August 2019. The following actions have been taken to resolve the material irregularity:
85. Four of the six officials found to be responsible for the material irregularity were acquitted and two were found not guilty as per the conclusion of the disciplinary proceedings.
86. In the previous year, I reported that the close-out procedures were still in progress due to the reconciliation of the fixed-asset registers relating to CWP assets procured by the implementing agents on behalf of the department, as well as reconciliation of invoices that had been submitted by the implementing agents to clear prepayments previously advanced. The reconciliation has been performed and the department was able to quantify the loss through the assets that could not be verified by the department during the verification process. Duplicate invoices were also identified, resulting in reversals of the previous clearing transactions.
87. The contract with the implementing agent has ended and the close-out process is still in progress due to the reconciliation process of the CWP asset register that was being done by the department before issuing a close-out certificate to the implementing agents. The department is currently in the process of determining the actual overpayments of project management fees attributable to the implementing agents as a result of the prepayments made for the assets under investigation totalling R154 025 658. The department has granted the implementing agents an opportunity to locate the said assets which could further reduce the value determined for the assets under investigation when this process is concluded. The department will only then be in a position to determine the actual project management fees paid versus the amounts payable to the implementing agents, taking into account the retention fees and any project management fees not supported in this determination.
88. I will follow up on the close-out procedure during my next audit. The design and implementation of internal controls to prevent a recurrence of similar matters will be followed up in the next audit cycle.

#### Payments to non-qualifying government employees on the CWP

89. Payments were made in 2018-19 through the CWP to non-qualifying government employees their respective departments where they are employed, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance is likely to result in a material financial loss, if payments are not recovered. The accounting officer was notified of the material irregularity on 13 August 2019.
90. I concluded that appropriate actions were being taken due to the appointment of a new accounting officer on 4 April 2020 subsequent to the material irregularity notification that was issued on 13 August 2019 and the audit report sign-off on 22 October 2019. The accounting officer was allowed time to implement actions to resolve the material irregularity with knowledge of the challenges that were presented by the nationwide lockdown restrictions. The investigation commissioned by the previous accounting officer to quantify the financial loss and identify parties that were responsible for the material irregularity, was also in progress.
91. The investigation was concluded in October 2020; however, the investigation did not quantify the financial loss as the scope was too broad and not specific to the material irregularity or the identified non-compliance. The officials who were found responsible for the non-compliance are on suspension pending the disciplinary proceedings. No evidence was provided to confirm recovery of the financial loss and the accounting officer also did not implement controls to prevent recurrence of the non-compliance. that resulted in further losses due to payments made to some of the recurring Persal participants in both 2019-20 and 2020-21; therefore, I conclude that the accounting officer did not take appropriate action.
92. I recommended that the accounting officer take the following actions to address the material irregularity, which should be implemented by 31 January 2022.
93. The financial loss relating to non-qualifying participants should be appropriately and accurately quantified.
94. Appropriate actions should be taken to recover the financial losses suffered by the department.

95. If it is determined that the department suffered the financial losses through criminal acts or possible criminal acts or omission, this should be reported to the South African Police Service as required by treasury regulation 12.5.1.
96. Appropriate and proactive internal controls that prevent payments to non-qualifying government employees should be implemented through validation of participants and removal of non-qualifying government employees from the database.
97. Government employees who are confirmed to have unduly benefited from the CWP project should be reported to their respective employers and DPSA.
98. Effective and appropriate disciplinary steps should be taken against any official(s) found to be responsible, as required by section 38(1)(h) of the PFMA and treasury regulation 9.1.3.
99. On 30 January 2022, the accounting officer's response on the implementation of the recommendations was received. The accounting officer indicated that adequate progress was made in implementing the recommendations but that not all the actions to address the material irregularity had been completed.
100. I granted the accounting officer additional time from May 2022 to end of July 2022 to complete the actions that were in progress and indicated that monthly

progress reports must be provided in respect of the progress made with the implementation of the actions.

101. The accounting officer submitted the monthly progress reports on the implementation of the recommendations, which I assessed. On 25 August 2022 I concluded that adequate progress had been made and that the material irregularity was resolved on the basis that the accounting officer had implemented the recommendations that were previously set out by the AGSA.

*Auditor-General*

**Pretoria**

**31 July 2023**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

### Professional judgement and professional scepticism

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

### Financial statements

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

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

### Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation                                                                                                  | Sections or regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Finance Management Act No.1 of 1999 (PFMA)                                                            | Section 1<br>Section 38(1)(a)(iv); 38(1)(b); PFMA 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii);<br>Section 39(1)(a); 39(2)(a);<br>Section 40(1)(a); 40(1)(b); 40(1)(c)(i)<br>Section 43(4); 44; 44 (1) and (2) ; 45(b);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR) | Treasury Regulation 4.1.1; 4.1.3<br>Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1<br>Treasury Regulation 6.3.1 (a); 6.3.1 (b); 6.3.1 (c'); 6.3.1 (d); 6.4.1 (b)<br>Treasury Regulation 7.2.1<br>Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1<br>Treasury Regulation 9.1.1; 9.1.4<br>Treasury Regulation 10.1.1 (a); 10.1.2<br>Treasury Regulation 11.4.1; 11.4.2; 11.5.1<br>Treasury Regulation 12.5.1<br>Treasury Regulation 15.10.1.2(c')<br>Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7;TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1 (b)(ii);16A9.1 (c); 16A 9.1 (d); 16A 9.1 (e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1 (f).<br>Treasury Regulation 17.1.1<br>Treasury Regulation 18.2<br>Treasury Regulation 19.8.4 |
| Division of Revenue Act No. 5 of 2022                                                                        | Section 16(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Public service regulation                                                                                    | Public service regulation 13(c) ;18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)                                    | Section 29<br>Section 34(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Construction Industry Development Board Act No.38 of 2000 (CIDB)                                             | Section 18(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Construction Industry Development Board Regulations                                                          | CIDB regulation 17; 25(1); 25 (5) & 25(7A)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Preferential Procurement Policy Framework Act No.5 of 2000 (PPPFA)                                           | Section 1 (i); 2.1 (a); 2.1 (b); 2.1 (f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Legislation                                                       | Sections or regulations                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Preferential Procurement Regulations, 2017                        | Paragraph 4.1; 4.2<br>Paragraph 5.1; 5.3; 5.6; 5.7<br>Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8<br>Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8<br>Paragraph 8.2; 8.5<br>Paragraph 9.1; 9.2<br>Paragraph 10.1; 10.2<br>Paragraph 11.1; 11.2<br>Paragraph 12.1 and 12.2 |
| Preferential Procurement Regulations, 2022                        | Paragraph 3.1<br>Paragraph 4.1; 4.2; 4.3; 4.4<br>Paragraph 5.1; 5.2; 5.3; 5.4                                                                                                                                                                                 |
| The State Information Technology Agency Act No. 88 of 1998 (SITA) | Section 7(3)<br>Section 7(6)(b)<br>Section 20(1)(a)(l)                                                                                                                                                                                                        |
| SITA Regulations                                                  | Regulation 8.1.1 (b); 8.1.4; 8.1.7<br>Regulation 9.6; 9.4<br>Regulation 12.3<br>Regulation 13.1 (a)<br>Regulation 14.1; 14.2                                                                                                                                  |
| PFMA SCM Instruction no.09 of 2022/2023                           | Paragraph 3.1; 3.3 (b); 3.3 (c ); 3.3 (e ); 3.6                                                                                                                                                                                                               |
| National Treasury Instruction No.1 of 2015/16                     | Paragraph 3.1; 4.1; 4.2                                                                                                                                                                                                                                       |
| PFMA SCM Instruction Note 03 2021/22                              | Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4(c) -(d); 4.6<br>Paragraph 5.4<br>Paragraph 7.2; 7.6                                                                                                                                                             |
| NT Instruction Note 03 of 2019/20                                 | Par 5.5.1 (vi); Paragraph 5.5.1 (x);                                                                                                                                                                                                                          |
| NT Instruction Note 11 of 2020/21                                 | Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1; 6.2; 6.7                                                                                                                                                                                                            |
| PFMA SCM Instruction note 2 of 2021/22                            | Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2<br>Paragraph 4.1                                                                                                                                                                                      |
| PFMA SCM Instruction 04 of 2022/23                                | Paragraph 4(1); 4(2); 4(4)                                                                                                                                                                                                                                    |
| Practice Note 5 of 2009/10                                        | Paragraph 3.3                                                                                                                                                                                                                                                 |
| PFMA SCM Instruction 08 of 2022/23                                | Paragraph 3.2<br>Paragraph 4.3.2 and 4.3.3                                                                                                                                                                                                                    |
| Competition Act No 89 of 1998                                     | Section 4(1)(b)(ii)                                                                                                                                                                                                                                           |
| NT Instruction note 4 of 2015/16                                  | Paragraph 3.4                                                                                                                                                                                                                                                 |
| NT SCM Instruction note 4A of 2016/17                             | Paragraph 6                                                                                                                                                                                                                                                   |
| NT Instruction 3 of 2019/20 - Annexure A                          | Section 5.5.1 (iv) and (x)                                                                                                                                                                                                                                    |
| Second amendment of NT Instruction 05 of 2020/21                  | Paragraph 4.8; 4.9 ; 5.1 ; 5.3                                                                                                                                                                                                                                |
| Erratum NTI 5 of 202/21                                           | Paragraph 1                                                                                                                                                                                                                                                   |
| Erratum NTI 5 of 202/21                                           | Paragraph 2                                                                                                                                                                                                                                                   |
| Practice note 7 of 2009/10                                        | Paragraph 4.1.2                                                                                                                                                                                                                                               |

| Legislation                             | Sections or regulations            |
|-----------------------------------------|------------------------------------|
| Practice note 11 of 2008/9              | Paragraph 3.1<br>Paragraph 3.1 (b) |
| PFMA SCM Instruction Note 01 of 2021/22 | Paragraph 4.1                      |
| Public Service Act                      | Section 30 (1)                     |

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# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Appropriation per programme                                                      |                    |                   |          |                    |                    |                  |                                  |                    |                    |  |
|----------------------------------------------------------------------------------|--------------------|-------------------|----------|--------------------|--------------------|------------------|----------------------------------|--------------------|--------------------|--|
| Programme                                                                        | 2022/23            |                   |          |                    |                    | 2021/22          |                                  |                    |                    |  |
|                                                                                  | Approved Budget    | Shifting of Funds | Virement | Final Budget       | Actual Expenditure | Variance         | Expenditure as % of final budget | Final Budget       | Actual Expenditure |  |
|                                                                                  | R'000              | R'000             | R'000    | R'000              | R'000              | R'000            | %                                | R'000              | R'000              |  |
| <b>Subtotal</b>                                                                  | <b>115 027 438</b> | <b>-</b>          | <b>-</b> | <b>115 027 438</b> | <b>110 709 081</b> | <b>4 318 357</b> | <b>96,2%</b>                     | <b>101 259 931</b> | <b>98 443 058</b>  |  |
| <b>TOTAL</b>                                                                     |                    |                   |          |                    |                    |                  |                                  |                    |                    |  |
| <b>Reconciliation with statement of financial performance</b>                    |                    |                   |          |                    |                    |                  |                                  |                    |                    |  |
| <b>ADD</b>                                                                       |                    |                   |          |                    |                    |                  |                                  |                    |                    |  |
| Departmental receipts                                                            |                    |                   |          | 9 449              |                    |                  |                                  | 18 634             |                    |  |
| NRF Receipts                                                                     |                    |                   |          |                    |                    |                  |                                  |                    |                    |  |
| Aid assistance                                                                   |                    |                   |          | 4 642              |                    |                  |                                  | -                  |                    |  |
| <b>Actual amounts per statement of financial performance (total revenue)</b>     |                    |                   |          | <b>115 041 529</b> |                    |                  |                                  | <b>101 278 565</b> |                    |  |
| <b>ADD</b>                                                                       |                    |                   |          |                    |                    |                  |                                  |                    |                    |  |
| Aid assistance                                                                   |                    |                   |          |                    | 4 642              |                  |                                  |                    |                    |  |
| Prior year unauthorised expenditure approved without funding                     |                    |                   |          |                    |                    |                  |                                  |                    |                    |  |
| <b>Actual amounts per statement of financial performance (total expenditure)</b> |                    |                   |          |                    | <b>110 713 723</b> |                  |                                  |                    | <b>98 443 058</b>  |  |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Appropriation per economic classification           |                    |                   |                |                    |                    |                  |                                  |                    |                    |
|-----------------------------------------------------|--------------------|-------------------|----------------|--------------------|--------------------|------------------|----------------------------------|--------------------|--------------------|
|                                                     | 2022/23            |                   |                |                    |                    | 2021/22          |                                  |                    |                    |
|                                                     | Approved Budget    | Shifting of Funds | Virement       | Final Budget       | Actual Expenditure | Variance         | Expenditure as % of final budget | Final Budget       | Actual expenditure |
|                                                     | R'000              | R'000             | R'000          | R'000              | R'000              | R'000            | %                                | R'000              | R'000              |
| <b>Economic classification</b>                      |                    |                   |                |                    |                    |                  |                                  |                    |                    |
| <b>Current payments</b>                             | <b>5 021 961</b>   | <b>(674)</b>      | <b>(1 690)</b> | <b>5 019 597</b>   | <b>4 454 375</b>   | <b>565 222</b>   | <b>88,7%</b>                     | <b>5 011 236</b>   | <b>4 166 697</b>   |
| Compensation of employees                           | 366 212            | -                 | -              | 366 212            | 346 427            | 19 785           | 94,6%                            | 358 126            | 337 454            |
| Goods and services                                  | 4 655 749          | (674)             | (1 694)        | 4 653 381          | 4 107 944          | 545 437          | 88,3%                            | 4 653 110          | 3 829 243          |
| Interest and rent on land                           | -                  | -                 | 4              | 4                  | 4                  | -                | 100,0%                           | -                  | -                  |
| <b>Transfers and subsidies</b>                      | <b>109 963 424</b> | <b>-</b>          | <b>1 690</b>   | <b>109 965 114</b> | <b>106 234 171</b> | <b>3 730 943</b> | <b>96,6%</b>                     | <b>96 203 531</b>  | <b>94 231 527</b>  |
| Provinces and municipalities                        | 109 418 974        | -                 | 9              | 109 418 983        | 105 700 565        | 3 718 418        | 96,6%                            | 95 099 776         | 93 148 805         |
| Departmental agencies and accounts                  | 510 836            | -                 | -              | 510 836            | 510 836            | -                | 100,0%                           | 734 834            | 734 834            |
| Higher education institutions                       | -                  | -                 | -              | -                  | -                  | -                | -                                | -                  | -                  |
| Foreign governments and international organisations | 2 236              | (98)              | -              | 2 138              | 336                | 1 802            | 15,7%                            | 2 178              | 316                |
| Public corporations and private enterprises         | -                  | -                 | -              | -                  | -                  | -                | -                                | -                  | -                  |
| Non-profit institutions                             | 15 005             | -                 | -              | 15 005             | 8 508              | 6 497            | 56,7%                            | 14 495             | 8 161              |
| Households                                          | 16 373             | 98                | 1 681          | 18 152             | 13 926             | 4 226            | 76,7%                            | 352 248            | 339 411            |
| <b>Payments for capital assets</b>                  | <b>42 053</b>      | <b>74</b>         | <b>-</b>       | <b>42 127</b>      | <b>19 936</b>      | <b>22 191</b>    | <b>47,3%</b>                     | <b>45 092</b>      | <b>44 762</b>      |
| Buildings and other fixed structures                | -                  | 684               | -              | 684                | 684                | -                | 100,0%                           | 7 437              | 7 437              |
| Machinery and equipment                             | 42 053             | (624)             | -              | 41 429             | 19 238             | 22 191           | 46,4%                            | 36 036             | 35 706             |
| Heritage assets                                     | -                  | -                 | -              | -                  | -                  | -                | -                                | -                  | -                  |
| Specialised military assets                         | -                  | -                 | -              | -                  | -                  | -                | -                                | -                  | -                  |
| Biological assets                                   | -                  | -                 | -              | -                  | -                  | -                | -                                | 1 619              | 1 619              |
| Land and subsoil assets                             | -                  | -                 | -              | -                  | -                  | -                | -                                | -                  | -                  |
| Intangible assets                                   | -                  | 14                | -              | 14                 | 14                 | -                | 100,0%                           | -                  | -                  |
| <b>Payments for financial assets</b>                | <b>-</b>           | <b>600</b>        | <b>-</b>       | <b>600</b>         | <b>599</b>         | <b>1</b>         | <b>99,8%</b>                     | <b>72</b>          | <b>72</b>          |
| <b>Total</b>                                        | <b>115 027 438</b> | <b>-</b>          | <b>-</b>       | <b>115 027 438</b> | <b>110 709 081</b> | <b>4 318 357</b> | <b>96,2%</b>                     | <b>101 259 931</b> | <b>98 443 058</b>  |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme I: Administration                         |                 |                   |               |                |                    |            |                                  |                |                    |
|-----------------------------------------------------|-----------------|-------------------|---------------|----------------|--------------------|------------|----------------------------------|----------------|--------------------|
|                                                     | 2022/23         |                   |               |                |                    | 2021/22    |                                  |                |                    |
|                                                     | Approved Budget | Shifting of Funds | Virement      | Final Budget   | Actual Expenditure | Variance   | Expenditure as % of final Budget | Final Budget   | Actual expenditure |
|                                                     | R'000           | R'000             | R'000         | R'000          | R'000              | R'000      | %                                | R'000          | R'000              |
| <b>Sub programme</b>                                |                 |                   |               |                |                    |            |                                  |                |                    |
| 1. Ministry                                         | 32 435          | (983)             | 8 427         | 39 879         | 39 736             | 143        | 99,6%                            | 33 909         | 29 771             |
| 2. Management                                       | 21 098          | 4 477             | 2 548         | 28 123         | 27 890             | 233        | 99,2%                            | 21 306         | 21 306             |
| 3. Corporate Services                               | 145 864         | 1 869             | 11 840        | 159 573        | 159 468            | 105        | 99,9%                            | 160 594        | 160 231            |
| 4. Financial Services                               | 52 251          | (2 287)           | 4 673         | 54 637         | 54 539             | 98         | 99,8%                            | 50 866         | 49 674             |
| 5. Internal Audit and Risk Management               | 14 907          | (3 076)           | -             | 11 831         | 11 782             | 49         | 99,6%                            | 10 573         | 9 684              |
| 6. Office Accommodation                             | 51 069          | -                 | 3 596         | 54 665         | 54 665             | -          | 100%                             | 61 627         | 61 627             |
| <b>Total for sub programmes</b>                     | <b>317 624</b>  | <b>-</b>          | <b>31 084</b> | <b>348 708</b> | <b>348 080</b>     | <b>628</b> | <b>99,8%</b>                     | <b>338 875</b> | <b>332 293</b>     |
| <b>Economic classification</b>                      |                 |                   |               |                |                    |            |                                  |                |                    |
| <b>Current payments</b>                             | <b>311 558</b>  | <b>(284)</b>      | <b>30 332</b> | <b>341 606</b> | <b>341 383</b>     | <b>223</b> | <b>99,9%</b>                     | <b>333 038</b> | <b>326 457</b>     |
| Compensation of employees                           | 164 551         | -                 | 2 600         | 167 151        | 166 990            | 161        | 99,9%                            | 164 721        | 158 615            |
| Goods and services                                  | 147 007         | (284)             | 27 728        | 174 451        | 174 389            | 62         | 100,0%                           | 168 317        | 167 842            |
| Interest and rent on land                           | -               | -                 | 4             | 4              | 4                  | -          | 100,0%                           | -              | -                  |
| <b>Transfers and subsidies</b>                      | <b>2 118</b>    | <b>-</b>          | <b>752</b>    | <b>2 870</b>   | <b>2 540</b>       | <b>330</b> | <b>88,5%</b>                     | <b>1 336</b>   | <b>1 335</b>       |
| Provinces and municipalities                        | 122             | -                 | -             | 122            | 24                 | 98         | 19,7%                            | 30             | 30                 |
| Departmental agencies and accounts                  | -               | -                 | -             | -              | -                  | -          | -                                | -              | -                  |
| Higher education institutions                       | -               | -                 | -             | -              | -                  | -          | -                                | -              | -                  |
| Foreign governments and international organisations | 666             | (98)              | -             | 568            | 336                | 232        | 59,2%                            | -              | -                  |
| Public corporations and private enterprises         | -               | -                 | -             | -              | -                  | -          | -                                | -              | -                  |
| Non-profit institutions                             | 1 330           | 98                | 752           | 2 180          | 2 180              | -          | 100,0%                           | 1 306          | 1 305              |
| Households                                          | -               | -                 | -             | -              | -                  | -          | -                                | -              | -                  |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme 1: Administration          |                 |                   |               |                |                    |            |                                  |                |                    |
|--------------------------------------|-----------------|-------------------|---------------|----------------|--------------------|------------|----------------------------------|----------------|--------------------|
| 2022/23                              |                 |                   |               |                |                    | 2021/22    |                                  |                |                    |
|                                      | Approved Budget | Shifting of Funds | Virement      | Final Budget   | Actual Expenditure | Variance   | Expenditure as % of final Budget | Final Budget   | Actual expenditure |
|                                      | R'000           | R'000             | R'000         | R'000          | R'000              | R'000      | %                                | R'000          | R'000              |
| <b>Payments for capital assets</b>   | <b>3 948</b>    | <b>-</b>          | <b>-</b>      | <b>3 948</b>   | <b>3 873</b>       | <b>75</b>  | <b>98,1%</b>                     | <b>4 450</b>   | <b>4 450</b>       |
| Buildings and other fixed structures |                 |                   |               |                |                    |            |                                  |                |                    |
| Machinery and equipment              | 3 948           | -                 | -             | 3 948          | 3 873              | 75         | 98,1%                            | 4 450          | 4 450              |
| Heritage assets                      |                 |                   |               |                |                    |            |                                  |                |                    |
| Specialised military assets          |                 |                   |               |                |                    |            |                                  |                |                    |
| Biological assets                    |                 |                   |               |                |                    |            |                                  |                |                    |
| Land and subsoil assets              |                 |                   |               |                |                    |            |                                  |                |                    |
| Intangible assets                    |                 |                   |               |                |                    |            |                                  |                |                    |
| <b>Payments for financial assets</b> | <b>-</b>        | <b>284</b>        | <b>-</b>      | <b>284</b>     | <b>284</b>         | <b>-</b>   | <b>100,0%</b>                    | <b>51</b>      | <b>51</b>          |
| <b>Total</b>                         | <b>3 17 624</b> | <b>-</b>          | <b>31 084</b> | <b>348 708</b> | <b>348 080</b>     | <b>628</b> | <b>99,8%</b>                     | <b>338 875</b> | <b>332 293</b>     |

| Programme 2: Local Government Support and Intervention Management   |                 |                   |          |              |                    |          |                                  |              |                    |
|---------------------------------------------------------------------|-----------------|-------------------|----------|--------------|--------------------|----------|----------------------------------|--------------|--------------------|
| 2022/23                                                             |                 |                   |          |              |                    | 2021/22  |                                  |              |                    |
|                                                                     | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual expenditure |
|                                                                     | R'000           | R'000             | R'000    | R'000        | R'000              | R'000    | %                                | R'000        | R'000              |
| <b>Sub programme</b>                                                |                 |                   |          |              |                    |          |                                  |              |                    |
| 1. Management: Local Government Support and intervention Management | 7 433           | (2 027)           | -        | 5 406        | 4 215              | 1 191    | 78,0%                            | 4 688        | 3 007              |
| 2. Performance Monitoring                                           | 12 059          | 4 791             | -        | 16 850       | 16 197             | 653      | 96,1%                            | 15 293       | 13 585             |
| 3. Local Government Improvement Programme                           | 26 142          | 21 738            | -        | 47 880       | 47 880             | -        | 100,0%                           | 25 894       | 21 810             |
| 4. Municipal Infrastructure grant Administration                    | 49 551          | (24 256)          | (2 640)  | 22 655       | 19 994             | 2 661    | 88,3%                            | 34 744       | 32 405             |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme 2: Local Government Support and Intervention Management |                   |                   |                |                   |                    |               |                                  |                   |                    |
|-------------------------------------------------------------------|-------------------|-------------------|----------------|-------------------|--------------------|---------------|----------------------------------|-------------------|--------------------|
| 2022/23                                                           |                   |                   |                |                   |                    |               |                                  |                   |                    |
|                                                                   | Approved Budget   | Shifting of Funds | Virement       | Final Budget      | Actual Expenditure | Variance      | Expenditure as % of final budget | Final Budget      | Actual expenditure |
|                                                                   | R'000             | R'000             | R'000          | R'000             | R'000              | R'000         | %                                | R'000             | R'000              |
| 5. Urban Development Planning                                     | 10 042            | 477               | -              | 10 519            | 10 519             | -             | 100,0%                           | 8 595             | 6 572              |
| 6. Integrated District and Regional Spatial Planning              | 11 655            | (723)             | -              | 10 932            | 8 629              | 2 303         | 78,9%                            | 11 211            | 11 210             |
| 7. Intergovernmental Policy and Practice                          | 10 396            | -                 | -              | 10 396            | 2 629              | 7 767         | 25,3%                            | 8 408             | 5 153              |
| 8. Integrated Urban Development Grant                             | 1 085 368         | -                 | -              | 1 085 368         | 1 085 368          | -             | 100,0%                           | 1 009 068         | 1 009 068          |
| 9. Municipal Demarcation Board                                    | 74 340            | -                 | -              | 74 340            | 74 340             | -             | 100,0%                           | 70 601            | 70 601             |
| 10. South African Cities Network                                  | 8 508             | -                 | -              | 8 508             | 8 508              | -             | 100,0%                           | 8 161             | 8 161              |
| 11. Municipal Infrastructure Grant                                | 16 842 001        | -                 | -              | 16 842 001        | 16 842 001         | -             | 100,0%                           | 15 592 748        | 15 592 748         |
| 12. Municipal Infrastructure Support Grant                        | 400 216           | -                 | -              | 400 216           | 400 216            | -             | 100,0%                           | 628 864           | 628 864            |
| <b>Total for sub programmes</b>                                   | <b>18 537 711</b> | <b>-</b>          | <b>(2 640)</b> | <b>18 535 071</b> | <b>18 520 496</b>  | <b>14 575</b> | <b>99,9%</b>                     | <b>17 418 275</b> | <b>17 403 184</b>  |
| <b>Economic classification</b>                                    |                   |                   |                |                   |                    |               |                                  |                   |                    |
| <b>Current payments</b>                                           | <b>127 278</b>    | <b>(141)</b>      | <b>(3 227)</b> | <b>123 910</b>    | <b>109 336</b>     | <b>14 574</b> | <b>88,2%</b>                     | <b>108 338</b>    | <b>93 247</b>      |
| Compensation of employees                                         | 96 361            | -                 | (2 640)        | 93 721            | 87 022             | 6 699         | 92,9%                            | 90 764            | 81 439             |
| Goods and services                                                | 30 917            | (141)             | (587)          | 30 189            | 22 314             | 7 875         | 73,9%                            | 17 574            | 11 808             |
| Interest and rent on land                                         |                   |                   |                |                   |                    |               |                                  |                   |                    |
| <b>Transfers and subsidies</b>                                    | <b>18 410 433</b> | <b>-</b>          | <b>587</b>     | <b>18 411 020</b> | <b>18 411 020</b>  | <b>-</b>      | <b>100,0%</b>                    | <b>17 309 817</b> | <b>17 309 817</b>  |
| Provinces and municipalities                                      | 17 927 369        | -                 | -              | 17 927 369        | 17 927 369         | -             | 100,0%                           | 16 601 816        | 16 601 816         |
| Departmental agencies and accounts                                | 474 556           | -                 | -              | 474 556           | 474 556            | -             | 100,0%                           | 699 465           | 699 465            |
| Non-profit institutions                                           | 8 508             | -                 | -              | 8 508             | 8 508              | -             | 100,0%                           | 8 161             | 8 161              |
| Households                                                        |                   |                   |                |                   |                    |               |                                  |                   |                    |
| <b>Payments for capital assets</b>                                | <b>-</b>          | <b>64</b>         | <b>-</b>       | <b>64</b>         | <b>63</b>          | <b>1</b>      | <b>98,4%</b>                     | <b>116</b>        | <b>116</b>         |
| Buildings and other fixed structures                              |                   |                   |                |                   |                    |               |                                  |                   |                    |
| Machinery and equipment                                           | -                 | 64                | -              | 64                | 63                 | 1             | 98,4%                            | 116               | 116                |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme 2: Local Government Support and Intervention Management |                   |          |                |                    |                   |                                  |                   |                    |       |
|-------------------------------------------------------------------|-------------------|----------|----------------|--------------------|-------------------|----------------------------------|-------------------|--------------------|-------|
| 2022/23                                                           |                   |          |                |                    | 2021/22           |                                  |                   |                    |       |
| Approved Budget                                                   | Shifting of Funds | Virement | Final Budget   | Actual Expenditure | Variance          | Expenditure as % of final budget | Final Budget      | Actual expenditure |       |
| R'000                                                             | R'000             | R'000    | R'000          | R'000              | R'000             | %                                | R'000             | R'000              | R'000 |
| <b>Payments for financial assets</b>                              | -                 | 77       | -              | 77                 | -                 | 100,0%                           | -                 | 4                  | 4     |
| <b>Total</b>                                                      | <b>18 537 711</b> | <b>-</b> | <b>(2 640)</b> | <b>18 535 071</b>  | <b>18 520 496</b> | <b>99,9%</b>                     | <b>17 418 275</b> | <b>17 403 184</b>  |       |

| Programme 3: Institutional Development           |                   |          |              |                    |           |                                  |              |                    |       |
|--------------------------------------------------|-------------------|----------|--------------|--------------------|-----------|----------------------------------|--------------|--------------------|-------|
| 2022/23                                          |                   |          |              |                    | 2021/22   |                                  |              |                    |       |
| Approved Budget                                  | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance  | Expenditure as % of final budget | Final Budget | Actual expenditure |       |
| R'000                                            | R'000             | R'000    | R'000        | R'000              | R'000     | %                                | R'000        | R'000              | R'000 |
| <b>Sub programme</b>                             |                   |          |              |                    |           |                                  |              |                    |       |
| 1. Management Institution Development            | 3 532             | (17)     | -            | 2 791              | 724       | 79,4%                            | 2 190        | 1 199              |       |
| 2. Municipal Human Resource Management System    | 10 574            | 5 736    | 40           | 16 271             | 79        | 99,5%                            | 15 366       | 12 296             |       |
| 3. Municipal Revenue Enhance and Audit Outcomes  | 25 004            | 3 888    | (8 476)      | 20 416             | -         | 100,0%                           | 21 837       | 19 770             |       |
| 4. Citizen Engagement                            | 7 237             | (2 780)  | (37)         | 3 991              | 429       | 90,3%                            | 9 093        | 6 316              |       |
| 5. Anti-Corruption and Good Governance           | 6 827             | (4 618)  | 29           | 2 238              | -         | 100,0%                           | 6 549        | 4 825              |       |
| 6. Municipal Property Rates                      | 12 140            | (5 485)  | -            | 5 714              | 941       | 85,9%                            | 10 059       | 9 648              |       |
| 7. Municipal Governance                          | 18 821            | 3 276    | -            | 17 361             | 4 736     | 78,6%                            | 356 703      | 341 101            |       |
| 8. Local Government Equitable Share              | 87 311 493        | -        | -            | 83 937 761         | 3 373 732 | 96,1%                            | 77 999 135   | 76 168 581         |       |
| 9. South African Local Governance Association    | 36 280            | -        | -            | 36 280             | -         | 100,0%                           | 35 369       | 35 369             |       |
| 10. United Cities and Local Government of Africa | 7 973             | -        | -            | -                  | 7 973     | -                                | 7 769        | -                  |       |
| 11. Municipal Systems Improvement Grant          | 140 331           | -        | -            | 63 544             | 76 787    | 45,3%                            | 135 302      | 45 914             |       |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme 3: Institutional Development              |                   |                   |                |                   |                    |                  |                                  |                   |                    |
|-----------------------------------------------------|-------------------|-------------------|----------------|-------------------|--------------------|------------------|----------------------------------|-------------------|--------------------|
| 2022/23                                             |                   |                   |                |                   |                    |                  |                                  |                   |                    |
|                                                     | Approved Budget   | Shifting of Funds | Virement       | Final Budget      | Actual Expenditure | Variance         | Expenditure as % of final budget | Final Budget      | Actual expenditure |
|                                                     | R'000             | R'000             | R'000          | R'000             | R'000              | R'000            | %                                | R'000             | R'000              |
| <b>Total for sub programmes</b>                     | <b>87 580 212</b> | <b>-</b>          | <b>(8 444)</b> | <b>87 571 768</b> | <b>84 106 367</b>  | <b>3 465 401</b> | <b>96,0%</b>                     | <b>78 599 372</b> | <b>76 645 019</b>  |
| <b>Economic classification</b>                      |                   |                   |                |                   |                    |                  |                                  |                   |                    |
| <b>Current payments</b>                             | <b>211 552</b>    | <b>(93)</b>       | <b>(8 520)</b> | <b>202 939</b>    | <b>123 169</b>     | <b>79 770</b>    | <b>60,7%</b>                     | <b>206 116</b>    | <b>103 254</b>     |
| Compensation of employees                           | 43 765            | -                 | 40             | 43 805            | 43 801             | 4                | 100,0%                           | 43 878            | 41 138             |
| Goods and services                                  | 167 787           | (93)              | (8 560)        | 159 134           | 79 368             | 79 766           | 49,9%                            | 162 238           | 62 116             |
| Interest and rent on land                           |                   |                   |                |                   |                    |                  |                                  |                   |                    |
| <b>Transfers and subsidies</b>                      | <b>87 368 660</b> | <b>-</b>          | <b>76</b>      | <b>87 368 736</b> | <b>83 983 106</b>  | <b>3 385 630</b> | <b>96,1%</b>                     | <b>78 393 183</b> | <b>76 541 692</b>  |
| Provinces and municipalities                        | 87 311 493        | -                 | -              | 87 311 493        | 83 937 761         | 3 373 732        | 96,1%                            | 77 999 135        | 76 168 581         |
| Departmental agencies and accounts                  | 36 280            | -                 | -              | 36 280            | 36 280             | -                | 100,0%                           | 35 369            | 35 369             |
| Higher education institutions                       |                   |                   |                |                   |                    |                  |                                  |                   |                    |
| Foreign governments and international organisations | 1 570             | -                 | -              | 1 570             | -                  | 1 570            | -                                | 2 178             | 316                |
| Public corporations and private enterprises         |                   |                   |                |                   |                    |                  |                                  |                   |                    |
| Non-profit institutions                             | 6 403             | -                 | -              | 6 403             | -                  | 6 403            | -                                | 6 239             | -                  |
| Households                                          | 12 914            | -                 | 76             | 12 990            | 9 065              | 3 925            | 69,8%                            | 350 262           | 337 426            |
| <b>Payments for capital assets</b>                  | <b>-</b>          | <b>10</b>         | <b>-</b>       | <b>10</b>         | <b>10</b>          | <b>-</b>         | <b>100,0%</b>                    | <b>73</b>         | <b>73</b>          |
| Buildings and other fixed structures                |                   |                   |                |                   |                    |                  |                                  |                   |                    |
| Machinery and equipment                             | -                 | 10                | -              | 10                | 10                 | -                | 100,0%                           | 73                | 73                 |
| <b>Payments for financial assets</b>                | <b>-</b>          | <b>83</b>         | <b>-</b>       | <b>83</b>         | <b>82</b>          | <b>1</b>         | <b>98,8%</b>                     | <b>-</b>          | <b>-</b>           |
| <b>Total</b>                                        | <b>87 580 212</b> | <b>-</b>          | <b>(8 444)</b> | <b>87 571 768</b> | <b>84 106 367</b>  | <b>3 465 401</b> | <b>96,0%</b>                     | <b>78 599 372</b> | <b>76 645 019</b>  |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme 4: National Disaster Management Centre                                |                  |                   |                 |                  |                    |                |                                  |                |                    |         |
|---------------------------------------------------------------------------------|------------------|-------------------|-----------------|------------------|--------------------|----------------|----------------------------------|----------------|--------------------|---------|
| 2022/23                                                                         |                  |                   |                 |                  |                    |                |                                  |                |                    | 2021/22 |
|                                                                                 | Approved Budget  | Shifting of Funds | Virement        | Final Budget     | Actual Expenditure | Variance       | Expenditure as % of final budget | Final Budget   | Actual expenditure |         |
|                                                                                 | R'000            | R'000             | R'000           | R'000            | R'000              | R'000          | %                                | R'000          | R'000              |         |
| <b>Sub programme</b>                                                            |                  |                   |                 |                  |                    |                |                                  |                |                    |         |
| 1. Management: Head of the National Disaster Management Centre                  | 4 100            | 20 503            | -               | 24 603           | 24 566             | 37             | 99,8%                            | 5 864          | 5 850              |         |
| 2. Disaster Risk Reduction, Capacity Building and intervention                  | 58 611           | (20 543)          | (20 000)        | 18 068           | 9 952              | 8 116          | 55,1%                            | 147 067        | 112 544            |         |
| 3. Legislation and Policy Management                                            | 6 962            | 1 049             | -               | 8 011            | 7 094              | 917            | 88,6%                            | 7 160          | 6 339              |         |
| 4. Integrated Provincial Disaster Management Support, Monitoring and Evaluation | 4 927            | 70                | -               | 4 997            | 4 095              | 902            | 81,9%                            | 2 536          | 1 368              |         |
| 5. Fire Services                                                                | 5 450            | (1 079)           | -               | 4 371            | 977                | 3 394          | 22,4%                            | 4 881          | 2 351              |         |
| 6. Information Technology, Intelligence and Information Management System       | 30 647           | -                 | -               | 30 647           | 17 957             | 12 690         | 58,6%                            | 31 960         | 30 092             |         |
| 7. Disaster Response Grant                                                      | 861 248          | -                 | -               | 861 248          | 516 661            | 344 587        | 60,0%                            | 498 788        | 378 371            |         |
| 8. Municipal Disaster Recovery Grant                                            | 3 318 742        | -                 | -               | 3 318 742        | 3 318 741          | 1              | 100,0%                           | -              | -                  |         |
| <b>Total for sub programmes</b>                                                 | <b>4 290 687</b> | <b>-</b>          | <b>(20 000)</b> | <b>4 270 687</b> | <b>3 900 043</b>   | <b>370 644</b> | <b>91,3%</b>                     | <b>698 256</b> | <b>536 915</b>     |         |
| <b>Economic classification</b>                                                  |                  |                   |                 |                  |                    |                |                                  |                |                    |         |
| <b>Current payments</b>                                                         | <b>105 386</b>   | <b>(19)</b>       | <b>(20 000)</b> | <b>85 367</b>    | <b>62 809</b>      | <b>22 558</b>  | <b>73,6%</b>                     | <b>192 123</b> | <b>151 294</b>     |         |
| Compensation of employees                                                       | 29 773           | -                 | -               | 29 773           | 23 154             | 6 619          | 77,8%                            | 26 649         | 24 854             |         |
| Goods and services                                                              | 75 613           | (19)              | (20 000)        | 55 594           | 39 655             | 15 939         | 71,3%                            | 165 474        | 126 440            |         |
| Interest and rent on land                                                       |                  |                   |                 |                  |                    |                |                                  |                |                    |         |
| <b>Transfers and subsidies</b>                                                  | <b>4 182 196</b> | <b>-</b>          | <b>-</b>        | <b>4 182 196</b> | <b>3 837 215</b>   | <b>344 981</b> | <b>91,8%</b>                     | <b>499 110</b> | <b>378 598</b>     |         |
| Provinces and municipalities                                                    | 4 179 990        | -                 | -               | 4 179 990        | 3 835 402          | 344 588        | 91,8%                            | 498 794        | 378 377            |         |
| Non-profit institutions                                                         | 94               | -                 | -               | 94               | -                  | 94             | -                                | 95             | -                  |         |
| Households                                                                      | 2 112            | -                 | -               | 2 112            | 1 813              | 299            | 85,8%                            | 221            | 221                |         |
| <b>Payments for capital assets</b>                                              | <b>3 105</b>     | <b>-</b>          | <b>-</b>        | <b>3 105</b>     | <b>-</b>           | <b>3 105</b>   | <b>-</b>                         | <b>7 006</b>   | <b>7 006</b>       |         |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme 4: National Disaster Management Centre |                   |          |                 |                    |                  |                                  |                |                    |    |
|--------------------------------------------------|-------------------|----------|-----------------|--------------------|------------------|----------------------------------|----------------|--------------------|----|
| 2022/23                                          |                   |          |                 |                    |                  |                                  | 2021/22        |                    |    |
| Approved Budget                                  | Shifting of Funds | Virement | Final Budget    | Actual Expenditure | Variance         | Expenditure as % of final budget | Final Budget   | Actual expenditure |    |
| R'000                                            | R'000             | R'000    | R'000           | R'000              | R'000            | %                                | R'000          | R'000              |    |
|                                                  |                   |          |                 |                    |                  |                                  |                |                    |    |
| Buildings and other fixed structures             |                   |          |                 |                    |                  |                                  |                |                    |    |
| Machinery and equipment                          | 3 105             | -        | 3 105           | -                  | 3 105            | -                                | 7 006          | 7 006              |    |
| Heritage assets                                  | -                 | -        | -               | -                  | -                | -                                | -              | -                  |    |
| Specialised military assets                      | -                 | -        | -               | -                  | -                | -                                | -              | -                  |    |
| Biological assets                                | -                 | -        | -               | -                  | -                | -                                | -              | -                  |    |
| Land and subsoil assets                          | -                 | -        | -               | -                  | -                | -                                | -              | -                  |    |
| Intangible assets                                | -                 | -        | -               | -                  | -                | -                                | -              | -                  |    |
| <b>Payments for financial assets</b>             | -                 | 19       | 19              | 19                 | -                | 100,0%                           | 17             | 17                 | 17 |
| <b>Total</b>                                     | <b>4 290 687</b>  | <b>-</b> | <b>(20 000)</b> | <b>4 270 687</b>   | <b>3 900 043</b> | <b>91,3%</b>                     | <b>698 256</b> | <b>536 915</b>     |    |

| Programme 5: Community Work Programme     |                   |              |              |                    |                  |                                  |                  |                    |  |
|-------------------------------------------|-------------------|--------------|--------------|--------------------|------------------|----------------------------------|------------------|--------------------|--|
| 2022/23                                   |                   |              |              |                    |                  |                                  | 2021/22          |                    |  |
| Approved Budget                           | Shifting of Funds | Virement     | Final Budget | Actual Expenditure | Variance         | Expenditure as % of final budget | Final Budget     | Actual expenditure |  |
| R'000                                     | R'000             | R'000        | R'000        | R'000              | R'000            | %                                | R'000            | R'000              |  |
|                                           |                   |              |              |                    |                  |                                  |                  |                    |  |
| <b>Sub programme</b>                      |                   |              |              |                    |                  |                                  |                  |                    |  |
| 1. Management Community Work Programme    | 4 237 772         | 658          | -            | 4 238 430          | 3 787 616        | 89,4%                            | 4 158 993        | 3 523 241          |  |
| 2. Programme Coordination                 | 48 185            | (658)        | -            | 47 527             | 45 644           | 96,0%                            | 34 287           | 1 357              |  |
| 3. Partnerships, Standards and Innovation | 15 247            | -            | -            | 15 247             | 835              | 5,5%                             | 11 873           | 1 049              |  |
| <b>Total for sub programmes</b>           | <b>4 301 204</b>  | <b>-</b>     | <b>-</b>     | <b>4 301 204</b>   | <b>3 834 095</b> | <b>89,1%</b>                     | <b>4 205 153</b> | <b>3 525 647</b>   |  |
| <b>Economic classification</b>            |                   |              |              |                    |                  |                                  |                  |                    |  |
| <b>Current payments</b>                   | <b>4 266 187</b>  | <b>(137)</b> | <b>(275)</b> | <b>4 265 775</b>   | <b>3 817 678</b> | <b>89,5%</b>                     | <b>4 171 621</b> | <b>3 492 445</b>   |  |

# APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Programme 5: Community Work Programme               |                  |                   |            |                  |                    |                |                                  |                  |                    |
|-----------------------------------------------------|------------------|-------------------|------------|------------------|--------------------|----------------|----------------------------------|------------------|--------------------|
| 2022/23                                             |                  |                   |            |                  |                    |                |                                  |                  |                    |
|                                                     | Approved Budget  | Shifting of Funds | Virement   | Final Budget     | Actual Expenditure | Variance       | Expenditure as % of final budget | Final Budget     | Actual expenditure |
|                                                     | R'000            | R'000             | R'000      | R'000            | R'000              | R'000          | %                                | R'000            | R'000              |
| Compensation of employees                           | 31 762           | -                 | -          | 31 762           | 25 460             | 6 302          | 80,2%                            | 32 114           | 31 408             |
| Goods and services                                  | 4 234 425        | (137)             | (275)      | 4 234 013        | 3 792 218          | 441 795        | 89,6%                            | 4 139 507        | 3 461 037          |
| Interest and rent on land                           |                  |                   |            |                  |                    |                |                                  |                  |                    |
| <b>Transfers and subsidies</b>                      | <b>17</b>        | <b>-</b>          | <b>275</b> | <b>292</b>       | <b>290</b>         | <b>2</b>       | <b>99,3%</b>                     | <b>85</b>        | <b>85</b>          |
| Provinces and municipalities                        | -                | -                 | -          | -                | -                  | -              | -                                | -                | -                  |
| Departmental agencies and accounts                  | -                | -                 | -          | -                | -                  | -              | -                                | -                | -                  |
| Higher education institutions                       | -                | -                 | -          | -                | -                  | -              | -                                | -                | -                  |
| Foreign governments and international organisations | -                | -                 | -          | -                | -                  | -              | -                                | -                | -                  |
| Public corporations and private enterprises         | -                | -                 | -          | -                | -                  | -              | -                                | -                | -                  |
| Non-profit institutions                             | -                | -                 | -          | -                | -                  | -              | -                                | -                | -                  |
| Households                                          | 17               | -                 | 266        | 283              | 281                | 2              | 99,3%                            | 84               | 84                 |
| <b>Payments for capital assets</b>                  | <b>35 000</b>    | <b>-</b>          | <b>-</b>   | <b>35 000</b>    | <b>15 990</b>      | <b>19 010</b>  | <b>45,7%</b>                     | <b>33 447</b>    | <b>33 117</b>      |
| Buildings and other fixed structures                | -                | 684               | -          | 684              | 684                | -              | 100,0%                           | 7 437            | 7 437              |
| Machinery and equipment                             | 35 000           | (698)             | -          | 34 302           |                    |                |                                  |                  |                    |
| Heritage assets                                     |                  |                   |            |                  |                    |                |                                  |                  |                    |
| Specialised military assets                         |                  |                   |            |                  |                    |                |                                  |                  | 1 619              |
| Biological assets                                   |                  |                   |            |                  |                    |                |                                  |                  |                    |
| Land and subsoil assets                             |                  |                   |            |                  |                    |                |                                  |                  |                    |
| Intangible assets                                   | -                | 14                | -          | 14               | 14                 | -              | 100,0%                           | -                | -                  |
| <b>Payments for financial assets</b>                | <b>-</b>         | <b>137</b>        | <b>-</b>   | <b>137</b>       | <b>137</b>         | <b>-</b>       | <b>100,0%</b>                    | <b>-</b>         | <b>-</b>           |
| <b>Total</b>                                        | <b>4 301 204</b> | <b>-</b>          | <b>-</b>   | <b>4 301 204</b> | <b>3 834 095</b>   | <b>467 109</b> | <b>89,1%</b>                     | <b>4 205 153</b> | <b>3 525 647</b>   |

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

### 1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT)

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

### 2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT)

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

### 3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS

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

### 4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

#### 4.1 PER PROGRAMME

| Programme                                                   | Final Budget       | Actual Expenditure | Variance         | Variance as a % of Final Budget |
|-------------------------------------------------------------|--------------------|--------------------|------------------|---------------------------------|
|                                                             | R'000              | R'000              | R'000            | %                               |
| <b>Administration</b>                                       | 348 708            | 348 080            | 628              | 0%                              |
| <b>Local Government Support and Intervention Management</b> | 18 535 071         | 18 520 496         | 14 575           | 0%                              |
| <b>Institutional Development</b>                            | 87 571 768         | 84 106 367         | 3 465 401        | 4%                              |
| <b>National Disaster Management Centre</b>                  | 4 270 687          | 3 900 043          | 370 644          | 9%                              |
| <b>Community Work Programme</b>                             | 4 301 204          | 3 834 095          | 467 109          | 11%                             |
| <b>Total</b>                                                | <b>115 027 438</b> | <b>110 709 227</b> | <b>4 318 211</b> | <b>4,8%</b>                     |

#### 4.2 PER ECONOMIC CLASSIFICATION

| Economic classification                             | Final Budget       | Actual Expenditure | Variance         | Variance as a % of Final Budget |
|-----------------------------------------------------|--------------------|--------------------|------------------|---------------------------------|
|                                                     | R'000              | R'000              | R'000            | %                               |
| <b>Current payments</b>                             | <b>5 019 593</b>   | <b>3 353 908</b>   | <b>1 665 685</b> | <b>33%</b>                      |
| Compensation of employees                           | 366 212            | 257 694            | 108 518          | 30%                             |
| Goods and services                                  | 4 653 381          | 3 096 214          | 1 557 167        | 33%                             |
| Interest and rent on land                           |                    |                    |                  |                                 |
| <b>Transfers and subsidies</b>                      | <b>109 965 114</b> | <b>106 234 171</b> | <b>3 730 943</b> | <b>3%</b>                       |
| Provinces and municipalities                        | 109 418 983        | 105 700 565        | 3 718 418        | 3%                              |
| Departmental agencies and accounts                  | 510 836            | 510 836            | -                | 0%                              |
| Higher education institutions                       | -                  | -                  | -                | -                               |
| Public corporations and private enterprises         |                    |                    |                  |                                 |
| Foreign governments and international organisations | 2 138              | 336                | 1 802            | 84%                             |

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

| Economic classification              | Final Budget       | Actual Expenditure | Variance         | Variance as a % of Final Budget |
|--------------------------------------|--------------------|--------------------|------------------|---------------------------------|
|                                      | R'000              | R'000              | R'000            | %                               |
| Non-profit institutions              | 15 005             | 8 508              | 6 497            | 43%                             |
| Households                           | 18 152             | 13 926             | 4 226            | 23%                             |
| <b>Payments for capital assets</b>   | <b>42 727</b>      | <b>20 535</b>      | <b>22 192</b>    | <b>52%</b>                      |
| Buildings and other fixed structures | 684                | 684                | -                | -                               |
| Machinery and equipment              | 41 429             | 19 238             | 22 192           | 54%                             |
| Heritage assets                      | -                  | -                  | -                | -                               |
| Specialised military assets          | -                  | -                  | -                | -                               |
| Biological assets                    | -                  | -                  | -                | -                               |
| Land and subsoil assets              | -                  | -                  | -                | -                               |
| Intangible assets                    | 14                 | 14                 | -                | -                               |
| <b>Payments for financial assets</b> | <b>600</b>         | <b>599</b>         | <b>1</b>         | <b>0%</b>                       |
| <b>Total</b>                         | <b>115 027 438</b> | <b>110 709 227</b> | <b>4 318 211</b> |                                 |

## COMPENSATION OF EMPLOYEES:

The lower than anticipated spending is due to delays in the filling of vacant funded posts because of staff turnover.

**GOODS AND SERVICES:** Delays in the start of the implementation of the annual departmental Procurement Plan and recording of expenditure incurred by the Non-profit Institutions for the Community Works Programme once invoices are submitted on the procurement that has already started.

## TRANSFERS:

- Municipal Systems Improvement Grant:
- Municipal Systems Improvement Grant:

Municipal Systems Infrastructure procurement plan not started.

- Municipal Infrastructure Grant

The Grants transfer to Municipalities withhold due to non-compliance of DORA act.

- Disaster Relief Grant

The grants are only paid/transferred when the disaster occurs. an assessment of the damage in KZN is underway, including determining the amount of assistance that should be offered to the province to cope with the catastrophe that befell KwaZulu-Natal.

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

### 4.3 PER CONDITIONAL GRANT

| Conditional grant                  | Final Budget      | Actual Expenditure | Variance       | Variance as a percentage of Final Budget |
|------------------------------------|-------------------|--------------------|----------------|------------------------------------------|
|                                    | R'000             | R'000              | R'000          | %                                        |
| Municipal Infrastructure Grant     | 16 842 001        | 16 842 001         | -              | 0%                                       |
| Integrated Urban Development Grant | 1 085 368         | 1 085 368          | -              | 0%                                       |
| Disaster Response/Relief Grant     | 861 248           | 516 661            | 344 587        | 40%                                      |
| Disaster Recovery Grant            | 3 318 742         | 3 318 741          | 1              | 0%                                       |
| Municipal System Improvement Grant | 140 331           | 63 544             | 76 787         | 55%                                      |
| <b>Total</b>                       | <b>22 247 690</b> | <b>21 826 315</b>  | <b>421 375</b> | <b>19%</b>                               |

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2023

|                                                   |          | 2022/23            | 2021/22            |
|---------------------------------------------------|----------|--------------------|--------------------|
|                                                   | Note     | R'000              | R'000              |
| <b>REVENUE</b>                                    |          |                    |                    |
| Annual appropriation                              | 1        | 115 027 438        | 101 259 931        |
| Departmental revenue                              | 2        | 9 449              | 18 634             |
| NRF Receipts                                      |          |                    |                    |
| Aid assistance                                    |          | 4 642              | -                  |
| <b>TOTAL REVENUE</b>                              |          | <b>115 041 529</b> | <b>101 278 565</b> |
| <b>EXPENDITURE</b>                                |          |                    |                    |
| <b>Current expenditure</b>                        |          | <b>4 454 375</b>   | <b>4 166 697</b>   |
| Compensation of employees                         | 3        | 346 427            | 337 454            |
| Goods and services                                | 4        | 4 107 944          | 3 829 243          |
| Interest and rent on land                         | 5        | 4                  | -                  |
| Aid assistance                                    |          | -                  | -                  |
| <b>Transfers and subsidies</b>                    |          | <b>106 238 813</b> | <b>94 231 527</b>  |
| Transfers and subsidies                           | 7        | 106 234 171        | 94 231 527         |
| Aid assistance                                    |          | 4 642              | -                  |
| <b>Expenditure for capital assets</b>             |          | <b>19 936</b>      | <b>44 762</b>      |
| Tangible assets                                   | 8        | 19 922             | 44 762             |
| Intangible assets                                 | 8        | 14                 | -                  |
| Unauthorised expenditure approved without funding |          | -                  | -                  |
| <b>Payments for financial assets</b>              | <b>6</b> | <b>599</b>         | <b>72</b>          |
| <b>TOTAL EXPENDITURE</b>                          |          | <b>110 713 723</b> | <b>98 443 058</b>  |
| <b>SURPLUS FOR THE YEAR</b>                       |          | <b>4 327 806</b>   | <b>2 835 507</b>   |

|                                                             |    |                  |                  |
|-------------------------------------------------------------|----|------------------|------------------|
| <b>Reconciliation of Net Surplus/(Deficit) for the year</b> |    |                  |                  |
| Voted funds                                                 |    | <b>4 318 357</b> | <b>2 816 873</b> |
| Annual appropriation                                        |    | 3 896 982        | 2 696 456        |
| Statutory appropriation                                     |    | -                | -                |
| Conditional grants                                          |    | 421 375          | 120 417          |
| Departmental revenue and NRF receipts                       | 13 | 9 449            | 18 634           |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>                       |    | <b>4 327 806</b> | <b>2 835 507</b> |

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

|                                                                             |      | 2022/23          | 2021/22          |
|-----------------------------------------------------------------------------|------|------------------|------------------|
|                                                                             | Note | R'000            | R'000            |
| <b>ASSETS</b>                                                               |      |                  |                  |
| <b>Current assets</b>                                                       |      | <b>4 336 793</b> | <b>2 855 603</b> |
| Cash and cash equivalents                                                   | 9    | 4 207 272        | 2 717 764        |
| Other financial assets                                                      |      | -                | -                |
| Prepayments and advances                                                    | 10   | 25 280           | 31 545           |
| Receivables                                                                 | 11   | 104 241          | 106 294          |
| <b>Non-current assets</b>                                                   |      |                  | <b>11</b>        |
| Investments                                                                 | 15   | -                | -                |
| Prepayments and advances                                                    | 13   | -                | -                |
| Receivables                                                                 | 14   | -                | 11               |
| <b>TOTAL ASSETS</b>                                                         |      | <b>4 336 647</b> | <b>2 855 614</b> |
| <b>LIABILITIES</b>                                                          |      |                  |                  |
| <b>Current liabilities</b>                                                  |      | <b>4 337 916</b> | <b>2 856 737</b> |
| Voted funds to be surrendered to the Revenue Fund                           | 12   | 4 318 357        | 2 817 111        |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 13   | 5 541            | 16 969           |
| Payables                                                                    | 14   | 14 018           | 22 657           |
| <b>Non-current liabilities</b>                                              |      |                  |                  |
| Payables                                                                    |      |                  |                  |
| <b>TOTAL LIABILITIES</b>                                                    |      | <b>4 337 916</b> | <b>2 856 737</b> |
| <b>NET ASSETS</b>                                                           |      | <b>(1 123)</b>   | <b>(1 123)</b>   |

|                          |      | 2022/23        | 2021/22        |
|--------------------------|------|----------------|----------------|
|                          | Note | R'000          | R'000          |
| <b>Represented by:</b>   |      |                |                |
| Unauthorised expenditure |      | (1 123)        | (1 123)        |
| <b>TOTAL</b>             |      | <b>(1 123)</b> | <b>(1 123)</b> |

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

|                                         |      | 2022/23        | 2021/22        |
|-----------------------------------------|------|----------------|----------------|
|                                         | Note | R'000          | R'000          |
| <b>Unauthorised expenditure</b>         |      |                |                |
| Opening balance                         |      | (1 123)        | (1 123)        |
| Unauthorised expenditure - current year |      | -              | -              |
| Closing Balance                         |      | (1 123)        | (1 123)        |
| <b>TOTAL</b>                            |      | <b>(1 123)</b> | <b>(1 123)</b> |

# STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2023

|                                                                                   |      | 2022/23        | 2021/22        |
|-----------------------------------------------------------------------------------|------|----------------|----------------|
|                                                                                   | Note | R'000          | R'000          |
| <b>Capitalisation reserves</b>                                                    |      |                |                |
| Opening balance                                                                   |      |                |                |
| Transfers                                                                         |      |                |                |
| Movement in equity                                                                |      |                |                |
| Movement in operational funds                                                     |      |                |                |
| Other movements                                                                   |      |                |                |
| Closing balance                                                                   |      |                |                |
| <b>Recoverable revenue</b>                                                        |      |                |                |
| Opening balance                                                                   |      |                |                |
| Transfers:                                                                        |      |                |                |
| Irrecoverable amounts written off                                                 | 8.3  |                |                |
| Debts revised                                                                     |      |                |                |
| Debts recovered (included in departmental revenue)                                |      |                |                |
| Debts raised                                                                      |      |                |                |
| Closing balance                                                                   |      |                |                |
| <b>Retained funds</b>                                                             |      |                |                |
| Opening balance                                                                   |      |                |                |
| Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)        |      |                |                |
| Utilised during the year                                                          |      |                |                |
| Other transfers                                                                   |      |                |                |
| Closing balance                                                                   |      |                |                |
| <b>Revaluation reserve</b>                                                        |      |                |                |
| Opening balance                                                                   |      |                |                |
| Revaluation adjustment (Human Settlements departments)                            |      |                |                |
| Transfers                                                                         |      |                |                |
| Other                                                                             |      |                |                |
| Closing balance                                                                   |      |                |                |
| <b>Unauthorised expenditure</b>                                                   |      |                |                |
| Opening balance                                                                   |      | (1 123)        | (1 123)        |
| Unauthorised expenditure - current year                                           |      | -              | -              |
| Less: Amounts approved by Parliament/Legislature with funding                     |      | -              | -              |
| Less: Amounts approved by Parliament/Legislature without funding and derecognised |      | -              | -              |
| Current                                                                           |      | -              | -              |
| Capital                                                                           |      | -              | -              |
| Transfers and subsidies                                                           |      | -              | -              |
| Less: Amounts recoverable                                                         |      | -              | -              |
| Less: Amounts written off                                                         |      | -              | -              |
| Closing Balance                                                                   |      | (1 123)        | (1 123)        |
| <b>TOTAL</b>                                                                      |      | <b>(1 123)</b> | <b>(1 123)</b> |

# CASH FLOW STATEMENT

for the year ended 31 March 2023

|                                                              |      | 2022/23            | 2021/22            |
|--------------------------------------------------------------|------|--------------------|--------------------|
|                                                              | Note | R'000              | R'000              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |      |                    |                    |
| Receipts                                                     |      | <b>115 041 529</b> | <b>101 278 193</b> |
| Annual appropriation funds received                          | 1.1  | 115 027 438        | 101 259 931        |
| Statutory appropriation funds received                       |      | -                  | -                  |
| Departmental revenue received                                |      | 8 093              | 17 401             |
| Interest received                                            | 2.3  | 1 356              | 861                |
| NRF receipts                                                 |      | -                  | -                  |
| Aid assistance received                                      | 4    | 4 642              | -                  |
| Net (increase)/decrease in net working capital               |      | (321)              | 114 708            |
| Surrendered to Revenue Fund                                  |      | (2 837 988)        | (3 670 725)        |
| Surrendered to RDP Fund/Donor                                |      | -                  | -                  |
| Current payments                                             |      | (4 454 371)        | (4 166 697)        |
| Interest paid                                                | 7    | (4)                | -                  |
| Payments for financial assets                                |      | (599)              | (72)               |
| Transfers and subsidies paid                                 |      | (106 238 813)      | (94 231 527)       |
| <b>Net cash flow available from operating activities</b>     |      | <b>1 509 433</b>   | <b>(676 120)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |      |                    |                    |
| Distribution/dividend received                               |      | -                  | -                  |
| Payments for capital assets                                  | 10   | (19 936)           | (44 762)           |
| Proceeds from sale of capital assets                         | 3.4  | -                  | 372                |
| (Increase)/decrease in loans                                 |      | -                  | -                  |
| (Increase)/decrease in investments                           |      | -                  | -                  |
| (Increase)/decrease in other financial assets                |      | -                  | -                  |
| (Increase)/decrease in non-current receivables               | 14   | 11                 | (4)                |
| <b>Net cash flow available from investing activities</b>     |      | <b>(19 925)</b>    | <b>(44 394)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |      |                    |                    |
| Increase/(decrease) in net assets                            |      | -                  | -                  |
| Increase/(decrease) in non-current payables                  |      | -                  | -                  |
| <b>Net cash flows from financing activities</b>              |      | <b>-</b>           | <b>-</b>           |
| Net increase/(decrease) in cash and cash equivalents         |      | 1 489 508          | (720 514)          |
| Cash and cash equivalents at beginning of period             |      | 2 717 764          | 3 438 278          |
| Unrealised gains and losses within cash and cash equivalents |      | -                  | -                  |
| <b>Cash and cash equivalents at end of period</b>            |      | <b>4 207 272</b>   | <b>2 717 764</b>   |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## PART A: ACCOUNTING POLICIES

### Summary of significant accounting policies

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

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

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

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>7.2</b>   | <p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>                                                                                                                                           |
| <b>7.3</b>   | <p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p> |
| <b>8.</b>    | <b>Expenditure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>8.1</b>   | <b>Compensation of employees</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>8.1.1</b> | <p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>8.1.2</b> | <p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>                                                                                                                                                                                                                                                                                                                                   |
| <b>8.2</b>   | <p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>                                                                                                                                                                                                                       |
| <b>8.3</b>   | <p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>8.4</b>   | <b>Leases</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>8.4.1</b> | <p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                    |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>8.4.2</b> | <p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul> |
| <b>9.</b>    | <b>Aid assistance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>9.1</b>   | <p><b>Aid assistance received.</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>CARA Funds are recognised when receivable and measured at the amount's receivable.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>                                                                                                                                                                                                         |
| <b>9.2</b>   | <p><b>Aid assistance paid.</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>10.</b>   | <p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>                                                                                                                                                                                                                                                                                                                                                                   |
| <b>11.</b>   | <p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments and advances are expensed when invoices for expenditure are received.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>12.</b>   | <p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>13.</b>   | <p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>14.</b>   | <b>Financial assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>14.1</b>  | <p><b>Financial assets</b></p> <p>A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>                                                                                                                                                                                                                                                                                                 |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>14.2</b> | <p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>15.</b>  | <p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>16.</b>  | <p><b>Capital assets</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>16.1</b> | <p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>                                                                                                                                                                                                                                                                               |
| <b>16.2</b> | <p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> |
| <b>16.3</b> | <p><b>Intangible capital assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>                       |
| <b>16.4</b> | <p><b>Project costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>                                                                                                                                                                                                                                                                                                                                           |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>17.</b>  | <b>Provisions and contingents</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>17.1</b> | <p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>17.2</b> | <p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>17.3</b> | <p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>17.4</b> | <p><b>Capital commitments.</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>18.</b>  | <p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> <li>• unauthorised expenditure that was under assessment in the previous financial year;</li> <li>• unauthorised expenditure relating to previous financial year and identified in the current year; and</li> <li>• Unauthorised incurred in the current year.</li> </ul> |
| <b>19.</b>  | <p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of .</p> <p>fruitless and wasteful expenditure that was under assessment in the previous financial year;</p> <p>fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and</p> <p>fruitless and wasteful expenditure incurred in the current year.</p>                                                                                                                                                                                                                                                                                              |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20. | <p><b>Irregular expenditure</b></p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises:</p> <ul style="list-style-type: none"> <li>• irregular expenditure that was under assessment in the previous financial year;</li> <li>• irregular expenditure relating to previous financial year and identified in the current year; and</li> <li>• irregular expenditure incurred in the current year.</li> </ul>                                                |
| 21. | <p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>                                                                                                                                                                                                               |
| 22. | <p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 23. | <p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement, <i>The Department appointed Implementing Agents under the Community Works Programme to assist in creating job opportunities for participants who are involved in useful work in all municipalities in the country on behalf of the Department.</i></p> <p><i>The Department has also entered into an agreement with the Development Bank of Southern Africa to assist in providing District Development Model (DDM) and Integrated Urban Development Framework (IUDF) programme management services on behalf of the Department as well as capacity building for the National Disaster Management Centre.</i></p> <p>Additional disclosures have been provided in the notes to the financial statements where appropriate.</p> |
| 24. | <p><b>Departures from the MCS requirements</b></p> <p>The management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 25. | <p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>                                                                                                                                                                                                                                                                                                                  |
| 26. | <p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 27. | <p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The full compensation of key management personnel is recorded in the notes to the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 28. | <p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p> |
| 29. | <p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>                                                                      |
| 30. | <p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>                                                                                                                                                                    |
| 31. | <p><b>Transfer of functions</b></p> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>                                                                                                                                                                                                                                                          |
| 32. | <p><b>Mergers</b></p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>                                                                                                                                                                                                                                                                          |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## PART B: EXPLANATORY NOTES

### I. ANNUAL APPROPRIATION

#### I.1 ANNUAL APPROPRIATION

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

|                                                      | 2022/23            |                       |                                    | 2021/22            |                        |                                    |
|------------------------------------------------------|--------------------|-----------------------|------------------------------------|--------------------|------------------------|------------------------------------|
|                                                      | Final Budget       | Actual Funds Received | Funds not requested / not received | Final Budget       | Appropriation Received | Funds not requested / not received |
| Programmes                                           | R'000              | R'000                 | R'000                              | R'000              | R'000                  | R'000                              |
| Administration                                       | 348 708            | 348 708               | -                                  | 338 875            | 338 875                | -                                  |
| Local Government Support and Intervention Management | 18 535 071         | 18 535 071            | -                                  | 17 418 275         | 17 418 275             | -                                  |
| Institutional Development                            | 87 571 768         | 87 571 768            | -                                  | 78 599 372         | 78 599 372             | -                                  |
| National Disaster Management Centre                  | 4 270 687          | 4 270 687             | -                                  | 698 256            | 698 256                | -                                  |
| Community Work Programme                             | 4 301 204          | 4 301 204             | -                                  | 4 205 153          | 4 205 153              | -                                  |
| <b>Total</b>                                         | <b>115 027 438</b> | <b>115 027 438</b>    | <b>-</b>                           | <b>101 259 931</b> | <b>101 259 931</b>     | <b>-</b>                           |

#### I.2 CONDITIONAL GRANTS

|                                                     |      | 2022/23    | 2021/22    |
|-----------------------------------------------------|------|------------|------------|
|                                                     | Note | R'000      | R'000      |
| Total grants received                               | 45   | 22 247 690 | 17 100 604 |
| Provincial grants included in total grants received |      | 96 914     | 140 277    |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 2. DEPARTMENTAL REVENUE

|                                                       |      | 2022/23      | 2021/22       |
|-------------------------------------------------------|------|--------------|---------------|
|                                                       | Note | R'000        | R'000         |
| Tax revenue                                           |      | -            | -             |
| Sales of goods and services other than capital assets | 2.1  | 200          | 274           |
| Interest, dividends and rent on land                  | 2.2  | 1 356        | 861           |
| Sales of capital assets                               | 2.3  | -            | 372           |
| Transactions in financial assets and liabilities      | 2.4  | 7 893        | 17 127        |
| Total revenue collected                               |      | 9 449        | 18 634        |
| Less: Own revenue included in appropriation           | 18   | -            | -             |
| <b>Total</b>                                          |      | <b>9 449</b> | <b>18 634</b> |

The DCoG does not primarily generate revenue. However, during the year under review, there was a decrease in revenue due to accurate invoicing by implementing agents, in contrast to the previous year (2021/22), where the department had to rectify duplicate invoices.

Increase in the interest received is due to higher favourable bank account balance which accumulated interest during the year.

### 2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

|                                                        |      | 2022/23    | 2021/22    |
|--------------------------------------------------------|------|------------|------------|
|                                                        | Note | R'000      | R'000      |
| Sales of goods and services produced by the department |      | 200        | 274        |
| Sales by market establishment                          |      | 101        | 172        |
| Administrative fees                                    |      | -          | -          |
| Other sales                                            |      | 99         | 102        |
| Sales of scrap, waste and other used current goods     |      | -          | -          |
| <b>Total</b>                                           | 2    | <b>200</b> | <b>274</b> |

### 2.2 INTEREST, DIVIDENDS AND RENT ON LAND

|              |      | 2022/23      | 2021/22    |
|--------------|------|--------------|------------|
|              | Note | R'000        | R'000      |
| Interest     |      | 1 356        | 861        |
| Dividends    |      |              |            |
| Rent on land |      |              |            |
| <b>Total</b> | 2    | <b>1 356</b> | <b>861</b> |

Interest due to higher bank balance account during this year.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 2.3 SALES OF CAPITAL ASSETS

|                                |      | 2022/23 | 2021/22    |
|--------------------------------|------|---------|------------|
|                                | Note | R'000   | R'000      |
| <b>Tangible capital assets</b> |      | -       | <b>372</b> |
| Machinery and equipment        |      | -       | 372        |
| <b>Total</b>                   | 3    | -       | <b>372</b> |

## 2.4 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

|                                              |      | 2022/23      | 2021/22       |
|----------------------------------------------|------|--------------|---------------|
|                                              | Note | R'000        | R'000         |
| Loans and advances                           |      | -            | -             |
| Receivables                                  |      | 347          | 152           |
| Forex gain                                   |      | -            | -             |
| Other receipts including Recoverable Revenue |      | 7 546        | 16 975        |
| Gains on GFECRA                              |      | -            | -             |
| <b>Total</b>                                 | 2    | <b>7 893</b> | <b>17 127</b> |

During the year under review, there was a decrease in revenue due to accurate invoicing by implementing agents, in contrast to the previous year (2021/22), where the department had to rectify duplicate invoices

## 2.5 TRANSFERS RECEIVED

### 2.5.1 DONATIONS RECEIVED IN-KIND (NOT INCLUDED IN THE MAIN NOTE OR SUB NOTE)

|                                                  |      | 2022/23    | 2021/22      |
|--------------------------------------------------|------|------------|--------------|
|                                                  | Note | R'000      | R'000        |
| List in-kind donations received                  |      |            |              |
| Marce Fire Fighting Technology PTY(LTD)          |      | -          | 52           |
| United Nations Development Programme             |      | -          | 396          |
| United Nations Development Programme             |      | -          | 750          |
| United Nations Development Programme             |      | -          | 450          |
| Commonwealth Local Government Forum              |      | -          | 400          |
| Commonwealth Local Government Forum              |      | -          | 400          |
| UN Habitat                                       |      | 40         | -            |
| German IZ                                        |      | 273        | -            |
| African Union Commission                         |      | 19         | -            |
| Esri South Africa                                |      | 50         | -            |
| Centre for the Study of Violence & Recon         |      | 40         | -            |
| UN Office for Outer Space Training Workshop      |      | 30         | -            |
| Two Continental Workshop-Disaster Risk Reduction |      | 20         | -            |
| <b>Total</b>                                     |      | <b>472</b> | <b>2 448</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 2.6 AID ASSISTANCE EXPENDITURE PER ECONOMIC CLASSIFICATION

|                                         |      | 2022/23      | 2021/22 |
|-----------------------------------------|------|--------------|---------|
|                                         | Note | R'000        | R'000   |
| Current                                 |      |              |         |
| Capital                                 | 10   |              |         |
| Transfers and subsidies                 |      | 4 642        |         |
| <b>Total aid assistance expenditure</b> |      | <b>4 642</b> |         |

Aid assistance received from SADC for KZN Floods Disaster Relief.

## 3. COMPENSATION OF EMPLOYEES

### 3.1 SALARIES AND WAGES

|                                  |      | 2022/23        | 2021/22        |
|----------------------------------|------|----------------|----------------|
|                                  | Note | R'000          | R'000          |
| Basic salary                     |      | 227 761        | 221 244        |
| Performance award                |      | 258            | 1 483          |
| Service based                    |      | 730            | 686            |
| Compensative/circumstantial      |      | 7 638          | 6 045          |
| Periodic payments                |      | -              | -              |
| Other non-pensionable allowances |      | 75 240         | 73 000         |
| <b>Total</b>                     |      | <b>311 557</b> | <b>302 458</b> |

Performance awards expenditure lower in the current year because of the 2019 incentive policy framework for employees in the Public Service, the expenditure incurred was for prior years arrears paid during this year:

The compensative circumstantial/ slightly higher as more official were paid acting allowance for acting in higher positions during the financial year.

### 3.2 SOCIAL CONTRIBUTIONS

|                                        |      | 2022/23        | 2021/22        |
|----------------------------------------|------|----------------|----------------|
| Employer contributions                 | Note | R'000          | R'000          |
| Pension                                |      | 26 148         | 26 344         |
| Medical                                |      | 8 665          | 8 599          |
| Bargaining council                     |      | 57             | 53             |
| <b>Total</b>                           |      | <b>34 870</b>  | <b>34 996</b>  |
| <b>Total compensation of employees</b> |      | <b>346 427</b> | <b>337 454</b> |
| Average number of employees            |      | 496            | 483            |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 4. GOODS AND SERVICES

|                                                           |      | 2022/23          | 2021/22          |
|-----------------------------------------------------------|------|------------------|------------------|
|                                                           | Note | R'000            | R'000            |
| Administrative fees                                       |      | 32 788           | 27 831           |
| Advertising                                               |      | 6 239            | 11 474           |
| Minor assets                                              | 4.1  | 9 520            | 12 280           |
| Bursaries (employees)                                     |      | 532              | 3 406            |
| Catering                                                  |      | 8 747            | 6 345            |
| Communication                                             |      | 9 290            | 8 021            |
| Computer services                                         | 4.2  | 47 261           | 52 465           |
| Consultants: Business and advisory services               | 4.9  | 202 377          | 323 258          |
| Infrastructure and planning services                      |      | -                | -                |
| Laboratory services                                       |      | -                | -                |
| Scientific and technological services                     |      | -                | -                |
| Legal services                                            |      | 21 367           | 13 590           |
| Contractors                                               |      | 3 289 578        | 2 875 402        |
| Agency and support / outsourced services                  |      | 73 511           | 59 531           |
| Entertainment                                             |      | -                | -                |
| Audit cost - external                                     | 4.3  | 17 891           | 16 135           |
| Fleet services                                            |      | 2 396            | 2 837            |
| Inventories                                               | 4.4  | -                | -                |
| Consumables                                               | 4.5  | 163 693          | 249 778          |
| Housing                                                   |      | -                | -                |
| Operating leases                                          |      | 50 724           | 47 111           |
| Property payments                                         | 4.6  | 27 365           | 31 745           |
| Rental and hiring                                         |      | 2 810            | 80               |
| Transport provided as part of the departmental activities |      | -                | -                |
| Travel and subsistence                                    | 4.7  | 46 873           | 22 689           |
| Venues and facilities                                     |      | 3 837            | 1 295            |
| Training and development                                  |      | 87 974           | 58 735           |
| Other operating expenditure                               | 4.8  | 3 171            | 5 235            |
| <b>Total</b>                                              |      | <b>4 107 944</b> | <b>3 829 243</b> |

### 4.1 MINOR ASSETS

|                                      |      | 2022/23      | 2021/22       |
|--------------------------------------|------|--------------|---------------|
|                                      | Note | R'000        | R'000         |
| <b>Tangible capital assets</b>       |      | <b>9 520</b> | <b>12 269</b> |
| Buildings and other fixed structures |      |              |               |
| Machinery and equipment              |      | 7 422        | 10 270        |
| Biological assets                    |      | 2 098        | 1 999         |
| <b>Intangible capital assets</b>     |      |              | <b>11</b>     |
| Software                             |      | -            | 11            |
| Services and operating rights        |      |              |               |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|              |      | 2022/23      | 2021/22       |
|--------------|------|--------------|---------------|
|              | Note | R'000        | R'000         |
| <b>Total</b> | 4    | <b>9 520</b> | <b>12 280</b> |

## 4.2 COMPUTER SERVICES

|                                     |      | 2022/23       | 2021/22       |
|-------------------------------------|------|---------------|---------------|
|                                     | Note | R'000         | R'000         |
| SITA computer services              |      | 15 526        | 24 599        |
| External computer service providers |      | 31 735        | 27 866        |
| <b>Total</b>                        | 4    | <b>47 261</b> | <b>52 465</b> |

## 4.3 AUDIT COST - EXTERNAL

|                   |      | 2022/23       | 2021/22       |
|-------------------|------|---------------|---------------|
|                   | Note | R'000         | R'000         |
| Regularity audits |      | 17 891        | 16 135        |
| Computer audits   |      | -             | -             |
| <b>Total</b>      | 4    | <b>17 891</b> | <b>16 135</b> |

## 4.4 CONSUMABLES

|                                          |      | 2022/23        | 2021/22        |
|------------------------------------------|------|----------------|----------------|
|                                          | Note | R'000          | R'000          |
| Consumable supplies                      |      | 160 976        | 245 355        |
| Uniform and clothing                     |      | 92 933         | 138 879        |
| Household supplies                       |      | 14 714         | 28 470         |
| Building material and supplies           |      | 46 980         | 48 743         |
| Communication accessories                |      | 18             | 176            |
| IT consumables                           |      | 469            | 103            |
| Other consumables                        |      | 5 862          | 28 984         |
| Stationery, printing and office supplies |      | 2 717          | 4 423          |
| <b>Total</b>                             | 4    | <b>163 693</b> | <b>249 778</b> |

Procurement by other IA's could not be completed during the year due to non-compliance issues

## 4.5 PROPERTY PAYMENTS

|                                  |      | 2022/23       | 2021/22       |
|----------------------------------|------|---------------|---------------|
|                                  | Note | R'000         | R'000         |
| Municipal services               |      | 13 235        | 20 162        |
| Property management fees         |      | -             | 31            |
| Property maintenance and repairs |      | -             | -             |
| Other                            |      | 14 130        | 11 552        |
| <b>Total</b>                     | 4    | <b>27 365</b> | <b>31 745</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 4.6 TRAVEL AND SUBSISTENCE

|              |          | 2022/23       | 2021/22       |
|--------------|----------|---------------|---------------|
|              | Note     | R'000         | R'000         |
| Local        |          | 43 813        | 22 489        |
| Foreign      |          | 3 060         | 200           |
| <b>Total</b> | <b>4</b> | <b>46 873</b> | <b>22 689</b> |

The increase in travel expenses can be attributed to the relaxation of COVID-19 lockdown regulations, allowing for more movement, as well as an increase in CWP participants expenditure for attending training sessions.

## 4.7 OTHER OPERATING EXPENDITURE

|                                                       |          | 2022/23      | 2021/22      |
|-------------------------------------------------------|----------|--------------|--------------|
|                                                       | Note     | R'000        | R'000        |
| Professional bodies, membership and subscription fees |          | 965          | 1 983        |
| Resettlement costs                                    |          | 27           | -            |
| Other                                                 |          | 2 179        | 3 252        |
| <b>Total</b>                                          | <b>4</b> | <b>3 171</b> | <b>5 235</b> |

## 4.8 REMUNERATION OF MEMBERS OF A COMMISSION OR COMMITTEE OF INQUIRY (INCLUDED IN CONSULTANTS: BUSINESS AND ADVISORY SERVICES)

|                                           | Note | 2022/23    | 2021/22    |
|-------------------------------------------|------|------------|------------|
| Name of Commission / Committee of Inquiry | 6    | R'000      | R'000      |
| Audit Committee                           |      | 749        | 814        |
| Risk Management Committee                 |      | 56         | 74         |
| <b>Total</b>                              |      | <b>805</b> | <b>888</b> |

The committees adhered to the predetermined timelines for conducting meetings in the current financial year, demonstrating improved compliance compared to the previous year.

## 5. INTEREST AND RENT ON LAND

|               |      | 2022/23  | 2021/22  |
|---------------|------|----------|----------|
|               | Note | R'000    | R'000    |
| Interest paid |      | 4        | -        |
| Rent on land  |      | -        | -        |
| <b>Total</b>  |      | <b>4</b> | <b>-</b> |

Interest charged on late payments of invoices.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 6. PAYMENTS FOR FINANCIAL ASSETS

|                                        |      | 2022/23    | 2021/22   |
|----------------------------------------|------|------------|-----------|
|                                        | Note | R'000      | R'000     |
| Extension of loans for policy purposes |      |            |           |
| Other material losses written off      | 6.1  | 569        | 72        |
| Debts written off                      | 6.2  | 30         | -         |
| Forex losses                           | 6.3  | -          | -         |
| <b>Total</b>                           |      | <b>599</b> | <b>72</b> |

The Expenditure written off in relation to damages on hired cars by officials and irrecoverable debts written off in line with debt policies.

### 6.1 OTHER MATERIAL LOSSES WRITTEN OFF

|                                                 |      | 2022/23    | 2021/22   |
|-------------------------------------------------|------|------------|-----------|
| Nature of losses                                | Note | R'000      | R'000     |
| Group major categories, but list material items |      |            |           |
| Car Damages                                     |      | 569        | 72        |
|                                                 |      | -          | -         |
| <b>Total</b>                                    | 8    | <b>569</b> | <b>72</b> |

The Expenditure incurred written off in relation to damages on hired cars by officials and irrecoverable debts written off in line in with debt policies

### 6.2 DEBTS WRITTEN OFF

|                               |      | 2022/23   | 2021/22  |
|-------------------------------|------|-----------|----------|
| Nature of debts written off   | Note | R'000     | R'000    |
| Other debt written off        |      |           |          |
| Staff Debt                    |      | 30        | -        |
| <b>Total</b>                  |      | <b>30</b> | <b>-</b> |
| <b>Total debt written off</b> | 6    | <b>30</b> | <b>-</b> |

The irrecoverable claims from former officials classified as debts written off in line with the debt policy

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 7. TRANSFERS AND SUBSIDIES

|                                                     |          | 2022/23            | 2021/22           |
|-----------------------------------------------------|----------|--------------------|-------------------|
|                                                     | Note     | R'000              | R'000             |
| Provinces and municipalities                        | 46,47    | 105 700 565        | 93 148 804        |
| Departmental agencies and accounts                  | Annex IB | 510 836            | 734 834           |
| Higher education institutions                       | Annex IC | -                  | -                 |
| Foreign governments and international organisations | Annex IE | 336                | 316               |
| Public corporations and private enterprises         | Annex ID | -                  | -                 |
| Non-profit institutions                             | Annex IF | 8 508              | 8 161             |
| Households                                          | Annex IG | 13 926             | 339 412           |
| <b>Total</b>                                        |          | <b>106 234 171</b> | <b>94 231 527</b> |

The expenditure of households decreased compared to the 2021/22 financial year, primarily due to the inclusion of expenditure to pay once-off gratuity to non-returning councillors following the local government elections.

## 8. EXPENDITURE FOR CAPITAL ASSETS

|                                      |       | 2022/23       | 2021/22       |
|--------------------------------------|-------|---------------|---------------|
|                                      | Note  | R'000         | R'000         |
| <b>Tangible capital assets</b>       |       | <b>19 922</b> | <b>44 762</b> |
| Buildings and other fixed structures | 39    | 684           | 7 437         |
| Machinery and equipment              | 37    | 19 238        | 35 706        |
| Heritage assets                      | 37,39 | -             | -             |
| Specialised military assets          | 37    | -             | -             |
| Land and subsoil assets              | 39    | -             | -             |
| Biological assets                    | 37    | -             | 1 619         |
| <b>Intangible capital assets</b>     |       | <b>14</b>     | <b>-</b>      |
| Software                             | 38    | 14            | -             |
| <b>Total</b>                         |       | <b>19 936</b> | <b>44 762</b> |

The expenditure of households decreased compared to the 2021/22 financial year, primarily due to the inclusion of expenditure to pay once-off gratuity to non-returning councillors following the local government elections.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 8.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS - CURRENT YEAR

| Name of entity                       | 2022/23       |                |               |
|--------------------------------------|---------------|----------------|---------------|
|                                      | Voted funds   | Aid assistance | Total         |
|                                      | R'000         | R'000          | R'000         |
| <b>Tangible capital assets</b>       | <b>19 922</b> |                | <b>19 922</b> |
| Buildings and other fixed structures | 684           | -              | 684           |
| Machinery and equipment              | 19 238        | -              | 19 238        |
| Heritage assets                      | -             | -              | -             |
| Biological assets                    | -             | -              | -             |
| <b>Intangible capital assets</b>     | <b>14</b>     | <b>-</b>       | <b>14</b>     |
| Software                             | 14            | -              | 14            |
| Services and operating rights        |               |                |               |
| <b>Total</b>                         | <b>19 936</b> | <b>-</b>       | <b>19 936</b> |

## 8.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS - PRIOR YEAR.

| Name of entity                       | 2021/22       |                |               |
|--------------------------------------|---------------|----------------|---------------|
|                                      | Voted funds   | Aid assistance | Total         |
|                                      | R'000         | R'000          | R'000         |
| <b>Tangible capital assets</b>       | <b>44 762</b> | <b>-</b>       | <b>44 762</b> |
| Buildings and other fixed structures | 7 437         | -              | 7 437         |
| Machinery and equipment              | 35 706        | -              | 35 706        |
| Biological assets                    | 1 619         | -              | 1 619         |
| <b>Intangible capital assets</b>     |               |                |               |
| Software                             | -             | -              | -             |
|                                      |               |                |               |
| <b>Total</b>                         | <b>44 762</b> | <b>-</b>       | <b>44 762</b> |

## 8.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

|                                      | Note | 2022/23    | 2021/22      |
|--------------------------------------|------|------------|--------------|
|                                      |      | R'000      | R'000        |
| <b>Tangible capital assets</b>       |      |            |              |
| Buildings and other fixed structures |      | -          | -            |
| Machinery and equipment              |      | 576        | 1 438        |
| Heritage assets                      |      | -          | -            |
| Biological assets                    |      | -          | -            |
| <b>Total</b>                         |      | <b>576</b> | <b>1 438</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 9. CASH AND CASH EQUIVALENTS

|                                        |      | 2022/23          | 2021/22          |
|----------------------------------------|------|------------------|------------------|
|                                        | Note | R'000            | R'000            |
| Consolidated Paymaster General Account |      | 4 207 242        | 2 717 734        |
| Cash receipts                          |      | -                | -                |
| Disbursements                          |      | -                | -                |
| Cash on hand                           |      | 30               | 30               |
| <b>Total</b>                           |      | <b>4 207 272</b> | <b>2 717 764</b> |

Consolidated bank account includes the Standard bank account balance for the CWP wages for the participants

## 10. PREPAYMENTS AND ADVANCES

|                              |      | 2022/23       | 2021/22       |
|------------------------------|------|---------------|---------------|
|                              | Note | R'000         | R'000         |
| Staff advances               |      | -             | -             |
| Travel and subsistence       |      | 24            | 35            |
| Prepayments (Not expensed)   | 10.2 | 24 857        | 18 601        |
| Advances paid (Not expensed) | 10.1 | 399           | 12 909        |
| SOCPEN advances              |      | -             | -             |
| <b>Total</b>                 |      | <b>25 280</b> | <b>31 545</b> |

### Analysis of Total Prepayments and advances

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Current Prepayments and advances     | 25 280        | 31 545        |
| Non-current Prepayments and advances | -             | -             |
| <b>Total</b>                         | <b>25 280</b> | <b>31 545</b> |

### 10.1 ADVANCES PAID (NOT EXPENSED)

|                        |      | 2022/23                   |                                        |                   |                           |                            |
|------------------------|------|---------------------------|----------------------------------------|-------------------|---------------------------|----------------------------|
|                        |      | Amount as at 1 April 2022 | Less: Amounts expensed in current year | Add / Less: Other | Add Current year advances | Amount as at 31 March 2023 |
|                        | Note | R'000                     | R'000                                  | R'000             | R'000                     | R'000                      |
| National departments   |      | 9 240                     | (9 691)                                | -                 | 500                       | 49                         |
| Provincial departments |      | -                         | -                                      | -                 | -                         | -                          |
| Public entities        |      | 3 669                     | (56 680)                               | -                 | 53 042                    | 31                         |
| Other entities         |      | -                         | (2 681)                                | -                 | 3000                      | 319                        |
| <b>Total</b>           | 10   | <b>12 909</b>             | <b>(69 052)</b>                        | <b>-</b>          | <b>56 542</b>             | <b>399</b>                 |

Closing balances on advances account not cleared at year end include DIRCO, Sanral and Tshwane Municipality

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                        |      | 2021/22                   |                                        |                   |                           |                            |
|------------------------|------|---------------------------|----------------------------------------|-------------------|---------------------------|----------------------------|
|                        |      | Amount as at 1 April 20XX | Less: Amounts expensed in current year | Add / Less: Other | Add Current year advances | Amount as at 31 March 20YY |
|                        | Note | R'000                     | R'000                                  | R'000             | R'000                     | R'000                      |
| National departments   |      | 20 436                    | (11 196)                               | -                 | -                         | 9 240                      |
| Provincial departments |      | -                         | -                                      | -                 | -                         | -                          |
| Public entities        |      | 38 959                    | (38 641)                               | -                 | 3 351                     | 3 669                      |
| Other entities         |      | -                         | -                                      | -                 | -                         | -                          |
| <b>Total</b>           | 10   | <b>59 395</b>             | <b>(49 837)</b>                        | <b>-</b>          | <b>3 351</b>              | <b>12 909</b>              |

## 10.2 PREPAYMENTS (NOT EXPENSED)

|                           |      | 2022/23                   |                                        |                   |                              |                            |
|---------------------------|------|---------------------------|----------------------------------------|-------------------|------------------------------|----------------------------|
|                           |      | Amount as at 1 April 2022 | Less: Amounts expensed in current year | Add / Less: Other | Add Current year prepayments | Amount as at 31 March 2023 |
|                           | Note | R'000                     | R'000                                  | R'000             | R'000                        | R'000                      |
| Goods and services        |      | 18 601                    | (292 527)                              | 1 747             | 297 036                      | 24 857                     |
| Interest and rent on land |      | -                         | -                                      | -                 | -                            | -                          |
| Transfers and subsidies   |      | -                         | -                                      | -                 | -                            | -                          |
| Capital assets            |      | -                         | -                                      | -                 | -                            | -                          |
| Other                     |      | -                         | -                                      | -                 | -                            | -                          |
| <b>Total</b>              | 10   | <b>18 601</b>             | <b>(292 527)</b>                       | <b>1 747</b>      | <b>297 036</b>               | <b>24 857</b>              |

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

|                           |      | 2021/22                   |                                        |                   |                              |                            |
|---------------------------|------|---------------------------|----------------------------------------|-------------------|------------------------------|----------------------------|
|                           |      | Amount as at 1 April 2021 | Less: Amounts expensed in current year | Add / Less: Other | Add Current year prepayments | Amount as at 31 March 2022 |
|                           | Note | R'000                     | R'000                                  | R'000             | R'000                        | R'000                      |
| Goods and services        |      | 65 853                    | (477 132)                              | -                 | 429 880                      | 18 601                     |
| Interest and rent on land |      | -                         | -                                      | -                 | -                            | -                          |
| Transfers and subsidies   |      | -                         | -                                      | -                 | -                            | -                          |
| Capital assets            |      | -                         | -                                      | -                 | -                            | -                          |
| Other                     |      | -                         | -                                      | -                 | -                            | -                          |
| <b>Total</b>              | 10   | <b>65 853</b>             | <b>(477 132)</b>                       | <b>-</b>          | <b>429 880</b>               | <b>18 601</b>              |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## II. RECEIVABLES

|                         |      | 2022/23        |             |                | 2021/22        |             |                |
|-------------------------|------|----------------|-------------|----------------|----------------|-------------|----------------|
|                         |      | Current        | Non-current | Total          | Current        | Non-current | Total          |
|                         | Note | R'000          | R'000       | R'000          | R'000          | R'000       | R'000          |
| Claims recoverable      | 11.1 | 2 419          | -           | 2 419          | 3 815          | -           | 3 815          |
| Trade receivables       | 11.2 | -              | -           | -              | -              | -           | -              |
| Recoverable expenditure | 11.3 | 2 185          | -           | 2 185          | 2 599          | -           | 2 599          |
| Staff debt              | 11.4 | 1 075          | -           | 1 075          | 1 327          | 11          | 1 338          |
| Other receivables       | 11.5 | 98 562         | -           | 98 562         | 98 553         | -           | 98 553         |
| <b>Total</b>            |      | <b>104 241</b> | <b>-</b>    | <b>104 241</b> | <b>106 294</b> | <b>11</b>   | <b>106 305</b> |

### II.1 CLAIMS RECOVERABLE.

|                        |           | 2022/23      | 2021/22      |
|------------------------|-----------|--------------|--------------|
|                        | Note      | R'000        | R'000        |
| National departments   |           | 2 063        | 3 525        |
| Provincial departments |           | 66           | -            |
| Public entities        |           | 290          | 290          |
| Local governments      |           | -            | -            |
| <b>Total</b>           | <b>11</b> | <b>2 419</b> | <b>3 815</b> |

The balances include interdepartmental claims with National, provincial and other state entities.

### II.2 RECOVERABLE EXPENDITURE

|                                                 |           | 2022/23      | 2021/22      |
|-------------------------------------------------|-----------|--------------|--------------|
|                                                 | Note      | R'000        | R'000        |
| Group major categories, but list material items |           |              |              |
| Disallowance: Miscellaneous                     |           | 13           | -            |
| Disallowance: Damages and Losses                |           | 2 172        | 2 599        |
| <b>Total</b>                                    | <b>11</b> | <b>2 185</b> | <b>2 599</b> |

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

### II.3 STAFF DEBT

|                                                 |           | 2022/23      | 2021/22      |
|-------------------------------------------------|-----------|--------------|--------------|
|                                                 | Note      | R'000        | R'000        |
| Group major categories, but list material items |           |              |              |
| Debt Account                                    |           | 1 075        | 1 338        |
| <b>Total</b>                                    | <b>14</b> | <b>1 075</b> | <b>1 338</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

Included in the staff Debts are debts relating to previous year's salary overpayments, cell phone accounts and bursary debts due to breach of bursary contracts by staff members

## 11.4 OTHER RECEIVABLES

|                                                 |           | 2022/23       | 2021/22       |
|-------------------------------------------------|-----------|---------------|---------------|
|                                                 | Note      | R'000         | R'000         |
| Group major categories, but list material items |           |               |               |
| Vat Input Account                               |           | 266           | 266           |
| Wrongful Payment                                |           | 98 241        | 98 241        |
| Ex councillor's gratuity overpayments           |           | 55            | 46            |
| <b>Total</b>                                    | <b>11</b> | <b>98 562</b> | <b>98 553</b> |

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

Furthermore, the Special Commercial Crimes Unit (HAWKS) and State Attorney have taken legal action against the supplier to rectify and recover the erroneous payment. Over the past year, an amount of R4.7 million has been successfully recovered. The department anticipates further recovery of 98.4 million through the ongoing court proceedings.

## 11.5 IMPAIRMENT OF RECEIVABLES

|                                       |      | 2022/23      | 2021/22      |
|---------------------------------------|------|--------------|--------------|
|                                       | Note | R'000        | R'000        |
| Estimate of impairment of receivables |      | 4 652        | 5 401        |
| <b>Total</b>                          |      | <b>4 652</b> | <b>5 401</b> |

The impairment amount estimated at accounts receivable balances that are 3 years and over plus R90 000 non recoverable from FNB related to the Sekhukhune matter.

## 12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

|                                                                   |      | 2022/23          | 2021/22          |
|-------------------------------------------------------------------|------|------------------|------------------|
|                                                                   | Note | R'000            | R'000            |
| Opening balance                                                   |      | 2 817 111        | 3 658 563        |
| Prior period error                                                | 12.2 |                  |                  |
| As restated                                                       |      | 2 817 111        | 3 658 563        |
| Transferred from statement of financial performance (as restated) |      | 4 318 357        | 2 816 873        |
| Paid during the year                                              |      | (2 817 111)      | (3 658 325)      |
| <b>Closing balance</b>                                            |      | <b>4 318 357</b> | <b>2 817 111</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 13. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

|                                                                   |      | 2022/23      | 2021/22       |
|-------------------------------------------------------------------|------|--------------|---------------|
|                                                                   | Note | R'000        | R'000         |
| Opening balance                                                   |      | 16 969       | 10 735        |
| Prior period error                                                | 18.1 |              | (1 202)       |
| As restated                                                       |      | 16 969       | 9 533         |
| Transferred from statement of financial performance (as restated) |      | 9 449        | 18 634        |
| Paid during the year                                              |      | (20 877)     | (11 198)      |
| <b>Closing balance</b>                                            |      | <b>5 541</b> | <b>16 969</b> |

### 13.1 PRIOR PERIOD ERROR

|                                                 |      |  | 2021/22        |
|-------------------------------------------------|------|--|----------------|
| Nature of prior period error                    | Note |  | R'000          |
| Relating to 2021/22                             |      |  | (1 202)        |
| Funds returned by National Treasury during 2022 |      |  | (1 202)        |
| <b>Total prior period errors</b>                |      |  | <b>(1 202)</b> |

Re-instatement of the prior year opening balance. Funds refunded by National Treasury during 2022.

## 14. PAYABLES - CURRENT

|                                 |      | 2022/23       | 2021/22       |
|---------------------------------|------|---------------|---------------|
|                                 | Note | R'000         | R'000         |
| Amounts owing to other entities |      | -             | -             |
| Advances received               | 14.1 | 447           | 71            |
| Clearing accounts               | 14.2 | 319           | 3 150         |
| Other payables                  | 14.3 | 13 252        | 19 436        |
| <b>Total</b>                    |      | <b>14 018</b> | <b>22 657</b> |

### 14.1 ADVANCES RECEIVED

|                        |      | 2022/23    | 2021/22   |
|------------------------|------|------------|-----------|
|                        | Note | R'000      | R'000     |
| National departments   |      | -          | -         |
| Provincial departments |      | -          | -         |
| Public entities        |      | 447        | 71        |
| Other institutions     |      | -          | -         |
| <b>Total</b>           | 14   | <b>447</b> | <b>71</b> |

Remaining amount from LGSETA funds received for training.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 14.2 CLEARING ACCOUNTS

|                                                           |           | 2022/23    | 2021/22      |
|-----------------------------------------------------------|-----------|------------|--------------|
| Description                                               | Note      | R'000      | R'000        |
| <i>Identify major categories, but list material items</i> |           |            |              |
| Sal:GEHS Refund Control Account                           |           | -          | 104          |
| Sal: Income Tax                                           |           | 268        | 1 272        |
| Disallowance Miscellaneous                                |           | -          | 1 772        |
| Sal:Pension Fund                                          |           | 51         | 2            |
| <b>Total</b>                                              | <b>14</b> | <b>319</b> | <b>3 150</b> |

The above balances are the late run deductions interface for official's tax and pension cleared in April 2023.

## 14.3 OTHER PAYABLES

|                                                           |           | 2022/23       | 2021/22       |
|-----------------------------------------------------------|-----------|---------------|---------------|
| Description                                               | Note      | R'000         | R'000         |
| <i>Identify major categories, but list material items</i> |           |               |               |
| Debt Receivable Interest                                  |           | 40            | 113           |
| Debt Receivable Income                                    |           | 656           | 808           |
| CWP Payables                                              |           | 12 556        | 18 515        |
| <b>Total</b>                                              | <b>14</b> | <b>13 252</b> | <b>19 436</b> |

## 15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

|                                                                  |      | 2022/23          | 2021/22          |
|------------------------------------------------------------------|------|------------------|------------------|
|                                                                  | Note | R'000            | R'000            |
| Net surplus/(deficit) as per Statement of Financial Performance  |      | 4 327 806        | 2 835 507        |
| Add back non-cash/cash movements not deemed operating activities |      | (2 818 373)      | (3 511 627)      |
| (Increase)/decrease in receivables                               |      | 2                | 6 039            |
| (Increase)/decrease in prepayments and advances                  |      | 6 265            | 93 785           |
| (Increase)/decrease in other current assets                      |      | -                | -                |
| Increase/(decrease) in payables - current                        |      | (8 639)          | 14 884           |
| Proceeds from sale of capital assets                             |      | -                | (372)            |
| Proceeds from sale of investments                                |      | -                | -                |
| (Increase)/decrease in other financial assets                    |      | -                | -                |
| Expenditure on capital assets                                    |      | 19 936           | 44 762           |
| Surrenders to Revenue Fund                                       |      | (2 837 988)      | (3 670 725)      |
| Surrenders to RDP Fund/Donors                                    |      | -                | -                |
| Voted funds not requested/not received                           |      | -                | -                |
| Own revenue included in appropriation                            |      | -                | -                |
| Other non-cash items                                             |      | -                | -                |
| <b>Net cash flow generating</b>                                  |      | <b>1 509 433</b> | <b>(676 120)</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

|                                        |      | 2022/23          | 2021/22          |
|----------------------------------------|------|------------------|------------------|
|                                        | Note | R'000            | R'000            |
| Consolidated Paymaster General account |      | 4 207 242        | 2 717 734        |
| Fund requisition account               |      | -                | -                |
| Cash on hand                           |      | 30               | 30               |
| Cash with commercial banks (Local)     |      | -                | -                |
| Cash with commercial banks (Foreign)   |      | -                | -                |
| <b>Total</b>                           |      | <b>4 207 272</b> | <b>2 717 764</b> |

## 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 17.1 CONTINGENT LIABILITIES

|                               |        |          | 2022/23       | 2021/22      |
|-------------------------------|--------|----------|---------------|--------------|
| Liable to                     | Nature | Note     | R'000         | R'000        |
| Claims against the department |        | Annex 3B | 9 092         | 5 006        |
| Intergovernmental payables    |        | Annex 5  | 3 372         | -            |
| <b>Total</b>                  |        |          | <b>12 464</b> | <b>5 006</b> |

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

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

Unconfirmed claims from government departments & entities due disputes.

### 17.2 CONTINGENT ASSETS

|                            |      | 2022/23   | 2021/22   |
|----------------------------|------|-----------|-----------|
| Nature of contingent asset | Note | R'000     | R'000     |
| Maphalala NR               |      | 58        | 58        |
| <b>Total</b>               |      | <b>58</b> | <b>58</b> |

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 18. CAPITAL COMMITMENTS

|                                      |      | 2022/23      | 2021/22    |
|--------------------------------------|------|--------------|------------|
|                                      | Note | R'000        | R'000      |
| Buildings and other fixed structures |      | -            | -          |
| Heritage assets                      |      | -            | -          |
| Machinery and equipment              |      | 2 555        | 502        |
| <b>Total</b>                         |      | <b>2 555</b> | <b>502</b> |

The increase is due to motor vehicles procured but not delivered by reporting date.

## 19. ACCRUALS AND PAYABLES NOT RECOGNISED

### 19.1 ACCRUALS

|                                   |      | 2022/23       |              |               | 2021/22       |
|-----------------------------------|------|---------------|--------------|---------------|---------------|
|                                   |      | 30 Days       | 30+ Days     | Total         | Total         |
| Listed by economic classification | Note | R'000         | R'000        | R'000         | R'000         |
| Goods and services                |      | 14 786        | 1 679        | 16 465        | 24 515        |
| Interest and rent on land         |      | -             | -            | -             | -             |
| Transfers and subsidies           |      | -             | 538          | 538           | 4 881         |
| Capital assets                    |      | -             | -            | -             | -             |
| Other                             |      | -             | -            | -             | -             |
| <b>Total</b>                      |      | <b>14 786</b> | <b>2 217</b> | <b>17 003</b> | <b>29 096</b> |

|                                         |      | 2022/23       | 2021/22       |
|-----------------------------------------|------|---------------|---------------|
| Listed by programme level               | Note | R'000         | R'000         |
| Administration                          |      | 7 650         | 15 805        |
| Local Government Support & Intervention |      | 1 417         | 325           |
| Institutional Development               |      | 1 071         | 5 108         |
| National Disaster Management            |      | 691           | 246           |
| Community Work Programme                |      | 6 174         | 7 612         |
| <b>Total</b>                            |      | <b>17 003</b> | <b>29 096</b> |

### 19.2 PAYABLES NOT RECOGNISED

|                                   |      | 2022/23       |               |               | 2021/22       |
|-----------------------------------|------|---------------|---------------|---------------|---------------|
|                                   |      | 30 Days       | 30+ Days      | Total         | Total         |
| Listed by economic classification | Note | R'000         | R'000         | R'000         | R'000         |
| Goods and services                |      | 28 993        | 40 346        | 68 138        | 98 275        |
| Interest and rent on land         |      | -             | -             | -             | -             |
| Transfers and subsidies           |      | -             | -             | -             | 1 428         |
| Capital assets                    |      | 1 377         | 266           | 1 643         | -             |
| Other                             |      | -             | -             | -             | -             |
| <b>Total</b>                      |      | <b>30 370</b> | <b>40 612</b> | <b>70 982</b> | <b>99 703</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                                           |      | 2022/23       | 2021/22       |
|-------------------------------------------|------|---------------|---------------|
| Listed by programme level                 | Note | R'000         | R'000         |
| Programme 1 :Administration               |      | 5 795         | 1 321         |
| Local Government Support and Intervention |      | 450           | 76            |
| Institutional Development                 |      | 13            | 1 428         |
| National Disaster Management Centre       |      | 1             | -             |
| Community Works Programme                 |      | 64 723        | 96 878        |
| <b>Total</b>                              |      | <b>70 982</b> | <b>99 703</b> |

|                                                   |         | 2022/23      | 2021/22       |
|---------------------------------------------------|---------|--------------|---------------|
| Included in the above totals are the following:   | Note    | R'000        | R'000         |
| Confirmed balances with other departments         | Annex 5 | 5 880        | 12 465        |
| Confirmed balances with other government entities | Annex 5 | 851          | 2 493         |
| <b>Total</b>                                      |         | <b>6 731</b> | <b>14 958</b> |

## 20. EMPLOYEE BENEFITS

|                    |      | 2022/23       | 2021/22       |
|--------------------|------|---------------|---------------|
|                    | Note | R'000         | R'000         |
| Leave entitlement  |      | 14 414        | 16 848        |
| Service bonus      |      | 7 610         | 7 309         |
| Performance awards |      | -             | 258           |
| Capped leave       |      | 4 411         | 5 223         |
| Other              |      | 76            | 163           |
| <b>Total</b>       |      | <b>26 511</b> | <b>29 801</b> |

Other includes long service awards for R76 293,00 and included in the leave entitlement balance is a negative leave amount of R401 731.63 as a result of leave days used before, they were accrued.

The comparative amount for performance awards reinstated to R258 355.

## 21. LEASE COMMITMENTS

### 21.1 OPERATING LEASES

|                                              | 2022/23                        |          |                                      |                         |              |
|----------------------------------------------|--------------------------------|----------|--------------------------------------|-------------------------|--------------|
|                                              | Specialised military equipment | Land     | Buildings and other fixed structures | Machinery and equipment | Total        |
|                                              | R'000                          | R'000    | R'000                                | R'000                   | R'000        |
| Not later than 1 year                        | -                              | -        | 2 847                                | 294                     | 3 141        |
| Later than 1 year and not later than 5 years | -                              | -        | -                                    | -                       | -            |
| Later than 5 years                           | -                              | -        | -                                    | -                       | -            |
| <b>Total lease commitments</b>               | <b>-</b>                       | <b>-</b> | <b>2 847</b>                         | <b>294</b>              | <b>3 141</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                                              | 2021/22                        |          |                                      |                         |               |
|----------------------------------------------|--------------------------------|----------|--------------------------------------|-------------------------|---------------|
|                                              | Specialised military equipment | Land     | Buildings and other fixed structures | Machinery and equipment | Total         |
|                                              | R'000                          | R'000    | R'000                                | R'000                   | R'000         |
| Not later than 1 year                        | -                              | -        | 22 052                               | 351                     | 22 403        |
| Later than 1 year and not later than 5 years | -                              | -        | 2 640                                | 294                     | 2 934         |
| Later than 5 years                           | -                              | -        | -                                    | -                       | -             |
| <b>Total lease commitments</b>               | <b>-</b>                       | <b>-</b> | <b>24 692</b>                        | <b>645</b>              | <b>25 337</b> |

departmental Operating leases relates to rental of G-Fleet Vehicles, Office Building and Parking Space.

The Operating lease contract for some of Office Buildings has expired and are now on a month-to-month basis

## 21.2 FINANCE LEASES \*\*

|                                              | 2022/23                        |          |                                      |                         |            |
|----------------------------------------------|--------------------------------|----------|--------------------------------------|-------------------------|------------|
|                                              | Specialised military equipment | Land     | Buildings and other fixed structures | Machinery and equipment | Total      |
|                                              | R'000                          | R'000    | R'000                                | R'000                   | R'000      |
| Not later than 1 year                        | -                              | -        | -                                    | 338                     | 338        |
| Later than 1 year and not later than 5 years | -                              | -        | -                                    | 26                      | 26         |
| Later than 5 years                           | -                              | -        | -                                    | -                       | -          |
| <b>Total lease commitments</b>               | <b>-</b>                       | <b>-</b> | <b>-</b>                             | <b>364</b>              | <b>364</b> |

|                                              | 2021/22                        |          |                                      |                         |              |
|----------------------------------------------|--------------------------------|----------|--------------------------------------|-------------------------|--------------|
|                                              | Specialised military equipment | Land     | Buildings and other fixed structures | Machinery and equipment | Total        |
|                                              | R'000                          | R'000    | R'000                                | R'000                   | R'000        |
| Not later than 1 year                        | -                              | -        | -                                    | 701                     | 701          |
| Later than 1 year and not later than 5 years | -                              | -        | -                                    | 354                     | 354          |
| Later than 5 years                           | -                              | -        | -                                    | -                       | -            |
| <b>Total lease commitments</b>               | <b>-</b>                       | <b>-</b> | <b>-</b>                             | <b>1 055</b>            | <b>1 055</b> |

Finance Leases relates to rented photocopier machines.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 22. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

|                                                   | Note | 2022/23<br>R'000 | 2021/22<br>R'000 |
|---------------------------------------------------|------|------------------|------------------|
| Unauthorised expenditure - current year           |      | -                | -                |
| Irregular expenditure - current year              |      | 475 199          | 592 714          |
| Fruitless and wasteful expenditure - current year |      | 16               | 12               |
| <b>Total</b>                                      |      | <b>475 215</b>   | <b>592 726</b>   |

Included in the irregular expenditure is the expenditure for the CWP contract for IA's and expenditure incurred without a valid contract which is a recurring expenditure from previous years contract was confirmed during the year and a service provider was hired to investigate.

Fruitless and wasteful expenditure was confirmed during the year.

## 23. RELATED PARTY TRANSACTIONS

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

## 24. KEY MANAGEMENT PERSONNEL

|                                                 | Note | 2022/23<br>R'000 | 2021/22<br>R'000 |
|-------------------------------------------------|------|------------------|------------------|
| Political office bearers (provide detail below) |      | 4 724            | 3 704            |
| Officials:                                      |      | -                | -                |
| Level 15 to 16                                  |      | 14 337           | 14 514           |
| Level 14 (including CFO if at a lower level)    |      | 1 900            | 2 889            |
| Family members of key management personnel      |      | -                | -                |
| <b>Total</b>                                    |      | <b>20 961</b>    | <b>21 107</b>    |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 25. PROVISIONS

|                                                 |      | 2022/23       | 2021/22       |
|-------------------------------------------------|------|---------------|---------------|
|                                                 | Note | R'000         | R'000         |
| <i>Please specify</i>                           |      |               |               |
| Retention & Close Out Costs - Old CWP Contracts |      | 34 265        | 44 049        |
| Retention Costs-New Cwp Contracts               |      | 12 643        | 3 974         |
| <b>Total</b>                                    |      | <b>46 908</b> | <b>48 023</b> |

Two provisions for retention fees for two contracts, with the IA's

### 25.1 RECONCILIATION OF MOVEMENT IN PROVISIONS - CURRENT YEAR

|                                                           |  | 2022/23       |               |             |                  |
|-----------------------------------------------------------|--|---------------|---------------|-------------|------------------|
|                                                           |  | Provision 1   | Provision 2   | Provision 3 | Total provisions |
|                                                           |  | R'000         | R'000         | R'000       | R'000            |
| Opening balance                                           |  | 44 049        | 3 974         | -           | 48 023           |
| Increase in provision                                     |  | -             | 8 669         | -           | 8 669            |
| Settlement of provision                                   |  |               |               |             |                  |
| Unused amount reversed                                    |  |               |               |             |                  |
| Reimbursement expected from third party                   |  |               |               |             |                  |
| Change in provision due to change in estimation of inputs |  | (9 784)       |               |             | (9 784)          |
| <b>Closing balance</b>                                    |  | <b>34 265</b> | <b>12 643</b> | <b>-</b>    | <b>46 908</b>    |

#### Reconciliation of movement in provisions - Prior year

|                                                           |  | 2021/22       |              |             |                  |
|-----------------------------------------------------------|--|---------------|--------------|-------------|------------------|
|                                                           |  | Provision 1   | Provision 2  | Provision 3 | Total provisions |
|                                                           |  | R'000         | R'000        | R'000       | R'000            |
| Opening balance                                           |  | 52 189        | -            | -           | 52 189           |
| Increase in provision                                     |  |               | 3 974        | -           | 3 974            |
| Settlement of provision                                   |  | -             | -            | -           | -                |
| Change in provision due to change in estimation of inputs |  | (8 140)       | -            | -           | (8 140)          |
| <b>Closing balance</b>                                    |  | <b>44 049</b> | <b>3 974</b> | <b>-</b>    | <b>48 023</b>    |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 26. MOVABLE TANGIBLE CAPITAL ASSETS

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

|                                              | 2022/23         |                   |               |              |                 |
|----------------------------------------------|-----------------|-------------------|---------------|--------------|-----------------|
|                                              | Opening balance | Value adjustments | Additions     | Disposals    | Closing balance |
|                                              | R'000           | R'000             | R'000         | R'000        | R'000           |
| <b>HERITAGE ASSETS</b>                       | 137             | -                 | -             | -            | 137             |
| Heritage assets                              | 137             | -                 | -             | -            | 137             |
| <b>MACHINERY AND EQUIPMENT</b>               | 338 396         | -                 | 18 927        | (682)        | 356 641         |
| Transport assets                             | 27 036          | -                 | -             | -            | 27 036          |
| Computer equipment                           | 87 136          | -                 | 6 252         | (25)         | 93 363          |
| Furniture and office equipment               | 22 223          | -                 | 732           | (52)         | 22 903          |
| Other machinery and equipment                | 202 001         | -                 | 11 943        | (605)        | 213 339         |
| <b>SPECIALISED MILITARY ASSETS</b>           |                 |                   |               |              |                 |
| Specialised military assets                  | -               | -                 | -             | -            | -               |
| <b>BIOLOGICAL ASSETS</b>                     | 3 084           | -                 | -             | -            | 3 084           |
| Biological assets                            | 3 084           | -                 | -             | -            | 3 084           |
| <b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>341 617</b>  | <b>-</b>          | <b>18 927</b> | <b>(682)</b> | <b>359 862</b>  |

| Movable Tangible Capital Assets under investigation                                                                            | Note | Number       | Value          |
|--------------------------------------------------------------------------------------------------------------------------------|------|--------------|----------------|
|                                                                                                                                |      |              | R'000          |
| <b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b> |      |              |                |
| Heritage assets                                                                                                                |      |              |                |
| Machinery and equipment                                                                                                        |      | 2 979        | 143 012        |
| Specialised military assets                                                                                                    |      |              |                |
| Biological assets                                                                                                              |      | 177          | 3 085          |
| <b>Total</b>                                                                                                                   |      | <b>3 156</b> | <b>146 097</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 26.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

|                                              | 2021/22         |                    |               |                |                 |
|----------------------------------------------|-----------------|--------------------|---------------|----------------|-----------------|
|                                              | Opening balance | Prior period error | Additions     | Disposals      | Closing balance |
|                                              | R'000           | R'000              | R'000         | R'000          | R'000           |
| <b>HERITAGE ASSETS</b>                       | 137             | -                  | -             | -              | 137             |
| Heritage assets                              | 137             | -                  | -             | -              | 137             |
| <b>MACHINERY AND EQUIPMENT</b>               | 319 995         | (11 684)           | 34 268        | (4 183)        | 338 396         |
| Transport assets                             | 18 673          | 6 658              | 1 879         | (174)          | 27 036          |
| Computer equipment                           | 85 615          | (7 384)            | 12 592        | (3 687)        | 87 136          |
| Furniture and office equipment               | 27 078          | (7 875)            | 3 116         | (96)           | 22 223          |
| Other machinery and equipment                | 188 629         | (3 083)            | 16 681        | (226)          | 202 001         |
| <b>SPECIALISED MILITARY ASSETS</b>           | -               | -                  | -             | -              | -               |
| Specialised military assets                  | -               | -                  | -             | -              | -               |
| <b>BIOLOGICAL ASSETS</b>                     | 1 245           | 220                | 1 619         | -              | 3 084           |
| Biological assets                            | 1 245           | 220                | 1 619         | -              | 3 084           |
| <b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>321 377</b>  | <b>(11 464)</b>    | <b>35 887</b> | <b>(4 183)</b> | <b>341 617</b>  |

### 26.1.1 PRIOR PERIOD ERROR

|                                                     |      | 2021/22         |
|-----------------------------------------------------|------|-----------------|
| Nature of prior period error                        | Note | R'000           |
| Relating to 2021/22 [affecting the opening balance] |      |                 |
| Correction of overstatement of Assets               |      | (11 464)        |
| Relating to 2021/22                                 |      |                 |
| <b>Total prior period errors</b>                    |      | <b>(11 464)</b> |

Re-instatement of the prior year balance for major assets

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 26.2 MINOR ASSETS

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

|                           | 2022/23                     |                   |                 |                         |                   |               |
|---------------------------|-----------------------------|-------------------|-----------------|-------------------------|-------------------|---------------|
|                           | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total         |
|                           | R'000                       | R'000             | R'000           | R'000                   | R'000             | R'000         |
| Opening balance           | -                           | 112               | 53              | 61 374                  | 5 045             | 66 584        |
| Value adjustments         | -                           | -                 | -               | -                       | -                 | -             |
| Additions                 | -                           | -                 | -               | 7 089                   | 2 098             | 9 187         |
| Disposals                 | -                           | -                 | -               | (5771)                  | -                 | (5 771)       |
| <b>Total Minor assets</b> | <b>-</b>                    | <b>112</b>        | <b>53</b>       | <b>62 692</b>           | <b>7 143</b>      | <b>70 000</b> |

|                                     | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total    |
|-------------------------------------|-----------------------------|-------------------|-----------------|-------------------------|-------------------|----------|
| Number of RI minor assets           | -                           | -                 | -               | -                       | -                 | -        |
| Number of minor assets at cost      | -                           | -                 | -               | -                       | -                 | -        |
| <b>Total number of minor assets</b> | <b>-</b>                    | <b>-</b>          | <b>-</b>        | <b>-</b>                | <b>-</b>          | <b>-</b> |

#### Minor capital assets under investigation

|                                                                                                                     | Note | Number | Value |
|---------------------------------------------------------------------------------------------------------------------|------|--------|-------|
|                                                                                                                     |      |        | R'000 |
| <b>Included in the above total of the minor capital assets per the asset register that are under investigation:</b> |      |        |       |
| Specialised military assets                                                                                         |      |        |       |
| Intangible assets                                                                                                   |      | 40     | 113   |
| Heritage assets                                                                                                     |      |        |       |
| Machinery and equipment                                                                                             |      | 4 707  | 4 052 |
| Biological assets                                                                                                   |      | 601    | 3 973 |

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

|                           | 2021/22                     |                   |                 |                         |                   |               |
|---------------------------|-----------------------------|-------------------|-----------------|-------------------------|-------------------|---------------|
|                           | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total         |
|                           | R'000                       | R'000             | R'000           | R'000                   | R'000             | R'000         |
| Opening balance           | -                           | 100               | 574             | 38 851                  | 3 304             | 42 830        |
| Prior period error        | -                           | 1                 | (521)           | 12 579                  | (218)             | 11 841        |
| Additions                 | -                           | 11                | -               | 10 273                  | 1 959             | 12 269        |
| Disposals                 | -                           | -                 | -               | (329)                   | -                 | (329)         |
| <b>Total Minor assets</b> | <b>-</b>                    | <b>112</b>        | <b>53</b>       | <b>61 374</b>           | <b>5 045</b>      | <b>66 584</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                                     | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total    |
|-------------------------------------|-----------------------------|-------------------|-----------------|-------------------------|-------------------|----------|
| Number of R1 minor assets           | -                           | -                 | -               | -                       | -                 | -        |
| Number of minor assets at cost      | -                           | -                 | -               | -                       | -                 | -        |
| <b>Total number of minor assets</b> | <b>-</b>                    | <b>-</b>          | <b>-</b>        | <b>-</b>                | <b>-</b>          | <b>-</b> |

Re-instatement of the prior year balance for minor assets.

## 26.2.1 PRIOR PERIOD ERROR

|                                        |      | 2021/22       |
|----------------------------------------|------|---------------|
| Nature of prior period error           | Note | R'000         |
| Correction of understatement of assets |      | 11 841        |
|                                        |      | 11 841        |
| Relating to 2021/22                    |      |               |
| Correction of understatement of assets |      | 2 244         |
| <b>Total prior period errors</b>       |      | <b>14 085</b> |

Re-instatement of the prior year balance for minor assets

## 26.3 MOVABLE TANGIBLE CAPITAL ASSETS WRITTEN OFF

### MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

|                                         | 2022/23                     |                   |                 |                         |                   |            |
|-----------------------------------------|-----------------------------|-------------------|-----------------|-------------------------|-------------------|------------|
|                                         | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total      |
|                                         | R'000                       | R'000             | R'000           | R'000                   | R'000             | R'000      |
| Assets written off                      |                             |                   |                 | 967                     |                   | 967        |
| <b>Total movable assets written off</b> |                             |                   |                 | <b>967</b>              |                   | <b>967</b> |

## 27. INTANGIBLE CAPITAL ASSETS

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

|                                        | 2022/23         |           |           |                 |
|----------------------------------------|-----------------|-----------|-----------|-----------------|
|                                        | Opening balance | Additions | Disposals | Closing balance |
|                                        | R'000           | R'000     | R'000     | R'000           |
| <b>SOFTWARE</b>                        | 781             | 14        | -         | 795             |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b> | <b>781</b>      | <b>14</b> | <b>-</b>  | <b>795</b>      |

Re-instatement of the prior year balance for intangible assets

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## Intangible Capital Assets under investigation

|                                                                                                                          | Note | Number | Value<br>R'000 |
|--------------------------------------------------------------------------------------------------------------------------|------|--------|----------------|
| <b>Included in the above total of the intangible capital assets per the asset register that are under investigation:</b> |      |        |                |
| Software                                                                                                                 |      | 9      | 122            |
| Mastheads and publishing titles                                                                                          |      |        |                |
| Patents, licences, copyright, brand names, trademarks                                                                    |      |        |                |
| Recipes, formulae, prototypes, designs, models                                                                           |      |        |                |
| Services and operating rights                                                                                            |      |        |                |

## 27.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 20YY

|                                        | 2021/22         |                    |           |           |                 |
|----------------------------------------|-----------------|--------------------|-----------|-----------|-----------------|
|                                        | Opening balance | Prior period error | Additions | Disposals | Closing balance |
|                                        | R'000           | R'000              | R'000     | R'000     | R'000           |
| <b>SOFTWARE</b>                        | 837             | (56)               | -         | -         | 781             |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b> | <b>837</b>      | <b>(56)</b>        | <b>-</b>  | <b>-</b>  | <b>781</b>      |

### 27.1.1 PRIOR PERIOD ERROR

|                                  | Note | 2021/22<br>R'000 |
|----------------------------------|------|------------------|
| Nature of prior period error     |      |                  |
| Correction of overstatement      |      | (56)             |
| Relating to 2021/22              |      |                  |
| <b>Total prior period errors</b> |      | <b>(56)</b>      |

Re-instatement of the prior year balance for intangible assets

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 28. IMMOVABLE TANGIBLE CAPITAL ASSETS

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

|                                                | 2022/23         |            |           |                 |
|------------------------------------------------|-----------------|------------|-----------|-----------------|
|                                                | Opening balance | Additions  | Disposals | Closing balance |
|                                                | R'000           | R'000      | R'000     | R'000           |
| BUILDINGS AND OTHER FIXED STRUCTURES           | 15 501          | 684        | -         | 16 185          |
| Dwellings                                      | -               | -          | -         | -               |
| Non-residential buildings                      | -               | -          | -         | -               |
| Other fixed structures                         | 15 501          | 684        | -         | 16 185          |
| HERITAGE ASSETS                                | -               | -          | -         | -               |
| Heritage assets                                | -               | -          | -         | -               |
| <b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>15 501</b>   | <b>684</b> | <b>-</b>  | <b>16 185</b>   |

Re-instatement of the prior year balance for immovable assets

#### Immovable Tangible Capital Assets under investigation

|                                                                                                                                  | Note | Number    | Value         |
|----------------------------------------------------------------------------------------------------------------------------------|------|-----------|---------------|
|                                                                                                                                  |      |           | R'000         |
| <b>Included in the above total of the immovable tangible capital assets per the asset register that are under investigation:</b> |      |           |               |
| Buildings and other fixed structures                                                                                             |      | 89        | 10 941        |
| Heritage assets                                                                                                                  |      |           |               |
| Land and subsoil assets                                                                                                          |      |           |               |
| <b>Total</b>                                                                                                                     |      | <b>89</b> | <b>10 941</b> |

Provide reasons why assets are under investigation and actions being taken to resolve the matters.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

|                                                | 2021/22         |                    |              |           |                 |
|------------------------------------------------|-----------------|--------------------|--------------|-----------|-----------------|
|                                                | Opening balance | Prior period error | Additions    | Disposals | Closing balance |
|                                                | R'000           | R'000              | R'000        | R'000     | R'000           |
| <b>BUILDINGS AND OTHER FIXED STRUCTURES</b>    | 6 252           | 1 813              | 7 436        | -         | 15 501          |
| Dwellings                                      | -               | -                  | -            | -         | -               |
| Non-residential buildings                      | -               | -                  | -            | -         | -               |
| Other fixed structures                         | 6 252           | 1 813              | 7 436        | -         | 15 501          |
| <b>HERITAGE ASSETS</b>                         | -               | -                  | -            | -         | -               |
| Heritage assets                                | -               | -                  | -            | -         | -               |
| <b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>6 252</b>    | <b>1 813</b>       | <b>7 436</b> | <b>-</b>  | <b>15 501</b>   |

Include discussion here where deemed relevant.

### 28.1.1 PRIOR PERIOD ERRORS

|                                        |      | 2021/22      |
|----------------------------------------|------|--------------|
| Nature of prior period error           | Note | R'000        |
| Correction of understatement of assets |      | 1 813        |
| Relating to 2021/22                    |      | 1 813        |
| <b>Total prior period errors</b>       |      | <b>1 813</b> |

Re-instatement of the prior year balance for immovable assets

## 29. PRINCIPAL-AGENT ARRANGEMENTS

### 29.1 DEPARTMENT ACTING AS THE PRINCIPAL

|                                     |      | 2022/23        | 2021/22        |
|-------------------------------------|------|----------------|----------------|
|                                     | Note | R'000          | R'000          |
| CWP Implementing Agents             |      | 172 690        | 207 079        |
| Development Bank of Southern Africa |      | 443            | 229            |
| <b>Total</b>                        |      | <b>173 133</b> | <b>207 308</b> |

The Department has appointed Implementing Agents under the Community Works Programme (CWP) to assist in managing the sites and creating job opportunities for participants who are involved in useful work in all municipalities in the country on behalf of the Department.

The Department has also entered into an agreement with the Development Bank of Southern Africa to assist in providing DDM, IUDF programme management services on behalf of the Department

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 30. PRIOR PERIOD ERRORS

### 30.1 CORRECTION OF PRIOR PERIOD ERRORS

|                                                                                  |      | 2021/22                           |                       |              |
|----------------------------------------------------------------------------------|------|-----------------------------------|-----------------------|--------------|
|                                                                                  |      | Amount<br>bef error<br>correction | Prior period<br>error | Restated     |
|                                                                                  | Note | R'000                             | R'000                 | R'000        |
| Revenue: (E.g. Annual appropriation, Departmental revenue, Aid assistance, etc.) |      |                                   |                       |              |
| Aid Assistance                                                                   | 4    | 2 448                             | (2 448)               | -            |
| Revenue to be surrendered for 2021/22                                            | 3    | -                                 | 2 448                 | 2448         |
| <b>Net effect</b>                                                                |      | <b>2 448</b>                      | <b>-</b>              | <b>2 448</b> |

|                                                                                                                    |      | 2021/22                           |                       |                |
|--------------------------------------------------------------------------------------------------------------------|------|-----------------------------------|-----------------------|----------------|
|                                                                                                                    |      | Amount<br>bef error<br>correction | Prior period<br>error | Restated       |
|                                                                                                                    | Note | R'000                             | R'000                 | R'000          |
| <b>Assets: (E.g. Receivables, Investments, Accrued departmental revenue, movable tangible capital assets etc.)</b> |      |                                   |                       |                |
| Movable Capital Tangible Assets                                                                                    |      | 353 081                           | (11 464)              | 341 617        |
| Movements in Minor Assets                                                                                          |      | 80 669                            | (14 085)              | 66 584         |
| Movement in Intangible Assets                                                                                      |      | 837                               | (56)                  | 781            |
| Movement in Immovable Capital Assets                                                                               |      | 13 688                            | 1 813                 | 15 501         |
| <b>Net effect</b>                                                                                                  |      | <b>448 275</b>                    | <b>(23 792)</b>       | <b>424 483</b> |

Re-instatement of the prior year balance for employee benefits, revenue and contingent liabilities.

|                                                                                                           |      | 2021/22                           |                       |               |
|-----------------------------------------------------------------------------------------------------------|------|-----------------------------------|-----------------------|---------------|
|                                                                                                           |      | Amount<br>bef error<br>correction | Prior period<br>error | Restated      |
|                                                                                                           | Note | R'000                             | R'000                 | R'000         |
| <b>Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)</b> |      |                                   |                       |               |
| Revenue to be surrendered for 2021/22                                                                     | 18   | (12 400)                          | 1 202                 | (11 198)      |
| Contingent liability                                                                                      | 24   | 2 909                             | 2 097                 | 5 006         |
| Employee benefits                                                                                         | 27   | 29 543                            | 258                   | 29 801        |
| <b>Net effect</b>                                                                                         |      | <b>20 252</b>                     | <b>3 557</b>          | <b>23 609</b> |

Re-instatement of the prior year balance for employee benefits, revenue and contingent liabilities.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                                                                                      |      | 2021/22                           |                       |                |
|--------------------------------------------------------------------------------------|------|-----------------------------------|-----------------------|----------------|
|                                                                                      |      | Amount<br>bef error<br>correction | Prior period<br>error | Restated       |
|                                                                                      | Note | R'000                             | R'000                 | R'000          |
| <b>Other: (E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)</b> |      |                                   |                       |                |
| Irregular Expenditure                                                                | 30   | 499 449                           | 93 265                | 592 714        |
| <b>Net effect</b>                                                                    |      | <b>499 449</b>                    | <b>93 265</b>         | <b>592 714</b> |

Re-instatement of the irregular expenditure relating to prior years but paid in the FY 2021/22

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## STATEMENT OF CONDITIONAL GRANTS RECEIVED.

| 2022/23                            |                                             |            |                  |                   |                   |                               |                            |                         |                                          | 2021/22                                     |                            |  |
|------------------------------------|---------------------------------------------|------------|------------------|-------------------|-------------------|-------------------------------|----------------------------|-------------------------|------------------------------------------|---------------------------------------------|----------------------------|--|
| GRANT ALLOCATION                   |                                             |            |                  |                   |                   |                               |                            |                         |                                          | SPENT                                       |                            |  |
|                                    | Division of Revenue Act / Provincial grants | Roll overs | DORA Adjustments | Other Adjustments | Total Available   | Amount received by department | Amount spent by department | Under- / (Overspending) | % of available funds spent by department | Division of Revenue Act / Provincial grants | Amount spent by department |  |
| Name of grant                      | R'000                                       | R'000      | R'000            | R'000             | R'000             | R'000                         | R'000                      | %                       | R'000                                    | R'000                                       | R'000                      |  |
| Municipal Infrastructure Grant     | 16 842 001                                  | -          | -                | -                 | 16 842 001        | 16 842 001                    | 16 842 001                 | -                       | 100%                                     | 15 592 748                                  | 15 592 748                 |  |
| Integrated Urban Development Grant | 1 085 368                                   | -          | -                | -                 | 1 085 368         | 1 085 368                     | 1 085 368                  | -                       | 100%                                     | 1 009 068                                   | 1 009 068                  |  |
| Disaster Response/ Relief Grant    | 516 748                                     | -          | -                | 344 500           | 861 248           | 861 248                       | 516 661                    | 344 587                 | 60%                                      | 498 788                                     | 378 371                    |  |
| Disaster Recovery Grant            | 26 023                                      | -          | -                | 3 292 719         | 3 318 742         | 3 318 742                     | 3 318 741                  | 1                       | 100%                                     | -                                           | -                          |  |
| Municipal System Improvement Grant | 140 331                                     | -          | -                | -                 | 140 331           | 140 331                       | 63 544                     | 76 787                  | 45%                                      | -                                           | -                          |  |
| <b>TOTAL</b>                       | <b>18 610 471</b>                           | <b>-</b>   | <b>-</b>         | <b>3 637 219</b>  | <b>22 247 690</b> | <b>22 247 690</b>             | <b>21 826 315</b>          | <b>421 375</b>          |                                          | <b>17 100 604</b>                           | <b>16 980 187</b>          |  |

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES.

|                          | 2022/23                 |            |               |                  |                 |                 |                                                            |                                |                             |               |                                           | 2021/22                                       |                   |
|--------------------------|-------------------------|------------|---------------|------------------|-----------------|-----------------|------------------------------------------------------------|--------------------------------|-----------------------------|---------------|-------------------------------------------|-----------------------------------------------|-------------------|
|                          | GRANT ALLOCATION        |            |               |                  | TRANSFER        |                 |                                                            | SPENT                          |                             |               |                                           |                                               |                   |
| Name of Province / Grant | Division of Revenue Act | Roll overs | Ad-just-ments | Total Avail-able | Actual transfer | Funds with-held | Realloca-tions by National Treasury or National department | Amount received by de-partment | Amount spent by depart-ment | Unspent funds | % of available funds spent by depart-ment | Division of Reve-nue Act / Pro-vincial grants | Actual trans-fers |
|                          | R'000                   | R'000      | R'000         | R'000            | R'000           | R'000           | %                                                          | R'000                          | R'000                       | R'000         | %                                         | R'000                                         | R'000             |
| Summary by province      | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Eastern Cape             | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Free State               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Gauteng                  | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Kwazulu-Natal            | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Limpopo                  | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Mpumalanga               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Northern Cape            | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Northwest                | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Western Cape             | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | 48 100                                        | 48 100            |
| TOTAL                    | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | 48 100                                        | 48 100            |
| Summary by grant         |                         |            |               |                  |                 |                 |                                                            |                                |                             |               |                                           |                                               |                   |
| Disaster Relief Grant    | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | 48 100                                        | 48 100            |
| TOTAL                    | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | 48 100                                        | 48 100            |
| I. Disaster Relief Grant |                         |            |               |                  |                 |                 |                                                            |                                |                             |               |                                           |                                               |                   |
| Eastern Cape             | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                          | 2022/23                 |            |               |                  |                 |                 |                                                            |                                |                             |               |                                           | 2021/22                                       |                   |
|--------------------------|-------------------------|------------|---------------|------------------|-----------------|-----------------|------------------------------------------------------------|--------------------------------|-----------------------------|---------------|-------------------------------------------|-----------------------------------------------|-------------------|
|                          | GRANT ALLOCATION        |            |               |                  | TRANSFER        |                 |                                                            | SPENT                          |                             |               |                                           |                                               |                   |
| Name of Province / Grant | Division of Revenue Act | Roll overs | Ad-just-ments | Total Avail-able | Actual transfer | Funds with-held | Realloca-tions by National Treasury or National department | Amount received by de-partment | Amount spent by depart-ment | Unspent funds | % of available funds spent by depart-ment | Division of Reve-nue Act / Pro-vincial grants | Actual trans-fers |
|                          | R'000                   | R'000      | R'000         | R'000            | R'000           | R'000           | %                                                          | R'000                          | R'000                       | R'000         | %                                         | R'000                                         | R'000             |
| Free State               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Gauteng                  | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Kwazulu-Natal            | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Limpopo                  | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Mpumalanga               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Northern Cape            | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| North West               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Western Cape             | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | 48 100                                        | 48 100            |
| TOTAL                    | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | 48 100                                        | 48 100            |
| 2. [Grant name]          |                         |            |               |                  |                 |                 |                                                            |                                |                             |               |                                           |                                               |                   |
| Eastern Cape             | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Free State               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Gauteng                  | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Kwazulu-Natal            | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Limpopo                  | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Mpumalanga               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Northern Cape            | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| North West               | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| Western Cape             | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| TOTAL                    | -                       | -          | -             | -                | -               | -               | -                                                          | -                              | -                           | -             | -                                         | -                                             | -                 |
| 3. [Grant name]          |                         |            |               |                  |                 |                 |                                                            |                                |                             |               |                                           |                                               |                   |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                          | 2022/23                 |            |             |                 |                 |                |                                                           |                               |                            |               |                                          | 2021/22                                     |                  |
|--------------------------|-------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|-------------------------------|----------------------------|---------------|------------------------------------------|---------------------------------------------|------------------|
|                          | GRANT ALLOCATION        |            |             |                 | TRANSFER        |                |                                                           | SPENT                         |                            |               |                                          |                                             |                  |
| Name of Province / Grant | Division of Revenue Act | Roll overs | Adjustments | Total Available | Actual transfer | Funds withheld | Reallocations by National Treasury or National department | Amount received by department | Amount spent by department | Unspent funds | % of available funds spent by department | Division of Revenue Act / Provincial grants | Actual transfers |
|                          | R'000                   | R'000      | R'000       | R'000           | R'000           | R'000          | %                                                         | R'000                         | R'000                      | R'000         | %                                        | R'000                                       | R'000            |
| Eastern Cape             | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| Free State               | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| Gauteng                  | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| Kwazulu-Natal            | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| Limpopo                  | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| Mpumalanga               | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| Northern Cape            | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| North West               | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| Western Cape             | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |
| TOTAL                    | -                       | -          | -           | -               | -               | -              | -                                                         | -                             | -                          | -             | -                                        | -                                           | -                |

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer:

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY            | 2022/23                  |            |             |                  |                  | 2021/22        |                                                            |                          |                  |   |
|---------------------------------|--------------------------|------------|-------------|------------------|------------------|----------------|------------------------------------------------------------|--------------------------|------------------|---|
|                                 | GRANT ALLOCATION         |            |             |                  |                  | TRANSFER       |                                                            |                          |                  |   |
|                                 | DoRA and other transfers | Roll Overs | Adjustments | Total Available  | Actual Transfer  | Funds Withheld | Re-allocations by National Treasury or National Department | DoRA and other transfers | Actual Transfer  |   |
|                                 | R'000                    | R'000      | R'000       | R'000            | R'000            | R'000          | R'000                                                      | R'000                    | R'000            |   |
| <b>IUDG GRANT</b>               |                          |            |             |                  |                  |                |                                                            |                          |                  |   |
| GT481 MOGALE CITY               | 156 361                  | -          | (12 130)    | 144 231          | 144 231          | -              | -                                                          | 142 974                  | 142 974          | - |
| KZN216 RAY NKONYENI             | 81 360                   | -          | -           | 81 360           | 81 360           | -              | -                                                          | 76 131                   | 76 131           | - |
| KZN282 UMHATHUZE LOCAL MUN      | 147 172                  | -          | 62 130      | 209 302          | 209 302          | -              | 62 130                                                     | 134 750                  | 134 750          | - |
| LIM354 POLOKWANE LOCAL MUN      | 426 044                  | -          | (50 000)    | 376 044          | 376 044          | -              | -                                                          | 397 532                  | 397 532          | - |
| MP313 STEVE TSHWETE             | 76 305                   | -          | -           | 76 305           | 76 305           | -              | -                                                          | 75 218                   | 75 218           | - |
| NC091 SOL PLAATJIE              | 70 390                   | -          | -           | 70 390           | 70 390           | -              | -                                                          | 66 266                   | 66 266           | - |
| WC023 DRAKENSTEIN               | 61 989                   | -          | -           | 61 989           | 61 989           | -              | -                                                          | 59 256                   | 59 256           | - |
| WC024 STELLENBOSCH              | 65 747                   | -          | -           | 65 747           | 65 747           | -              | -                                                          | 56 941                   | 56 941           | - |
| <b>TOTAL IUDG GRANT</b>         | <b>1 085 368</b>         | <b>-</b>   | <b>-</b>    | <b>1 085 368</b> | <b>1 085 368</b> | <b>-</b>       | <b>62 130</b>                                              | <b>1 009 068</b>         | <b>1 009 068</b> |   |
| <b>DISASTER RESPONSE GRANT</b>  |                          |            |             |                  |                  |                |                                                            |                          |                  |   |
| NMA NELSON MANDELA BAY          | -                        | -          | -           | -                | -                | -              | -                                                          | -                        | -                | - |
| ECI01 DR BEYERS NAUDE LOCAL MUN | -                        | -          | -           | -                | -                | -              | -                                                          | 57 829                   | 57 829           | - |
| ECI02 BLUE CRANE ROUTE          | -                        | -          | -           | -                | -                | -              | -                                                          | 6 057                    | 6 057            | - |
| ECI04 MAKANA                    | -                        | -          | -           | -                | -                | -              | -                                                          | -                        | -                | - |
| ECI05 NDLAMBE                   | -                        | -          | -           | -                | -                | -              | -                                                          | 2 200                    | 2 200            | - |
| ECI06 SUNDAYS RIVER VALLEY      | -                        | -          | -           | -                | -                | -              | -                                                          | 15 229                   | 15 229           | - |
| ECI08 KOUGA                     | -                        | -          | -           | -                | -                | -              | -                                                          | 7 580                    | 7 580            | - |
|                                 | -                        | -          | -           | -                | -                | -              | -                                                          | 12 500                   | 12 500           | - |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |  |
|----------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|--|
|                                  | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |  |
|                                  | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |  |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |  |
| EC109 KOUKAMA                    | -                        | -          | -           | -               | -               | -              | -                                                         | 6 380                    | 6 380           |  |
| DC12 AMATOLE DIST MUNICIPALITY   | -                        | -          | -           | -               | -               | -              | -                                                         | 13 207                   | 13 207          |  |
| DC13 CHRIS HANI DIST MUNICIPALIT | -                        | -          | -           | -               | -               | -              | -                                                         | 5 000                    | 5 000           |  |
| EC121 MBHASHE                    | -                        | -          | 14 415      | 14 415          | 14 415          | -              | -                                                         | -                        | -               |  |
| EC153 NGOUZA HILL                | -                        | -          | 4 130       | 4 130           | 4 130           | -              | -                                                         | -                        | -               |  |
| EC154 PORT ST JOHNS              | -                        | -          | 13 300      | 13 300          | 13 300          | -              | -                                                         | -                        | -               |  |
| EC155 NYANDENI                   | -                        | -          | 2 693       | 2 693           | 2 693           | -              | -                                                         | -                        | -               |  |
| DC15 OR TAMBO DIST MUNICIPALITY  | -                        | -          | 46 872      | 46 872          | 46 872          | -              | -                                                         | -                        | -               |  |
| EC442 UMZIMVUBU                  | -                        | -          | 10 500      | 10 500          | 10 500          | -              | -                                                         | -                        | -               |  |
| EC443 MBIZANA                    | -                        | -          | 12 790      | 12 790          | 12 790          | -              | -                                                         | -                        | -               |  |
| EC444 NTABANKULU                 | -                        | -          | 5 111       | 5 111           | 5 111           | -              | -                                                         | -                        | -               |  |
| ETH ETHEKWINI                    | -                        | -          | 185 000     | 185 000         | 185 000         | -              | -                                                         | -                        | -               |  |
| KZN213 UMZUMBE                   | 6 300                    | -          | -           | 6 300           | -               | -              | -                                                         | -                        | -               |  |
| KZN216 RAY NKONYENI              | 19 100                   | -          | -           | 19 100          | 19 100          | -              | -                                                         | -                        | -               |  |
| DC21 UGU DISTRICT MUNICIPALITY   | 2 000                    | -          | -           | 2 000           | 2 000           | -              | -                                                         | -                        | -               |  |
| KZN225 MSUNDUZI                  | 620                      | -          | -           | 620             | 620             | -              | -                                                         | -                        | -               |  |
| KZN226 MKHAMBATHINI              | 8 200                    | -          | -           | 8 200           | 8 200           | -              | -                                                         | -                        | -               |  |
| KZN237 INKOSI ILANGALIBALELE     | 48 950                   | -          | -           | 48 950          | 48 950          | -              | -                                                         | -                        | -               |  |
| KZN238 ALFRED DUMA               | 14 414                   | -          | -           | 14 414          | 14 414          | -              | -                                                         | 31 937                   | 31 937          |  |
| KZN292 KWADUKUZA                 | 109 043                  | -          | -           | 109 043         | 109 043         | -              | -                                                         | -                        | -               |  |
| DC29 ILEMBE DISTRICT MUNICIPAL   | 19 523                   | -          | -           | 19 523          | 19 523          | -              | -                                                         | -                        | -               |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY           | 2022/23                  |            |                  |                  |                 | 2021/22        |                                                           |                          |                 |
|--------------------------------|--------------------------|------------|------------------|------------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|
|                                | GRANT ALLOCATION         |            |                  |                  |                 | TRANSFER       |                                                           |                          |                 |
|                                | DoRA and other transfers | Roll Overs | Adjustments      | Total Available  | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |
|                                | R'000                    | R'000      | R'000            | R'000            | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |
| LIM343 THULAMELA LOCAL MUN     | -                        | -          | -                | -                | -               | -              | -                                                         | 13 000                   | 13 000          |
| LIM344 MAKHADO                 | -                        | -          | -                | -                | -               | -              | -                                                         | 26 000                   | 26 000          |
| LIM345 NEW LOCAL MUNICIPALITY  | -                        | -          | -                | -                | -               | -              | -                                                         | 26 000                   | 26 000          |
| DC34 VHEMBE DIST MUNICIPALITY  | -                        | -          | -                | -                | -               | -              | -                                                         | -                        | -               |
| LIM351 BLOUBERG LOCAL MUN      | -                        | -          | -                | -                | -               | -              | -                                                         | 12 900                   | 12 900          |
| LIM353 MOLEMOLE LOCAL MUN      | -                        | -          | -                | -                | -               | -              | -                                                         | 1 000                    | 1 000           |
| LIM354 POLOKWANE LOCAL MUN     | -                        | -          | -                | -                | -               | -              | -                                                         | 2 600                    | 2 600           |
| LIM355 LEPELLENKUMPI           | -                        | -          | -                | -                | -               | -              | -                                                         | 5 625                    | 5 625           |
| NC453 GAMAGARA                 | -                        | -          | -                | -                | -               | -              | -                                                         | 7 000                    | 7 000           |
| NC086 KGATELOPELE              | -                        | -          | -                | -                | -               | -              | -                                                         | 1 839                    | 1 839           |
| NC091 SOL PLAATJIE             | -                        | -          | -                | -                | -               | -              | -                                                         | 1 015                    | 1 015           |
| NC093 MAGARENG                 | -                        | -          | -                | -                | -               | -              | -                                                         | 6 440                    | 6 440           |
| NC094 PHOKWANE                 | -                        | -          | -                | -                | -               | -              | -                                                         | 6 457                    | 6 457           |
| NW392 NALEDI                   | -                        | -          | -                | -                | -               | -              | -                                                         | 4 394                    | 4 394           |
| NW396 LEKWATEEMANE             | -                        | -          | -                | -                | -               | -              | -                                                         | 4 570                    | 4 570           |
| NW397 MOLOPOKAGISANO           | -                        | -          | -                | -                | -               | -              | -                                                         | 6 362                    | 6 362           |
| WC045 OUDTSHOORN               | -                        | -          | -                | -                | -               | -              | -                                                         | 47 150                   | 47 150          |
| UNALLOCATED                    | 143 270                  | -          | 2 707 944        | 2 851 214        | -               | -              | -                                                         | -                        | -               |
| <b>DISASTER RESPONSE GRANT</b> | <b>371 420</b>           | <b>-</b>   | <b>3 002 755</b> | <b>3 374 175</b> | <b>516 661</b>  | <b>-</b>       | <b>-</b>                                                  | <b>330 271</b>           | <b>330 271</b>  |
| -                              | -                        | -          | -                | -                | -               | -              | -                                                         | -                        | -               |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                      | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |       |
|-------------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|-------|
|                                           | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |       |
|                                           | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |       |
|                                           | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           | R'000 |
| <b>MUNICIPAL INFRASTRUCTURE GRANTMIG)</b> | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               | -     |
| <b>EASTERN CAPE</b>                       | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               | -     |
| ECI01 DR BEYERS NAUDE LOCAL MUN           | 23 010                   | -          | 10 000      | 33 010          | 33 010          | -              | 10 000                                                    | 28 564                   | 28 564          |       |
| ECI02 BLUE CRANE ROUTE                    | 15 755                   | -          | -           | 15 755          | 15 755          | -              | -                                                         | 14 892                   | 14 892          |       |
| ECI04 MAKANA                              | 27 386                   | -          | (4 588)     | 22 798          | 22 798          | -              | (4 588)                                                   | 40 590                   | 40 590          |       |
| ECI05 NDLAMBE                             | 30 727                   | -          | -           | 30 727          | 30 727          | -              | -                                                         | 28 663                   | 28 663          |       |
| ECI06 SUNDAYS RIVER VALLEY                | 28 785                   | -          | 10 000      | 38 785          | 38 785          | -              | 10 000                                                    | 34 876                   | 34 876          |       |
| ECI08 KOUGA                               | 35 891                   | -          | -           | 35 891          | 35 891          | -              | -                                                         | 33 413                   | 33 413          |       |
| ECI09 KOUKAMA                             | 24 997                   | -          | -           | 24 997          | 24 997          | -              | -                                                         | 16 034                   | 16 034          |       |
| ECI21 MBHASHE                             | 68 458                   | -          | -           | 68 458          | 68 458          | -              | -                                                         | 67 367                   | 67 367          |       |
| ECI22 MNQUMA                              | 71 478                   | -          | 5 000       | 76 478          | 76 478          | -              | 5 000                                                     | 66 145                   | 66 145          |       |
| ECI23 GREAT KEI                           | 22 215                   | -          | -           | 22 215          | 22 215          | -              | -                                                         | 11 636                   | 11 636          |       |
| ECI24 AMAHLATI                            | 31 701                   | -          | -           | 31 701          | 31 701          | -              | -                                                         | 29 558                   | 29 558          |       |
| ECI26 NGQUSHWA                            | 35 198                   | -          | -           | 35 198          | 35 198          | -              | -                                                         | 23 578                   | 23 578          |       |
| ECI29 RAYMOND MHLABA                      | 44 503                   | -          | 9 500       | 54 003          | 54 003          | -              | 9 500                                                     | 41 333                   | 41 333          |       |
| DCI2 AMATOLE DIST MUNICIPALITY            | 493 661                  | -          | (98 121)    | 395 540         | 395 540         | -              | (98 121)                                                  | 454 461                  | 454 461         |       |
| ECI31 INXUBA YETHEMBA                     | 17 813                   | -          | 7 000       | 24 813          | 24 813          | -              | 7 000                                                     | 16 785                   | 16 785          |       |
| ECI35 INTSIKA YETHU                       | 48 873                   | -          | -           | 48 873          | 48 873          | -              | -                                                         | 45 353                   | 45 353          |       |
| ECI36 EMALAHLENI                          | 47 916                   | -          | -           | 47 916          | 47 916          | -              | -                                                         | 35 275                   | 35 275          |       |
| ECI37 ENGCOBO                             | 43 687                   | -          | 13 500      | 57 187          | 57 187          | -              | 13 500                                                    | 62 582                   | 62 582          |       |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | 2022/23                  |            |                 |                  |                  | 2021/22        |                                                           |                          |                  |  |
|----------------------------------|--------------------------|------------|-----------------|------------------|------------------|----------------|-----------------------------------------------------------|--------------------------|------------------|--|
|                                  | GRANT ALLOCATION         |            |                 |                  |                  | TRANSFER       |                                                           |                          |                  |  |
|                                  | DoRA and other transfers | Roll Overs | Adjustments     | Total Available  | Actual Transfer  | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer  |  |
|                                  | R'000                    | R'000      | R'000           | R'000            | R'000            | R'000          | R'000                                                     | R'000                    | R'000            |  |
| ECI38 SAKHISIZWE                 | 20 231                   | -          | -               | 20 231           | 20 231           | -              | -                                                         | 19 009                   | 19 009           |  |
| ECI39 ENOCH MGJIMA LOCAL MUN     | 61 673                   | -          | (14 345)        | 47 328           | 47 328           | -              | (14 345)                                                  | 54 126                   | 54 126           |  |
| DCI3 CHRIS HANI DIST MUNICIPALIT | 330 451                  | -          | 120 000         | 450 451          | 450 451          | -              | 120 000                                                   | 304 343                  | 304 343          |  |
| ECI41 ELUNDINI                   | 44 175                   | -          | (3 500)         | 40 675           | 40 675           | -              | (3 500)                                                   | 41 031                   | 41 031           |  |
| ECI42 SENQU                      | 43 640                   | -          | (6 255)         | 37 385           | 37 385           | -              | (6 255)                                                   | 38 464                   | 38 464           |  |
| ECI45 WALTER SIZULU              | 21 008                   | -          | -               | 21 008           | 21 008           | -              | -                                                         | 13 830                   | 13 830           |  |
| DCI4 JOE DISTR MUNICIPALITY      | 180 246                  | -          | -               | 180 246          | 180 246          | -              | -                                                         | 166 188                  | 166 188          |  |
| ECI53 NGOUZA HILL                | 62 127                   | -          | -               | 62 127           | 62 127           | -              | -                                                         | 57 544                   | 57 544           |  |
| ECI54 PORT ST JOHNS              | 38 862                   | -          | -               | 38 862           | 38 862           | -              | -                                                         | 40 146                   | 40 146           |  |
| ECI55 NYANDENI                   | 69 440                   | -          | -               | 69 440           | 69 440           | -              | -                                                         | 73 270                   | 73 270           |  |
| ECI56 MHLONTLO                   | 50 293                   | -          | -               | 50 293           | 50 293           | -              | -                                                         | 66 659                   | 66 659           |  |
| ECI57 KI SABATA DALINDYEBO       | 98 791                   | -          | -               | 98 791           | 98 791           | -              | -                                                         | 91 267                   | 91 267           |  |
| DCI5 OR TAMBO DIST MUNICIPALITY  | 730 131                  | -          | (80 000)        | 650 131          | 650 131          | -              | (80 000)                                                  | 529 438                  | 529 438          |  |
| EC442 UMZIMVUBU                  | 52 786                   | -          | -               | 52 786           | 52 786           | -              | -                                                         | 48 951                   | 48 951           |  |
| EC441 MATATIELE                  | 56 068                   | -          | (3 345)         | 52 723           | 52 723           | -              | (3 345)                                                   | 51 023                   | 51 023           |  |
| EC443 MBIZANA                    | 55 038                   | -          | (4 356)         | 50 682           | 50 682           | -              | (4 356)                                                   | 76 971                   | 76 971           |  |
| EC444 NTABANKULU                 | 30 576                   | -          | 16 767          | 47 343           | 47 343           | -              | 16 767                                                    | 28 524                   | 28 524           |  |
| DC44 ALFRED NZO DIST MUNICIPAL   | 433 122                  | -          | -               | 433 122          | 433 122          | -              | -                                                         | 398 778                  | 398 778          |  |
| <b>TOTAL EASTERN CAPE</b>        | <b>3 490 712</b>         | <b>-</b>   | <b>(22 743)</b> | <b>3 467 969</b> | <b>3 467 969</b> | <b>-</b>       | <b>(22 743)</b>                                           | <b>3 150 667</b>         | <b>3 150 667</b> |  |
| <b>FREE STATE</b>                |                          |            |                 |                  |                  |                |                                                           |                          |                  |  |
| FS161 LETSEMENG                  | 19 019                   | -          | (1 060)         | 17 959           | 17 959           | -              | (1 060)                                                   | 17 894                   | 17 894           |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY    | 2022/23                  |            |                 |                 |                 | 2021/22        |                                                           |                          |                 |  |
|-------------------------|--------------------------|------------|-----------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|--|
|                         | GRANT ALLOCATION         |            |                 |                 |                 | TRANSFER       |                                                           |                          |                 |  |
|                         | DoRA and other transfers | Roll Overs | Adjustments     | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |  |
|                         | R'000                    | R'000      | R'000           | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |  |
| FS162 KOPANONG          | 22 932                   | -          | (3 048)         | 19 884          | 19 884          | -              | (3 048)                                                   | 21 494                   | 21 494          |  |
| FS163 MOHOKARE          | 19 991                   | -          | (9 000)         | 10 991          | 10 991          | -              | (9 000)                                                   | 18 788                   | 18 788          |  |
| FS181 MASILONYANA       | 28 257                   | -          | (4 600)         | 23 657          | 23 657          | -              | (4 600)                                                   | 24 552                   | 24 552          |  |
| FS182 TOKOLOGO          | 28 332                   | -          | (2 476)         | 25 856          | 25 856          | -              | (2 476)                                                   | 17 262                   | 17 262          |  |
| FS183 TSWELOPELE        | 18 256                   | -          | 10 800          | 29 056          | 29 056          | -              | 10 800                                                    | 17 192                   | 17 192          |  |
| FS184 MATJHABENG        | 136 630                  | -          | (36 976)        | 99 654          | 99 654          | -              | (36 976)                                                  | 133 069                  | 133 069         |  |
| FS185 NALA              | 33 439                   | -          | -               | 33 439          | 33 439          | -              | -                                                         | 31 157                   | 31 157          |  |
| FS191 SETSOTO           | 53 700                   | -          | -               | 53 700          | 53 700          | -              | -                                                         | 49 792                   | 49 792          |  |
| FS192 DIHLABENG         | 43 828                   | -          | (4 500)         | 39 328          | 39 328          | -              | (4 500)                                                   | 40 712                   | 40 712          |  |
| FS193 NKETOANA          | 28 508                   | -          | -               | 28 508          | 28 508          | -              | -                                                         | 26 621                   | 26 621          |  |
| FS194 MALUTIAPHOFUNG    | 187 049                  | -          | -               | 187 049         | 187 049         | -              | -                                                         | 182 445                  | 182 445         |  |
| FS195 PHUMELELA         | 23 519                   | -          | -               | 23 519          | 23 519          | -              | -                                                         | 20 309                   | 20 309          |  |
| FS196 MATSOPA           | 32 275                   | -          | -               | 32 275          | 32 275          | -              | -                                                         | 20 889                   | 20 889          |  |
| FS201 MOQHAKA           | 45 594                   | -          | -               | 45 594          | 45 594          | -              | -                                                         | 42 336                   | 42 336          |  |
| FS203 NGWATHE           | 47 663                   | -          | (4 766)         | 42 897          | 42 897          | -              | (4 766)                                                   | 44 240                   | 44 240          |  |
| FS204 METSIMAHOLO       | 50 756                   | -          | -               | 50 756          | 50 756          | -              | -                                                         | 47 085                   | 47 085          |  |
| FS205 MAFUBE            | 25 129                   | -          | (1 200)         | 23 929          | 23 929          | -              | (1 200)                                                   | 23 515                   | 23 515          |  |
| <b>TOTAL FREE STATE</b> | <b>844 877</b>           | <b>-</b>   | <b>(56 826)</b> | <b>788 051</b>  | <b>788 051</b>  | <b>-</b>       | <b>(56 826)</b>                                           | <b>779 352</b>           | <b>779 352</b>  |  |
| -                       | -                        | -          | -               | -               | -               | -              | -                                                         | -                        | -               |  |
| <b>GAUTENG</b>          | -                        | -          | -               | -               | -               | -              | -                                                         | -                        | -               |  |
| GT421 EMFULENI          | 194 208                  | -          | (40 000)        | 154 208         | 154 208         | -              | (40 000)                                                  | 59 030                   | 59 030          |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | 2022/23                  |            |                 |                 |                 | 2021/22        |                                                            |                          |                 |
|----------------------------------|--------------------------|------------|-----------------|-----------------|-----------------|----------------|------------------------------------------------------------|--------------------------|-----------------|
|                                  | GRANT ALLOCATION         |            |                 |                 |                 | TRANSFER       |                                                            |                          |                 |
|                                  | DoRA and other transfers | Roll Overs | Adjustments     | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | DoRA and other transfers | Actual Transfer |
|                                  | R'000                    | R'000      | R'000           | R'000           | R'000           | R'000          | R'000                                                      | R'000                    | R'000           |
| GT422 MIDVAAL                    | 35 909                   | -          | -               | 35 909          | 35 909          | -              | -                                                          | 33 429                   | 33 429          |
| GT423 LESEDI                     | 29 698                   | -          | -               | 29 698          | 29 698          | -              | -                                                          | 22 716                   | 22 716          |
| GT484 MERAFOING CITY             | 85 708                   | -          | (10 000)        | 75 708          | 75 708          | -              | (10 000)                                                   | 70 035                   | 70 035          |
| GT485 RAND WEST CITY             | 104 417                  | -          | -               | 104 417         | 104 417         | -              | -                                                          | 96 442                   | 96 442          |
| <b>TOTAL GAUTENG</b>             | <b>449 940</b>           | <b>-</b>   | <b>(50 000)</b> | <b>399 940</b>  | <b>399 940</b>  | <b>-</b>       | <b>(50 000)</b>                                            | <b>281 652</b>           | <b>281 652</b>  |
| -                                | -                        | -          | -               | -               | -               | -              | -                                                          | -                        | -               |
| <b>KWAZULU NATAL</b>             | -                        | -          | -               | -               | -               | -              | -                                                          | -                        | -               |
| KZN212 UMDONI LOCAL MUNICIPALITY | 44 631                   | -          | -               | 44 631          | 44 631          | -              | -                                                          | 32 253                   | 32 253          |
| KZN213 UMZUMBE                   | 38 552                   | -          | -               | 38 552          | 38 552          | -              | -                                                          | 35 861                   | 35 861          |
| KZN214 UMUZIWABANTU              | 26 163                   | -          | -               | 26 163          | 26 163          | -              | -                                                          | 32 464                   | 32 464          |
| DC21 UGU DISTRICT MUNICIPALITY   | 277 374                  | -          | -               | 277 374         | 277 374         | -              | -                                                          | 255 524                  | 255 524         |
| KZN221 UMSHWATHI                 | 31 069                   | -          | -               | 31 069          | 31 069          | -              | -                                                          | 33 977                   | 33 977          |
| KZN222 UMINGENI                  | 25 816                   | -          | 5 000           | 30 816          | 30 816          | -              | 5 000                                                      | 24 146                   | 24 146          |
| KZN223 MPOFANA                   | 13 114                   | -          | -               | 13 114          | 13 114          | -              | -                                                          | 17 463                   | 17 463          |
| KZN224 IMPENDLE                  | 12 753                   | -          | -               | 12 753          | 12 753          | -              | -                                                          | 20 130                   | 20 130          |
| KZN225 MSUNDUZI                  | 227 153                  | -          | -               | 227 153         | 227 153         | -              | -                                                          | 209 331                  | 209 331         |
| KZN226 MKHAMBATHINI              | 17 781                   | -          | 10 100          | 27 881          | 27 881          | -              | 10 100                                                     | 31 755                   | 31 755          |
| KZN227 RICHMOND                  | 20 511                   | -          | -               | 20 511          | 20 511          | -              | -                                                          | 27 266                   | 27 266          |
| DC22 UMGUNGUNDLOVU DIST MUN      | 116 867                  | -          | 68 974          | 185 841         | 185 841         | -              | 68 974                                                     | 132 893                  | 132 893         |
| KZN235 OKHAHLAMBA                | 31 891                   | -          | 15 900          | 47 791          | 47 791          | -              | 15 900                                                     | 37 734                   | 37 734          |
| KZN237 INKOSI ILANGALIBALELE     | 42 690                   | -          | -               | 42 690          | 42 690          | -              | -                                                          | 39 665                   | 39 665          |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY            | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |       |
|---------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|-------|
|                                 | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |       |
|                                 | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |       |
|                                 | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           | R'000 |
| KZN238 ALFRED DUMA              | 70 409                   | -          | -           | 70 409          | 70 409          | -              | -                                                         | 70 161                   | 70 161          |       |
| DC23 UTHUKELA DIST MUNICIPALITY | 211 484                  | -          | (40 000)    | 171 484         | 171 484         | -              | (40 000)                                                  | 194 919                  | 194 919         |       |
| KZN241 UNDUMENI                 | 16 782                   | -          | -           | 16 782          | 16 782          | -              | -                                                         | 15 836                   | 15 836          |       |
| KZN242 NQUTHU                   | 35 231                   | -          | -           | 35 231          | 35 231          | -              | -                                                         | 36 806                   | 36 806          |       |
| KZN244 MSINGA                   | 42 414                   | -          | 17 000      | 59 414          | 59 414          | -              | 17 000                                                    | 48 412                   | 48 412          |       |
| KZN245 UMWOTI                   | 33 620                   | -          | 14 500      | 48 120          | 48 120          | -              | 14 500                                                    | 41 323                   | 41 323          |       |
| DC24 UMZINYATHI DIST MUNICIPAL  | 216 735                  | -          | -           | 216 735         | 216 735         | -              | -                                                         | 206 904                  | 206 904         |       |
| KZN252 NEWCASTLE                | 129 141                  | -          | -           | 129 141         | 129 141         | -              | -                                                         | 119 182                  | 119 182         |       |
| KZN253 EMADLANGENI              | 10 010                   | -          | -           | 10 010          | 10 010          | -              | -                                                         | 4 807                    | 4 807           |       |
| KZN254 DANNHAUSER               | 24 347                   | -          | (5 000)     | 19 347          | 19 347          | -              | (5 000)                                                   | 34 794                   | 34 794          |       |
| DC25 AMAJUBA DIST MUNICIPALITY  | 46 587                   | -          | (1 900)     | 44 687          | 44 687          | -              | (1 900)                                                   | 43 250                   | 43 250          |       |
| KZN261 EDUMBE                   | 20 055                   | -          | 9 000       | 29 055          | 29 055          | -              | 9 000                                                     | 24 847                   | 24 847          |       |
| KZN262 UPHONGOLO                | 31 889                   | -          | -           | 31 889          | 31 889          | -              | -                                                         | 34 732                   | 34 732          |       |
| KZN263 ABAQULUSI                | 42 083                   | -          | -           | 42 083          | 42 083          | -              | -                                                         | 39 107                   | 39 107          |       |
| KZN265 NONGOMA                  | 36 009                   | -          | 20 000      | 56 009          | 56 009          | -              | 20 000                                                    | 33 521                   | 33 521          |       |
| KZN266 ULUNDI                   | 44 888                   | -          | 30 000      | 74 888          | 74 888          | -              | 30 000                                                    | 52 489                   | 52 489          |       |
| DC26 ZULULAND DIST MUNICIPALITY | 259 530                  | -          | -           | 259 530         | 259 530         | -              | -                                                         | 269 111                  | 269 111         |       |
| KZN271 UMHlabuyalingana         | 39 523                   | -          | -           | 39 523          | 39 523          | -              | -                                                         | 36 754                   | 36 754          |       |
| KZN272 JOZINI                   | 42 381                   | -          | 22 000      | 64 381          | 64 381          | -              | 22 000                                                    | 51 381                   | 51 381          |       |
| KZN275 MTUBATUBA                | 35 867                   | -          | -           | 35 867          | 35 867          | -              | -                                                         | 33 391                   | 33 391          |       |
| KZN276 BIG FIVE/HLABISA LOC MUN | 23 874                   | -          | (1 374)     | 22 500          | 22 500          | -              | (1 374)                                                   | 22 360                   | 22 360          |       |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                        | 2022/23                  |            |                |                  |                  | 2021/22        |                                                           |                          |                  |  |
|---------------------------------------------|--------------------------|------------|----------------|------------------|------------------|----------------|-----------------------------------------------------------|--------------------------|------------------|--|
|                                             | GRANT ALLOCATION         |            |                |                  |                  | TRANSFER       |                                                           |                          |                  |  |
|                                             | DoRA and other transfers | Roll Overs | Adjustments    | Total Available  | Actual Transfer  | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer  |  |
|                                             | R'000                    | R'000      | R'000          | R'000            | R'000            | R'000          | R'000                                                     | R'000                    | R'000            |  |
| DC27 UMKHANYAKUDE DIST MUNICIPAL            | 247 281                  | -          | (30 000)       | 217 281          | 217 281          | -              | (30 000)                                                  | 163 844                  | 163 844          |  |
| KZN281 MFOLOZI                              | 29 491                   | -          | 15 000         | 44 491           | 44 491           | -              | 15 000                                                    | 42 526                   | 42 526           |  |
| KZN284 UMHLAZI                              | 45 827                   | -          | -              | 45 827           | 45 827           | -              | -                                                         | 42 551                   | 42 551           |  |
| KZN285 MTHONJANENI LOCAL MUN                | 30 039                   | -          | 18 500         | 48 539           | 48 539           | -              | 18 500                                                    | 28 832                   | 28 832           |  |
| KZN286 NKANDLA                              | 25 579                   | -          | -              | 25 579           | 25 579           | -              | -                                                         | 29 929                   | 29 929           |  |
| DC28 UTHUNGULU DIST MUNICIPALIKING CETSWAYO | 196 344                  | -          | -              | 196 344          | 196 344          | -              | -                                                         | 180 995                  | 180 995          |  |
| KZN291 MANDENI                              | 40 044                   | -          | -              | 40 044           | 40 044           | -              | -                                                         | 42 232                   | 42 232           |  |
| KZN292 KWADUKUZA                            | 68 871                   | -          | -              | 68 871           | 68 871           | -              | -                                                         | 61 549                   | 61 549           |  |
| KZN293 NDWEDWE                              | 33 627                   | -          | 8 000          | 41 627           | 41 627           | -              | 8 000                                                     | 40 331                   | 40 331           |  |
| KZN294 MAPHUMULO                            | 24 986                   | -          | -              | 24 986           | 24 986           | -              | -                                                         | 31 382                   | 31 382           |  |
| DC29 ILEMBE DISTRICT MUNICIPAL              | 221 475                  | -          | -              | 221 475          | 221 475          | -              | -                                                         | 217 109                  | 217 109          |  |
| KZN433 GRAETER KOKSTAD                      | 19 214                   | -          | -              | 19 214           | 19 214           | -              | -                                                         | 18 073                   | 18 073           |  |
| KZN434 UBUHLEBEZWE                          | 30 291                   | -          | -              | 30 291           | 30 291           | -              | -                                                         | 32 262                   | 32 262           |  |
| KZN435 UMZIMKHULU                           | 49 281                   | -          | -              | 49 281           | 49 281           | -              | -                                                         | 45 728                   | 45 728           |  |
| KZN436 DR NKOSAZANA DLAMINI ZUMA            | 30 558                   | -          | -              | 30 558           | 30 558           | -              | -                                                         | 42 508                   | 42 508           |  |
| DC43 HARRY GWALA DISTRICT MUN               | 231 011                  | -          | -              | 231 011          | 231 011          | -              | -                                                         | 220 880                  | 220 880          |  |
| <b>TOTAL KWAZULU NATAL</b>                  | <b>3 663 143</b>         | <b>-</b>   | <b>175 700</b> | <b>3 838 843</b> | <b>3 838 843</b> | <b>-</b>       | <b>175 700</b>                                            | <b>3 585 280</b>         | <b>3 585 280</b> |  |
| -                                           | -                        | -          | -              | -                | -                | -              | -                                                         | -                        | -                |  |
| <b>LIMPOPO</b>                              | -                        | -          | -              | -                | -                | -              | -                                                         | -                        | -                |  |
| LIM471 EMPRAIM MOGALE                       | 37 821                   | -          | 19 000         | 56 821           | 56 821           | -              | 19 000                                                    | 30 189                   | 30 189           |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                           | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |       |
|------------------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|-------|
|                                                | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |       |
|                                                | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |       |
|                                                | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           | R'000 |
| LIM473 MAKHUDUTHAMAGA                          | 70 915                   | -          | 24 000      | 94 915          | 94 915          | -              | 24 000                                                    | 61 777                   | 61 777          |       |
| LIM472 ELIAS MOTSOLEDI                         | 62 606                   | -          | 32 000      | 94 606          | 94 606          | -              | 32 000                                                    | 57 984                   | 57 984          |       |
| LIM476 GRTR TUBATSE/FETAKGOMO                  | 96 588                   | -          | 30 000      | 126 588         | 126 588         | -              | 30 000                                                    | 74 240                   | 74 240          |       |
| DC47 GREATER SEKHUKHUNE DIST MUN               | 547 578                  | -          | (73 578)    | 474 000         | 474 000         | -              | (73 578)                                                  | 454 052                  | 454 052         |       |
| LIM331 GREATER GIYANI                          | 69 261                   | -          | (2 500)     | 66 761          | 66 761          | -              | (2 500)                                                   | 64 105                   | 64 105          |       |
| LIM332 GREATER LETABA                          | 65 707                   | -          | 15 000      | 80 707          | 80 707          | -              | 15 000                                                    | 60 836                   | 60 836          |       |
| LIM333 GREATER TZANEEN                         | 119 004                  | -          | -           | 119 004         | 119 004         | -              | -                                                         | 161 741                  | 161 741         |       |
| LIM334 BAPHALABORWA                            | 36 186                   | -          | -           | 36 186          | 36 186          | -              | -                                                         | 31 748                   | 31 748          |       |
| LIM335 MARULENG                                | 30 170                   | -          | 35 000      | 65 170          | 65 170          | -              | 35 000                                                    | 48 709                   | 48 709          |       |
| DC33 MOPANI DIST MUNICIPALITY                  | 523 460                  | -          | (42 431)    | 481 029         | 481 029         | -              | (42 431)                                                  | 436 797                  | 436 797         |       |
| LIM341 MUSINA LOCAL MUNICIPALITY               | 32 713                   | -          | -           | 32 713          | 32 713          | -              | -                                                         | 36 988                   | 36 988          |       |
| LIM343 THULAMELA LOCAL MUN                     | 113 912                  | -          | 30 000      | 143 912         | 143 912         | -              | 30 000                                                    | 111 174                  | 111 174         |       |
| LIM344 MAKHADO                                 | 102 597                  | -          | -           | 102 597         | 102 597         | -              | -                                                         | 110 768                  | 110 768         |       |
| LIM345 NEW LOCAL MUNICIPALITY/ COLLINS CHABANE | 93 889                   | -          | 45 000      | 138 889         | 138 889         | -              | 45 000                                                    | 114 758                  | 114 758         |       |
| DC34 VHEMBE DIST MUNICIPALITY                  | 593 243                  | -          | -           | 593 243         | 593 243         | -              | -                                                         | 546 054                  | 546 054         |       |
| LIM351 BLOUBERG LOCAL MUN                      | 50 408                   | -          | 21 290      | 71 698          | 71 698          | -              | 21 290                                                    | 80 764                   | 80 764          |       |
| LIM353 MOLEMOLE LOCAL MUN                      | 39 792                   | -          | -           | 39 792          | 39 792          | -              | -                                                         | 37 000                   | 37 000          |       |
| LIM355 LEPELLENKUMPI                           | 61 628                   | -          | (12 000)    | 49 628          | 49 628          | -              | (12 000)                                                  | 57 085                   | 57 085          |       |
| DC35 CAPRICORN DIST MUNICIPALITY               | 265 547                  | -          | (22 000)    | 243 547         | 243 547         | -              | (22 000)                                                  | 244 646                  | 244 646         |       |
| LIM361 THABAZIMBI                              | 37 573                   | -          | (15 029)    | 22 544          | 22 544          | -              | (15 029)                                                  | 34 960                   | 34 960          |       |
| LIM362 LEPHALALE                               | 59 592                   | -          | (8 415)     | 51 177          | 51 177          | -              | (8 415)                                                   | 46 014                   | 46 014          |       |

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for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | 2022/23                  |            |               |                  |                  | 2021/22        |                                                            |                          |                  |  |
|----------------------------------|--------------------------|------------|---------------|------------------|------------------|----------------|------------------------------------------------------------|--------------------------|------------------|--|
|                                  | GRANT ALLOCATION         |            |               |                  |                  | TRANSFER       |                                                            |                          |                  |  |
|                                  | DoRA and other transfers | Roll Overs | Adjustments   | Total Available  | Actual Transfer  | Funds Withheld | Re-allocations by National Treasury or National Department | DoRA and other transfers | Actual Transfer  |  |
|                                  | R'000                    | R'000      | R'000         | R'000            | R'000            | R'000          | R'000                                                      | R'000                    | R'000            |  |
| LIM366 BELA BELA                 | 29 130                   | -          | -             | 29 130           | 29 130           | -              | -                                                          | 27 194                   | 27 194           |  |
| LIM367 MOGALAKWENA               | 179 727                  | -          | -             | 179 727          | 179 727          | -              | -                                                          | 130 622                  | 130 622          |  |
| LIM368 MODIMOLLE/MOOKGOPONG L MN | 43 725                   | -          | -             | 43 725           | 43 725           | -              | -                                                          | 40 617                   | 40 617           |  |
| <b>TOTAL LIMPOPO</b>             | <b>3 362 772</b>         | <b>-</b>   | <b>75 337</b> | <b>3 438 109</b> | <b>3 438 109</b> | <b>-</b>       | <b>75 337</b>                                              | <b>3 100 822</b>         | <b>3 100 822</b> |  |
| -                                | -                        | -          | -             | -                | -                | -              | -                                                          | -                        | -                |  |
| <b>MPUMALANGA</b>                | -                        | -          | -             | -                | -                | -              | -                                                          | -                        | -                |  |
| MP301 ALBERT LUTHULI             | 99 706                   | -          | -             | 99 706           | 99 706           | -              | -                                                          | 92 108                   | 92 108           |  |
| MP302 MSUKALINGWA                | 60 055                   | -          | -             | 60 055           | 60 055           | -              | -                                                          | 55 638                   | 55 638           |  |
| MP303 MKHONDO                    | 89 625                   | -          | -             | 89 625           | 89 625           | -              | -                                                          | 92 836                   | 92 836           |  |
| MP304 PIXLEY KA SEME             | 29 722                   | -          | -             | 29 722           | 29 722           | -              | -                                                          | 25 238                   | 25 238           |  |
| MP305 LEKWA                      | 32 514                   | -          | -             | 32 514           | 32 514           | -              | -                                                          | 50 307                   | 50 307           |  |
| MP306 DIPALESENG                 | 20 943                   | -          | -             | 20 943           | 20 943           | -              | -                                                          | 27 417                   | 27 417           |  |
| MP307 GOVAN MBEKI                | 65 932                   | -          | -             | 65 932           | 65 932           | -              | -                                                          | 51 526                   | 51 526           |  |
| MP311 VICTOR KHANYE              | 27 976                   | -          | -             | 27 976           | 27 976           | -              | -                                                          | 26 134                   | 26 134           |  |
| MP312 EMALAHLENI                 | 137 675                  | -          | -             | 137 675          | 137 675          | -              | -                                                          | 127 032                  | 127 032          |  |
| MP314 EMAKHAZENI                 | 20 272                   | -          | -             | 20 272           | 20 272           | -              | -                                                          | 19 046                   | 19 046           |  |
| MP315 THEMBSILE                  | 141 661                  | -          | -             | 141 661          | 141 661          | -              | -                                                          | 130 698                  | 130 698          |  |
| MP316 DR JS MOROKA               | 153 660                  | -          | -             | 153 660          | 153 660          | -              | -                                                          | 132 482                  | 132 482          |  |
| MP321 THABA CHWEU                | 53 907                   | -          | -             | 53 907           | 53 907           | -              | -                                                          | 49 982                   | 49 982           |  |
| MP324 NKOMAZI                    | 258 939                  | -          | 65 000        | 323 939          | 323 939          | -              | 65 000                                                     | 258 568                  | 258 568          |  |
| MP325 BUSHBUCKRIDGE              | 430 851                  | -          | -             | 430 851          | 430 851          | -              | -                                                          | 396 689                  | 396 689          |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY         | 2022/23                  |            |               |                  |                  | 2021/22        |                                                           |                          |                  |  |
|------------------------------|--------------------------|------------|---------------|------------------|------------------|----------------|-----------------------------------------------------------|--------------------------|------------------|--|
|                              | GRANT ALLOCATION         |            |               |                  |                  | TRANSFER       |                                                           |                          |                  |  |
|                              | DoRA and other transfers | Roll Overs | Adjustments   | Total Available  | Actual Transfer  | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer  |  |
|                              | R'000                    | R'000      | R'000         | R'000            | R'000            | R'000          | R'000                                                     | R'000                    | R'000            |  |
| MP326 MBOMBELAUJINDI LOC MUN | 384 362                  | -          | -             | 384 362          | 384 362          | -              | -                                                         | 353 929                  | 353 929          |  |
| -                            | -                        | -          | -             | -                | -                | -              | -                                                         | -                        | -                |  |
| <b>TOTAL MPUMALANGA</b>      | <b>2 007 800</b>         | <b>-</b>   | <b>65 000</b> | <b>2 072 800</b> | <b>2 072 800</b> | <b>-</b>       | <b>65 000</b>                                             | <b>1 889 630</b>         | <b>1 889 630</b> |  |
| <b>NORTHERN CAPE</b>         | -                        | -          | -             | -                | -                | -              | -                                                         | -                        | -                |  |
| NC451 JOE MOROLONG           | 68 496                   | -          | 16 463        | 84 959           | 84 959           | -              | 16 463                                                    | 6 161                    | 6 161            |  |
| NC452 GASEGONYANA            | 60 738                   | -          | 15 000        | 75 738           | 75 738           | -              | 15 000                                                    | 10 017                   | 10 017           |  |
| NC453 GAMAGARA               | 12 908                   | -          | (3 450)       | 9 458            | 9 458            | -              | (3 450)                                                   | 13 708                   | 13 708           |  |
| NC061 RICHTERSVELD           | 7 697                    | -          | -             | 7 697            | 7 697            | -              | -                                                         | 10 051                   | 10 051           |  |
| NC062 NAMA KHOI              | 16 070                   | -          | (5 165)       | 10 905           | 10 905           | -              | (5 165)                                                   | 14 276                   | 14 276           |  |
| NC064 KAMIESBERG             | 7 945                    | -          | -             | 7 945            | 7 945            | -              | -                                                         | 14 942                   | 14 942           |  |
| NC065 HANTAM                 | 10 493                   | -          | -             | 10 493           | 10 493           | -              | -                                                         | 6 274                    | 6 274            |  |
| NC066 KAROO HOOGLAND         | 17 562                   | -          | -             | 17 562           | 17 562           | -              | -                                                         | 16 887                   | 16 887           |  |
| NC067 KHAIMA                 | 8 200                    | -          | (6 200)       | 2 000            | 2 000            | -              | (6 200)                                                   | 10 096                   | 10 096           |  |
| NC071 UBUNTU                 | 10 735                   | -          | 5 000         | 15 735           | 15 735           | -              | 5 000                                                     | 5 224                    | 5 224            |  |
| NC072 UMSOBOMVU              | 21 988                   | -          | (7 000)       | 14 988           | 14 988           | -              | (7 000)                                                   | 3 000                    | 3 000            |  |
| NC073 EMTHANJENI             | 22 759                   | -          | (3 759)       | 19 000           | 19 000           | -              | (3 759)                                                   | 7 222                    | 7 222            |  |
| NC074 KAREEBERG              | 19 506                   | -          | (16 506)      | 3 000            | 3 000            | -              | (16 506)                                                  | 26 110                   | 26 110           |  |
| NC075 RENOSTERBERG           | 7 862                    | -          | 8 000         | 15 862           | 15 862           | -              | 8 000                                                     | 10 020                   | 10 020           |  |
| NC076 THEMBELIHLE            | 10 134                   | -          | -             | 10 134           | 10 134           | -              | -                                                         | 18 485                   | 18 485           |  |
| NC077 SNATHEMBA              | 10 572                   | -          | (2 572)       | 8 000            | 8 000            | -              | (2 572)                                                   | 11 040                   | 11 040           |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY       | 2022/23                  |            |              |                 |                 | 2021/22        |                                                           |                          |                 |                |
|----------------------------|--------------------------|------------|--------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|----------------|
|                            | GRANT ALLOCATION         |            |              |                 |                 | TRANSFER       |                                                           |                          |                 |                |
|                            | DoRA and other transfers | Roll Overs | Adjustments  | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |                |
|                            | R'000                    | R'000      | R'000        | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |                |
| NC078 SIYANCUMA            | 18 395                   | -          | (13 395)     | 5 000           | 5 000           | -              | (13 395)                                                  | 28 187                   | 28 187          |                |
| NC082 IKAL ! GARIB         | 25 097                   | -          | (20 097)     | 5 000           | 5 000           | -              | (20 097)                                                  | 44 227                   | 44 227          |                |
| NC084 IKHEIS               | 11 567                   | -          | -            | 11 567          | 11 567          | -              | -                                                         | 26 323                   | 26 323          |                |
| NC085 TSANTSABANE          | 17 165                   | -          | (5 165)      | 12 000          | 12 000          | -              | (5 165)                                                   | 21 370                   | 21 370          |                |
| NC086 KGATELOPELE          | 8 510                    | -          | 40 000       | 48 510          | 48 510          | -              | 40 000                                                    | 9 041                    | 9 041           |                |
| NC087 DAVID KRUIPER        | 28 183                   | -          | -            | 28 183          | 28 183          | -              | -                                                         | 13 069                   | 13 069          |                |
| NC092 DIKGATLONG           | 21 763                   | -          | -            | 21 763          | 21 763          | -              | -                                                         | 85 401                   | 85 401          |                |
| NC093 MAGARENG             | 18 612                   | -          | -            | 18 612          | 18 612          | -              | -                                                         | 56 267                   | 56 267          |                |
| NC094 PHOKWANE             | 29 538                   | -          | -            | 29 538          | 29 538          | -              | -                                                         | 4 750                    | 4 750           |                |
| <b>TOTAL NORTHERN CAPE</b> | <b>492 495</b>           | <b>-</b>   | <b>1 154</b> | <b>493 649</b>  | <b>493 649</b>  | <b>-</b>       | <b>1 154</b>                                              | <b>472 148</b>           | <b>472 148</b>  | <b>472 148</b> |
| -                          | -                        | -          | -            | -               | -               | -              | -                                                         | -                        | -               | -              |
| <b>NORTH WEST</b>          | -                        | -          | -            | -               | -               | -              | -                                                         | -                        | -               | -              |
| NW371 MORETELE             | 131 680                  | -          | -            | 131 680         | 131 680         | -              | -                                                         | 121 516                  | 121 516         |                |
| NW372 MADIBENG             | 324 408                  | -          | (120 408)    | 204 000         | 204 000         | -              | (120 408)                                                 | 294 785                  | 294 785         |                |
| NW373 RUSTENBURG           | 270 530                  | -          | (39 341)     | 231 189         | 231 189         | -              | (39 341)                                                  | 249 229                  | 249 229         |                |
| NW374 KGETLENGRIVIER       | 29 056                   | -          | -            | 29 056          | 29 056          | -              | -                                                         | 24 126                   | 24 126          |                |
| NW375 MOSES KOTANE         | 171 967                  | -          | (18 134)     | 153 833         | 153 833         | -              | (18 134)                                                  | 147 571                  | 147 571         |                |
| NW381 RATLOU               | 33 155                   | -          | (9 262)      | 23 893          | 23 893          | -              | (9 262)                                                   | 25 197                   | 25 197          |                |
| NW382 TSWAING              | 33 010                   | -          | 10 000       | 43 010          | 43 010          | -              | 10 000                                                    | 22 763                   | 22 763          |                |
| NW383 MAFIKENG             | 80 187                   | -          | 40 000       | 120 187         | 120 187         | -              | 40 000                                                    | 84 679                   | 84 679          |                |
| NW384 DITSOBOTLA           | 41 395                   | -          | (8 720)      | 32 675          | 32 675          | -              | (8 720)                                                   | 38 475                   | 38 475          |                |

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| NAME OF MUNICIPALITY             | 2022/23                  |            |                  |                  |                  | 2021/22        |                                                           |                          |                  |  |
|----------------------------------|--------------------------|------------|------------------|------------------|------------------|----------------|-----------------------------------------------------------|--------------------------|------------------|--|
|                                  | GRANT ALLOCATION         |            |                  |                  |                  | TRANSFER       |                                                           |                          |                  |  |
|                                  | DoRA and other transfers | Roll Overs | Adjustments      | Total Available  | Actual Transfer  | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer  |  |
|                                  | R'000                    | R'000      | R'000            | R'000            | R'000            | R'000          | R'000                                                     | R'000                    | R'000            |  |
| NW385 RAMOTSHERE MOILOA          | 42 105                   | -          | -                | 42 105           | 42 105           | -              | -                                                         | 59 127                   | 59 127           |  |
| DC38 NGAKA MODIRI MOLEMA DIST MU | 344 835                  | -          | -                | 344 835          | 344 835          | -              | -                                                         | 317 573                  | 317 573          |  |
| NW392 NALEDI                     | 18 823                   | -          | 25 000           | 43 823           | 43 823           | -              | 25 000                                                    | 33 914                   | 33 914           |  |
| NW393 NAMUSA                     | 17 342                   | -          | (2 300)          | 15 042           | 15 042           | -              | (2 300)                                                   | 16 351                   | 16 351           |  |
| NW394 GREATER TAUNG              | 54 163                   | -          | -                | 54 163           | 54 163           | -              | -                                                         | 40 218                   | 40 218           |  |
| NW396 LEKWATEEMANE               | 16 300                   | -          | -                | 16 300           | 16 300           | -              | -                                                         | 15 394                   | 15 394           |  |
| NW397 MOLOPOKAGISANO             | 33 926                   | -          | -                | 33 926           | 33 926           | -              | -                                                         | 41 114                   | 41 114           |  |
| DC39 DR RUTH SEGOMTSI MUN        | 158 928                  | -          | -                | 158 928          | 158 928          | -              | -                                                         | 146 579                  | 146 579          |  |
| NW403 CITY OF MATLOSANA          | 100 187                  | -          | (11 000)         | 89 187           | 89 187           | -              | (11 000)                                                  | 97 551                   | 97 551           |  |
| NW404 MAQUASSI HILLS             | 31 782                   | -          | -                | 31 782           | 31 782           | -              | -                                                         | 39 632                   | 39 632           |  |
| NW405 VENTERSDORP/TLOKWE LOC MN  | 76 186                   | -          | (28 871)         | 47 315           | 47 315           | -              | (28 871)                                                  | 62 975                   | 62 975           |  |
| <b>TOTAL NORTH WEST</b>          | <b>2 009 965</b>         | <b>-</b>   | <b>(163 036)</b> | <b>1 846 929</b> | <b>1 846 929</b> | <b>-</b>       | <b>(163 036)</b>                                          | <b>1 878 769</b>         | <b>1 878 769</b> |  |
| -                                | -                        | -          | -                | -                | -                | -              | -                                                         | -                        | -                |  |
| <b>WESTERN CAPE</b>              | -                        | -          | -                | -                | -                | -              | -                                                         | -                        | -                |  |
| WC011 MATZIKAMA                  | 23 817                   | -          | -                | 23 817           | 23 817           | -              | -                                                         | 22 308                   | 22 308           |  |
| WC012 CEDERBERG                  | 17 309                   | -          | (5 200)          | 12 109           | 12 109           | -              | (5 200)                                                   | 16 320                   | 16 320           |  |
| WC013 BERGRIVIER                 | 16 017                   | -          | -                | 16 017           | 16 017           | -              | -                                                         | 15 134                   | 15 134           |  |
| WC014 SALDANIHA BAY              | 21 634                   | -          | (2 266)          | 19 368           | 19 368           | -              | (2 266)                                                   | 20 299                   | 20 299           |  |
| WC015 SWARTLAND                  | 33 810                   | -          | -                | 33 810           | 33 810           | -              | -                                                         | 26 301                   | 26 301           |  |
| WC022 WITZENBERG                 | 25 091                   | -          | -                | 25 091           | 25 091           | -              | -                                                         | 24 980                   | 24 980           |  |
| WC025 BREEDEVALLEY               | 44 987                   | -          | -                | 44 987           | 44 987           | -              | -                                                         | 36 260                   | 36 260           |  |

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for the year ended 31 March 2023

| NAME OF MUNICIPALITY                          | 2022/23                  |            |                 |                   |                   | 2021/22        |                                                           |                          |                   |
|-----------------------------------------------|--------------------------|------------|-----------------|-------------------|-------------------|----------------|-----------------------------------------------------------|--------------------------|-------------------|
|                                               | GRANT ALLOCATION         |            |                 |                   |                   | TRANSFER       |                                                           |                          |                   |
|                                               | DoRA and other transfers | Roll Overs | Adjustments     | Total Available   | Actual Transfer   | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer   |
|                                               | R'000                    | R'000      | R'000           | R'000             | R'000             | R'000          | R'000                                                     | R'000                    | R'000             |
| WC026 LANGEBOEG                               | 24 597                   | -          | -               | 24 597            | 24 597            | -              | -                                                         | 23 025                   | 23 025            |
| WC031 THEEWATERSKLOOF                         | 29 728                   | -          | -               | 29 728            | 29 728            | -              | -                                                         | 25 602                   | 25 602            |
| WC032 OVERSTRAND                              | 24 628                   | -          | -               | 24 628            | 24 628            | -              | -                                                         | 21 053                   | 21 053            |
| WC033 CAPE AGULHAS                            | 11 929                   | -          | -               | 11 929            | 11 929            | -              | -                                                         | 11 373                   | 11 373            |
| WC034 SWELLENIDAM                             | 13 005                   | -          | -               | 13 005            | 13 005            | -              | -                                                         | 12 362                   | 12 362            |
| WC041 KANNALAND                               | 11 083                   | -          | (1 920)         | 9 163             | 9 163             | -              | (1 920)                                                   | 10 594                   | 10 594            |
| WC042 HESSEQUA                                | 24 982                   | -          | -               | 24 982            | 24 982            | -              | -                                                         | 14 181                   | 14 181            |
| WC043 MOSSEL BAY                              | 27 046                   | -          | -               | 27 046            | 27 046            | -              | -                                                         | 25 277                   | 25 277            |
| WC044 GEORGE                                  | 45 508                   | -          | -               | 45 508            | 45 508            | -              | -                                                         | 42 262                   | 42 262            |
| WC045 OUDTSHOORN                              | 33 325                   | -          | -               | 33 325            | 33 325            | -              | -                                                         | 22 775                   | 22 775            |
| WC047 BITOU                                   | 22 508                   | -          | -               | 22 508            | 22 508            | -              | -                                                         | 30 104                   | 30 104            |
| WC048 KNYSNA                                  | 39 114                   | -          | (9 400)         | 29 714            | 29 714            | -              | (9 400)                                                   | 24 460                   | 24 460            |
| WC051 LAINGSBURG                              | 6 870                    | -          | -               | 6 870             | 6 870             | -              | -                                                         | 5 519                    | 5 519             |
| WC052 PRINCE ALBERT                           | 7 956                    | -          | -               | 7 956             | 7 956             | -              | -                                                         | 9 718                    | 9 718             |
| WC053 BEAUFORT WEST                           | 15 353                   | -          | (5 800)         | 9 553             | 9 553             | -              | (5 800)                                                   | 14 521                   | 14 521            |
| <b>TOTAL WESTERN CAPE</b>                     | <b>520 297</b>           | <b>-</b>   | <b>(24 586)</b> | <b>495 711</b>    | <b>495 711</b>    | <b>-</b>       | <b>(24 586)</b>                                           | <b>454 428</b>           | <b>454 428</b>    |
| -                                             | -                        | -          | -               | -                 | -                 | -              | -                                                         | -                        | -                 |
| <b>TOTAL MIG</b>                              | <b>16 842 001</b>        | <b>-</b>   | <b>-</b>        | <b>16 842 001</b> | <b>16 842 001</b> | <b>-</b>       | <b>-</b>                                                  | <b>15 592 748</b>        | <b>15 592 748</b> |
| -                                             | -                        | -          | -               | -                 | -                 | -              | -                                                         | -                        | -                 |
| <b>LOCAL GOVERNMENT EQUITABLE SHARE GRANT</b> | <b>-</b>                 | <b>-</b>   | <b>-</b>        | <b>-</b>          | <b>-</b>          | <b>-</b>       | <b>-</b>                                                  | <b>-</b>                 | <b>-</b>          |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY               | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |   |
|------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|---|
|                                    | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |   |
|                                    | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |   |
|                                    | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |   |
| -                                  | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               | - |
| M 004 EC: MUNICIPALITIES           | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               | - |
| TOTAL M 006 BUF BUFFALO CITY       | 1 045 448                | -          | -           | 1 045 448       | 1 045 448       | -              | -                                                         | 936 811                  | 936 811         | - |
| TOTAL M 006 NMA NELSON MANDELA BAY | 1 288 228                | -          | -           | 1 288 228       | 1 045 975       | -              | -                                                         | 1 143 807                | 1 089 614       | - |
| ECI01 DR BEYERS NAUDE LOCAL MUN    | 107 059                  | -          | -           | 107 059         | 107 059         | -              | -                                                         | 99 316                   | 99 316          | - |
| ECI02 BLUE CRANE ROUTE             | 63 385                   | -          | -           | 63 385          | 58 385          | -              | -                                                         | 58 178                   | 53 863          | - |
| ECI04 MAKANA                       | 113 634                  | -          | -           | 113 634         | 113 634         | -              | -                                                         | 103 061                  | 103 061         | - |
| ECI05 NDLAMBE                      | 119 231                  | -          | -           | 119 231         | 119 231         | -              | -                                                         | 107 582                  | 107 582         | - |
| ECI06 SUNDAYS RIVER VALLEY         | 101 270                  | -          | -           | 101 270         | 95 989          | -              | -                                                         | 90 418                   | 90 418          | - |
| ECI08 KOUGA                        | 163 292                  | -          | -           | 163 292         | 163 292         | -              | -                                                         | 143 774                  | 143 774         | - |
| ECI09 KOUKAMA                      | 60 474                   | -          | -           | 60 474          | 60 474          | -              | -                                                         | 54 362                   | 54 362          | - |
| DCI0 SARAH BAARTMAN DISTRICT MUN   | 104 576                  | -          | -           | 104 576         | 102 564         | -              | -                                                         | 100 709                  | 100 540         | - |
| ECI21 MBHASHE                      | 294 923                  | -          | -           | 294 923         | 294 923         | -              | -                                                         | 271 935                  | 270 297         | - |
| ECI22 MNQUMA                       | 307 329                  | -          | -           | 307 329         | 307 329         | -              | -                                                         | 282 161                  | 280 299         | - |
| ECI23 GREAT KEI                    | 50 186                   | -          | -           | 50 186          | 50 186          | -              | -                                                         | 46 595                   | 46 102          | - |
| ECI24 AMAHLATI                     | 124 987                  | -          | -           | 124 987         | 124 987         | -              | -                                                         | 115 504                  | 115 504         | - |
| ECI26 NGQUSHWA                     | 97 609                   | -          | -           | 97 609          | 97 609          | -              | -                                                         | 90 290                   | 83 407          | - |
| ECI29 RAYMOND MHLABA               | 204 622                  | -          | -           | 204 622         | 204 622         | -              | -                                                         | 189 927                  | 189 927         | - |
| DCI2 AMATOLE DIST MUNICIPALITY     | 1 025 616                | -          | -           | 1 025 616       | 959 327         | -              | -                                                         | 939 262                  | 939 262         | - |
| ECI31 INXUBA YETHEMBA              | 50 744                   | -          | -           | 50 744          | 50 744          | -              | -                                                         | 46 699                   | 46 699          | - |
| ECI35 INTSIKA YETHU                | 187 928                  | -          | -           | 187 928         | 181 639         | -              | -                                                         | 173 443                  | 170 913         | - |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                  | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |   |
|---------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|---|
|                                       | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |   |
|                                       | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |   |
|                                       | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |   |
| ECI36 EMALAHLENI                      | 146 186                  | -          | -           | 146 186         | 146 186         | -              | -                                                         | 135 035                  | 132 913         |   |
| ECI37 ENGCOBO                         | 175 143                  | -          | -           | 175 143         | 163 170         | -              | -                                                         | 161 714                  | 161 333         |   |
| ECI38 SAKHISIZWE                      | 80 323                   | -          | -           | 80 323          | 79 757          | -              | -                                                         | 74 331                   | 65 898          |   |
| ECI39 ENOCH MGJIMA LOCAL MUN          | 215 409                  | -          | -           | 215 409         | 215 409         | -              | -                                                         | 196 899                  | 196 899         |   |
| DCI3 CHRIS HANI DIST MUNICIPALIT      | 654 460                  | -          | -           | 654 460         | 638 328         | -              | -                                                         | 600 621                  | 600 569         |   |
| ECI41 ELUNDINI                        | 180 384                  | -          | -           | 180 384         | 179 453         | -              | -                                                         | 166 231                  | 166 231         |   |
| ECI42 SENQU                           | 177 125                  | -          | -           | 177 125         | 177 125         | -              | -                                                         | 163 362                  | 147 485         |   |
| ECI45 WALTER SIZULU                   | 70 586                   | -          | -           | 70 586          | 70 586          | -              | -                                                         | 64 368                   | 64 368          |   |
| DCI4 JOE DISTR MUNICIPALITY           | 334 540                  | -          | -           | 334 540         | 332 307         | -              | -                                                         | 302 992                  | 298 000         |   |
| ECI53 NGOUZA HILL                     | 310 567                  | -          | -           | 310 567         | 300 175         | -              | -                                                         | 283 556                  | 283 556         |   |
| ECI54 PORT ST JOHNS                   | 182 985                  | -          | -           | 182 985         | 179 967         | -              | -                                                         | 168 140                  | 163 475         |   |
| ECI55 NYANDENI                        | 313 293                  | -          | -           | 313 293         | 313 293         | -              | -                                                         | 286 893                  | 286 893         |   |
| ECI56 MHLONTLO                        | 217 727                  | -          | -           | 217 727         | 198 109         | -              | -                                                         | 200 960                  | 200 960         |   |
| ECI57 KI SABATA DALINDYEBO            | 404 115                  | -          | -           | 404 115         | 404 115         | -              | -                                                         | 365 575                  | 365 575         |   |
| DCI5 OR TAMBO DIST MUNICIPALITY       | 1 051 671                | -          | -           | 1 051 671       | 863 440         | -              | -                                                         | 950 456                  | 554 829         |   |
| EC442 UMZIMVUBU                       | 260 936                  | -          | -           | 260 936         | 260 936         | -              | -                                                         | 238 026                  | 238 026         |   |
| EC441 MATATIELE                       | 286 308                  | -          | -           | 286 308         | 286 308         | -              | -                                                         | 258 826                  | 258 826         |   |
| EC443 MBIZANA                         | 320 095                  | -          | -           | 320 095         | 320 095         | -              | -                                                         | 289 620                  | 289 620         |   |
| EC444 NTABANKULU                      | 149 587                  | -          | -           | 149 587         | 149 587         | -              | -                                                         | 133 703                  | 133 703         |   |
| DC44 ALFRED NZO DIST MUNICIPAL        | 686 652                  | -          | -           | 686 652         | 686 652         | -              | -                                                         | 618 487                  | 618 487         |   |
| <b>TOTAL M 004 EC: MUNICIPALITIES</b> | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               | - |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY               | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |   |
|------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|---|
|                                    | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |   |
|                                    | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |   |
|                                    | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |   |
| M 004 FS: MUNICIPALITIES           | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               | - |
| MANI MANGAUNG                      | 938 383                  | -          | -           | 938 383         | 646 683         | -              | -                                                         | 830 046                  | 811 667         |   |
| FSI 61 LETSEMENG                   | 79 028                   | -          | -           | 79 028          | 65 028          | -              | -                                                         | 70 307                   | 62 629          |   |
| FSI 62 KOPANONG                    | 103 546                  | -          | -           | 103 546         | 78 546          | -              | -                                                         | 93 005                   | 74 995          |   |
| FSI 63 MOHOKARE                    | 86 952                   | -          | -           | 86 952          | 61 246          | -              | -                                                         | 76 781                   | 58 172          |   |
| DCI 6 XHARIEP DISTRICT MUNICIPAL   | 49 161                   | -          | -           | 49 161          | 49 161          | -              | -                                                         | 47 192                   | 47 192          |   |
| FSI 81 MASILONYANA                 | 147 095                  | -          | -           | 147 095         | 137 087         | -              | -                                                         | 133 179                  | 128 151         |   |
| FSI 82 TOKOLOGO                    | 70 432                   | -          | -           | 70 432          | 68 502          | -              | -                                                         | 59 970                   | 55 996          |   |
| FSI 83 TSWELOPELE                  | 91 219                   | -          | -           | 91 219          | 91 219          | -              | -                                                         | 81 535                   | 81 535          |   |
| FSI 84 MATJHABENG                  | 628 523                  | -          | -           | 628 523         | 553 423         | -              | -                                                         | 561 595                  | 536 595         |   |
| FSI 85 NALA                        | 144 920                  | -          | -           | 144 920         | 142 632         | -              | -                                                         | 132 571                  | 129 932         |   |
| DCI 8 LEJWELEPUTSWA DIST MUNICIPAL | 144 044                  | -          | -           | 144 044         | 144 044         | -              | -                                                         | 138 217                  | 138 020         |   |
| FSI 91 SETSOTO                     | 234 466                  | -          | -           | 234 466         | 182 624         | -              | -                                                         | 212 318                  | 179 539         |   |
| FSI 92 DIHLABENG                   | 210 193                  | -          | -           | 210 193         | 190 193         | -              | -                                                         | 186 348                  | 186 348         |   |
| FSI 93 NKETOANA                    | 120 870                  | -          | -           | 120 870         | 112 693         | -              | -                                                         | 108 738                  | 102 128         |   |
| FSI 94 MALUTIAPHOFUNG              | 744 441                  | -          | -           | 744 441         | 743 235         | -              | -                                                         | 668 457                  | 630 835         |   |
| FSI 95 PHUMELELA                   | 93 052                   | -          | -           | 93 052          | 87 052          | -              | -                                                         | 83 614                   | 83 614          |   |
| FSI 96 MATSOPA                     | 102 426                  | -          | -           | 102 426         | 88 862          | -              | -                                                         | 91 947                   | 87 186          |   |
| DCI 9 THABO MOFUTSANYANE DIST MUN  | 130 459                  | -          | -           | 130 459         | 130 459         | -              | -                                                         | 126 106                  | 125 196         |   |
| FS201 MOQHAKA                      | 257 433                  | -          | -           | 257 433         | 257 433         | -              | -                                                         | 230 417                  | 220 958         |   |
| FS203 NGWATHE                      | 241 451                  | -          | -           | 241 451         | 192 374         | -              | -                                                         | 215 960                  | 190 904         |   |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                  | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |
|---------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|
|                                       | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |
|                                       | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |
|                                       | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |
| FS204 METSIMAHOLO                     | 246 748                  | -          | -           | 246 748         | 242 194         | -              | -                                                         | 214 398                  | 214 398         |
| FS205 MAFUBE                          | 118 903                  | -          | -           | 118 903         | 106 903         | -              | -                                                         | 107 146                  | 96 227          |
| DC20 FEZILE DABI DIST MUNICIPAL       | 168 576                  | -          | -           | 168 576         | 168 576         | -              | -                                                         | 164 035                  | 162 540         |
| <b>TOTAL M 004 FS: MUNICIPALITIES</b> | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| M 004 GP: MUNICIPALITIES              | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| EKU EKURHULENI METRO                  | 4 606 943                | -          | -           | 4 606 943       | 4 604 030       | -              | -                                                         | 4 026 213                | 4 026 213       |
| JHB CITY OF JOHANNESBURG              | 6 279 400                | -          | -           | 6 279 400       | 5 643 542       | -              | -                                                         | 5 467 766                | 5 381 548       |
| TSH CITY OF TSHWANE                   | 3 551 250                | -          | -           | 3 551 250       | 3 366 807       | -              | -                                                         | 3 088 576                | 3 003 279       |
| GT421 EMFULENI                        | 971 061                  | -          | -           | 971 061         | 954 712         | -              | -                                                         | 863 908                  | 807 327         |
| GT422 MIDVAAL                         | 143 164                  | -          | -           | 143 164         | 140 751         | -              | -                                                         | 124 899                  | 124 899         |
| GT423 LESEDI                          | 181 382                  | -          | -           | 181 382         | 181 319         | -              | -                                                         | 157 951                  | 154 785         |
| DC42 SEDIBENG DISTRICT MUNICIPAL      | 293 991                  | -          | -           | 293 991         | 293 186         | -              | -                                                         | 285 545                  | 283 971         |
| GT481 MOGALE CITY                     | 539 525                  | -          | -           | 539 525         | 539 525         | -              | -                                                         | 471 790                  | 471 790         |
| GT484 MERAFOG CITY                    | 259 031                  | -          | -           | 259 031         | 259 007         | -              | -                                                         | 229 859                  | 220 510         |
| GT485 NEW LOC                         | 393 139                  | -          | -           | 393 139         | 388 113         | -              | -                                                         | 346 639                  | 343 039         |
| MUN(RNDFENTN&WSTNR)                   |                          |            |             |                 |                 |                |                                                           |                          |                 |
| DC48 WEST RAND DIST MUNICIPALITY      | 230 252                  | -          | -           | 230 252         | 230 252         | -              | -                                                         | 222 589                  | 222 589         |
| <b>TOTAL M 004 GP: MUNICIPALITIES</b> | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| M 004 KZN: MUNICIPALITIES             | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| ETH ETHEKWINI                         | 4 057 189                | -          | -           | 4 057 189       | 3 994 457       | -              | -                                                         | 3 580 447                | 3 564 753       |
| KZN212 UMDONI LOCAL MUNICIPALITY      | 162 218                  | -          | -           | 162 218         | 162 218         | -              | -                                                         | 147 611                  | 147 611         |
| KZN213 UMZUMBE                        | 154 862                  | -          | -           | 154 862         | 154 780         | -              | -                                                         | 143 164                  | 132 764         |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY            | 2022/23                  |            |             |                 |                 | 2021/22        |                                                            |                          |                 |       |
|---------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|------------------------------------------------------------|--------------------------|-----------------|-------|
|                                 | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                            |                          |                 |       |
|                                 | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | DoRA and other transfers | Actual Transfer |       |
|                                 | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                      | R'000                    | R'000           | R'000 |
| KZN214 UMJIZWABANTU             | 110 541                  | -          | -           | 110 541         | 110 541         | -              | -                                                          | 100 390                  | 100 390         |       |
| KZN216 RAY NKONYENI             | 260 646                  | -          | -           | 260 646         | 257 607         | -              | -                                                          | 233 214                  | 233 153         |       |
| DC21 UGU DISTRICT MUNICIPALITY  | 585 146                  | -          | -           | 585 146         | 585 146         | -              | -                                                          | 524 364                  | 524 364         |       |
| KZN221 UMSHWATHI                | 123 847                  | -          | -           | 123 847         | 123 847         | -              | -                                                          | 113 010                  | 113 010         |       |
| KZN222 UMINGENI                 | 88 389                   | -          | -           | 88 389          | 88 389          | -              | -                                                          | 77 509                   | 77 509          |       |
| KZN223 MPOFANA                  | 43 460                   | -          | -           | 43 460          | 43 460          | -              | -                                                          | 39 181                   | 39 181          |       |
| KZN224 IMPENDLE                 | 45 621                   | -          | -           | 45 621          | 45 621          | -              | -                                                          | 38 934                   | 38 934          |       |
| KZN225 MSUNDUZI                 | 696 056                  | -          | -           | 696 056         | 695 966         | -              | -                                                          | 616 262                  | 615 793         |       |
| KZN226 MKHAMBATHINI             | 77 519                   | -          | -           | 77 519          | 77 519          | -              | -                                                          | 70 470                   | 70 470          |       |
| KZN227 RICHMOND                 | 86 421                   | -          | -           | 86 421          | 86 378          | -              | -                                                          | 78 424                   | 78 306          |       |
| DC22 UMGJUNGUNDLOVU DIST MUN    | 669 855                  | -          | -           | 669 855         | 669 855         | -              | -                                                          | 608 552                  | 608 437         |       |
| KZN235 OKHAHLAMBA               | 149 733                  | -          | -           | 149 733         | 149 733         | -              | -                                                          | 137 472                  | 137 472         |       |
| KZN237 INKOSI ILANGALIBALELE    | 218 092                  | -          | -           | 218 092         | 218 092         | -              | -                                                          | 197 401                  | 197 401         |       |
| KZN238 ALFRED DUMA              | 285 377                  | -          | -           | 285 377         | 283 515         | -              | -                                                          | 258 163                  | 258 163         |       |
| DC23 UTHUKELA DIST MUNICIPALITY | 539 912                  | -          | -           | 539 912         | 527 936         | -              | -                                                          | 485 156                  | 484 901         |       |
| KZN241 UNIDUMENI                | 60 247                   | -          | -           | 60 247          | 59 991          | -              | -                                                          | 53 751                   | 53 751          |       |
| KZN242 NQUTHU                   | 169 636                  | -          | -           | 169 636         | 169 636         | -              | -                                                          | 151 247                  | 150 195         |       |
| KZN244 MSINGA                   | 206 533                  | -          | -           | 206 533         | 206 533         | -              | -                                                          | 182 530                  | 182 530         |       |
| KZN245 UMOVOTI                  | 162 289                  | -          | -           | 162 289         | 162 289         | -              | -                                                          | 145 819                  | 145 819         |       |
| DC24 UMZINYATHI DIST MUNICIPAL  | 453 007                  | -          | -           | 453 007         | 444 304         | -              | -                                                          | 402 121                  | 395 011         |       |
| KZN252 NEWCASTLE                | 466 902                  | -          | -           | 466 902         | 457 761         | -              | -                                                          | 417 790                  | 403 334         |       |

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for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|-------|
|                                  | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |       |
|                                  | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |       |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           | R'000 |
| KZN253 EMADLANGENI               | 36 076                   | -          | -           | 36 076          | 36 076          | -              | -                                                         | 33 467                   | 33 467          |       |
| KZN254 DANNHAUSER                | 108 935                  | -          | -           | 108 935         | 108 935         | -              | -                                                         | 100 522                  | 100 522         |       |
| DC25 AMAJUBA DIST MUNICIPALITY   | 201 814                  | -          | -           | 201 814         | 181 764         | -              | -                                                         | 184 017                  | 181 692         |       |
| KZN261 EDUMBE                    | 93 423                   | -          | -           | 93 423          | 93 029          | -              | -                                                         | 82 382                   | 82 382          |       |
| KZN262 UPHONGOLO                 | 169 597                  | -          | -           | 169 597         | 169 597         | -              | -                                                         | 153 601                  | 153 601         |       |
| KZN263 ABAQULUSI                 | 187 494                  | -          | -           | 187 494         | 187 494         | -              | -                                                         | 167 845                  | 167 581         |       |
| KZN265 NONGOMA                   | 189 932                  | -          | -           | 189 932         | 189 932         | -              | -                                                         | 170 818                  | 170 818         |       |
| KZN266 ULUNDI                    | 196 348                  | -          | -           | 196 348         | 196 348         | -              | -                                                         | 180 263                  | 180 263         |       |
| DC26 ZULULAND DIST MUNICIPALITY  | 586 391                  | -          | -           | 586 391         | 585 622         | -              | -                                                         | 524 645                  | 524 645         |       |
| KZN271 UHLABUYALINGANA           | 213 526                  | -          | -           | 213 526         | 211 832         | -              | -                                                         | 188 289                  | 188 289         |       |
| KZN272 JOZINI                    | 230 520                  | -          | -           | 230 520         | 230 520         | -              | -                                                         | 203 877                  | 203 877         |       |
| KZN275 MTUBATUBA                 | 215 419                  | -          | -           | 215 419         | 215 419         | -              | -                                                         | 188 307                  | 183 333         |       |
| KZN276 BIG FIVE/HLABISA LOC MUN  | 137 249                  | -          | -           | 137 249         | 137 238         | -              | -                                                         | 122 043                  | 122 043         |       |
| DC27 UMKHANYAKUDE DIST MUNICIPAL | 537 398                  | -          | -           | 537 398         | 499 595         | -              | -                                                         | 473 222                  | 426 022         |       |
| KZN281 MFOLOZI                   | 165 314                  | -          | -           | 165 314         | 165 314         | -              | -                                                         | 147 696                  | 147 350         |       |
| KZN282 UHLATHUZE LOCAL MUN       | 471 939                  | -          | -           | 471 939         | 471 939         | -              | -                                                         | 416 124                  | 416 124         |       |
| KZN284 UHLAZI                    | 226 733                  | -          | -           | 226 733         | 226 654         | -              | -                                                         | 206 125                  | 206 125         |       |
| KZN285 MTHONJANENI LOCAL MUN     | 93 695                   | -          | -           | 93 695          | 93 695          | -              | -                                                         | 86 810                   | 85 080          |       |
| KZN286 NIKANDLA                  | 114 409                  | -          | -           | 114 409         | 114 409         | -              | -                                                         | 105 809                  | 105 809         |       |
| DC28 UTHUNGULU DIST MUNICIPAL    | 647 196                  | -          | -           | 647 196         | 644 612         | -              | -                                                         | 590 849                  | 590 849         |       |
| KZN291 MANDENI                   | 212 818                  | -          | -           | 212 818         | 209 944         | -              | -                                                         | 191 149                  | 189 110         |       |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                  | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |  |
|---------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|--|
|                                       | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |  |
|                                       | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |  |
|                                       | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |  |
| KZN292 KWADUKUZA                      | 228 012                  | -          | -           | 228 012         | 228 012         | -              | -                                                         | 198 138                  | 193 198         |  |
| KZN293 NDWEDWE                        | 181 613                  | -          | -           | 181 613         | 181 613         | -              | -                                                         | 165 366                  | 165 366         |  |
| KZN294 MAPHUMULO                      | 108 314                  | -          | -           | 108 314         | 108 314         | -              | -                                                         | 98 940                   | 98 940          |  |
| DC29 ILEMBE DISTRICT MUNICIPAL        | 680 949                  | -          | -           | 680 949         | 680 949         | -              | -                                                         | 600 260                  | 600 260         |  |
| KZN433 GRAETER KOKSTAD                | 75 091                   | -          | -           | 75 091          | 75 091          | -              | -                                                         | 68 350                   | 68 350          |  |
| KZN434 UBUHLEBEZWE                    | 131 712                  | -          | -           | 131 712         | 131 712         | -              | -                                                         | 121 143                  | 118 257         |  |
| KZN435 UMZIMKHULU                     | 230 678                  | -          | -           | 230 678         | 190 811         | -              | -                                                         | 210 352                  | 210 352         |  |
| KZN436 DR NKOSAZANA DLAMINI ZUMA      | 152 466                  | -          | -           | 152 466         | 152 466         | -              | -                                                         | 139 476                  | 139 476         |  |
| DC43 HARRY GWALA DISTRICT MUN         | 432 161                  | -          | -           | 432 161         | 432 161         | -              | -                                                         | 387 013                  | 387 013         |  |
| <b>TOTAL M 004 KZN:MUNICIPALITIES</b> | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |  |
| M 004 LP:MUNICIPALITIES               | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |  |
| LIM471 EMPRAIM MOGALE                 | 178 826                  | -          | -           | 178 826         | 178 826         | -              | -                                                         | 162 471                  | 162 471         |  |
| LIM473 MAKHUDUTHAMAGA                 | 324 200                  | -          | -           | 324 200         | 324 200         | -              | -                                                         | 296 332                  | 296 332         |  |
| LIM472 ELIAS MOTSOLEDI                | 334 260                  | -          | -           | 334 260         | 328 803         | -              | -                                                         | 302 788                  | 302 788         |  |
| LIM476 GRTR TUBATSE/FETAKGOMO         | 537 000                  | -          | -           | 537 000         | 518 024         | -              | -                                                         | 478 597                  | 478 498         |  |
| DC47 GREATER SEKHUKHUNE DIST MUN      | 989 172                  | -          | -           | 989 172         | 947 647         | -              | -                                                         | 878 832                  | 853 912         |  |
| LIM331 GREATER GIYANI                 | 352 203                  | -          | -           | 352 203         | 352 203         | -              | -                                                         | 320 318                  | 320 318         |  |
| LIM332 GREATER LETABA                 | 341 960                  | -          | -           | 341 960         | 341 960         | -              | -                                                         | 310 748                  | 310 748         |  |
| LIM333 GREATER TZANEEN                | 481 161                  | -          | -           | 481 161         | 479 694         | -              | -                                                         | 432 618                  | 431 330         |  |
| LIM334 BAPHALABORWA                   | 189 853                  | -          | -           | 189 853         | 188 935         | -              | -                                                         | 171 127                  | 169 872         |  |
| LIM335 MARULENG                       | 153 904                  | -          | -           | 153 904         | 150 102         | -              | -                                                         | 139 743                  | 139 743         |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                 | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |
|--------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|
|                                      | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |
|                                      | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers |
|                                      | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    |
| DC33 MOPANI DIST MUNICIPALITY        | 1 170 419                | -          | -           | 1 170 419       | 1 130 419       | -              | -                                                         | 1 044 405                |
| LIM341 MUSINA LOCAL MUNICIPALITY     | 193 793                  | -          | -           | 193 793         | 192 995         | -              | -                                                         | 169 864                  |
| LIM343 THULAMELA LOCAL MUN           | 547 969                  | -          | -           | 547 969         | 547 969         | -              | -                                                         | 495 781                  |
| LIM344 MAKHADO                       | 445 889                  | -          | -           | 445 889         | 445 889         | -              | -                                                         | 401 747                  |
| LIM345 NEW LOCAL MUNICIPALITY        | 454 043                  | -          | -           | 454 043         | 454 043         | -              | -                                                         | 412 284                  |
| DC34 VHEMBE DIST MUNICIPALITY        | 1 276 805                | -          | -           | 1 276 805       | 1 267 108       | -              | -                                                         | 1 134 436                |
| LIM351 BLOUBERG LOCAL MUN            | 221 256                  | -          | -           | 221 256         | 221 076         | -              | -                                                         | 203 615                  |
| LIM353 MOLEMOLE LOCAL MUN            | 168 761                  | -          | -           | 168 761         | 168 571         | -              | -                                                         | 155 513                  |
| LIM354 POLOKWANE LOCAL MUN           | 1 196 549                | -          | -           | 1 196 549       | 1 060 551       | -              | -                                                         | 1 055 884                |
| LIM355 LEPELLENKUMPI                 | 301 329                  | -          | -           | 301 329         | 295 205         | -              | -                                                         | 275 926                  |
| DC35 CAPRICORN DIST MUNICIPALITY     | 730 232                  | -          | -           | 730 232         | 729 959         | -              | -                                                         | 666 269                  |
| LIM361 THABAZIMBI                    | 122 061                  | -          | -           | 122 061         | 107 300         | -              | -                                                         | 107 453                  |
| LIM362 LEPHALE                       | 202 071                  | -          | -           | 202 071         | 202 071         | -              | -                                                         | 174 746                  |
| LIM366 BELA BELA                     | 117 909                  | -          | -           | 117 909         | 117 695         | -              | -                                                         | 104 441                  |
| LIM367 MOGALAKWENA                   | 535 476                  | -          | -           | 535 476         | 473 198         | -              | -                                                         | 483 337                  |
| LIM368 MODIMOLLE/MOOKGOPONG L MN     | 134 343                  | -          | -           | 134 343         | 132 643         | -              | -                                                         | 121 136                  |
| DC36 WATERBERG DIST MUNICIPALITY     | 145 500                  | -          | -           | 145 500         | 145 500         | -              | -                                                         | 140 217                  |
| <b>TOTAL M 004 LP:MUNICIPALITIES</b> | -                        | -          | -           | -               | -               | -              | -                                                         | -                        |
| M 004 MP:MUNICIPALITIES              | -                        | -          | -           | -               | -               | -              | -                                                         | -                        |
| MP301 ALBERT LUTHULI                 | 388 235                  | -          | -           | 388 235         | 388 235         | -              | -                                                         | 349 235                  |
| MP302 MSUKALINGWA                    | 227 520                  | -          | -           | 227 520         | 227 019         | -              | -                                                         | 199 442                  |
|                                      |                          |            |             |                 |                 |                |                                                           | 198 537                  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |  |
|----------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|--|
|                                  | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |  |
|                                  | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |  |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |  |
| MP303 MKHONDO                    | 303 974                  | -          | -           | 303 974         | 296 920         | -              | -                                                         | 269 849                  | 246 587         |  |
| MP304 PIXLEY KA SEME             | 146 850                  | -          | -           | 146 850         | 121 769         | -              | -                                                         | 132 763                  | 110 818         |  |
| MP305 LEKWA                      | 152 423                  | -          | -           | 152 423         | 152 423         | -              | -                                                         | 134 933                  | 134 297         |  |
| MP306 DIPALESENG                 | 91 860                   | -          | -           | 91 860          | 88 067          | -              | -                                                         | 82 053                   | 69 602          |  |
| MP307 GOVAN MBEKI                | 380 023                  | -          | -           | 380 023         | 337 678         | -              | -                                                         | 331 028                  | 319 638         |  |
| DC30 GERT SIBANDE DIST MUNICIPAL | 317 655                  | -          | -           | 317 655         | 317 655         | -              | -                                                         | 309 408                  | 309 408         |  |
| MP311 VICTOR KHANYE              | 127 094                  | -          | -           | 127 094         | 127 094         | -              | -                                                         | 111 897                  | 100 987         |  |
| MP312 EMALAHLENI                 | 493 518                  | -          | -           | 493 518         | 493 518         | -              | -                                                         | 426 204                  | 426 204         |  |
| MP313 STEVE TSHWETE              | 284 669                  | -          | -           | 284 669         | 284 669         | -              | -                                                         | 242 978                  | 242 978         |  |
| MP314 EMAKHAZENI                 | 80 242                   | -          | -           | 80 242          | 80 242          | -              | -                                                         | 71 791                   | 67 214          |  |
| MP315 THEMBSILE                  | 513 707                  | -          | -           | 513 707         | 513 707         | -              | -                                                         | 458 200                  | 458 200         |  |
| MP316 DR JS MOROKA               | 461 561                  | -          | -           | 461 561         | 461 561         | -              | -                                                         | 419 133                  | 419 133         |  |
| DC31 NKANGALA DIST MUNICIPALITY  | 388 810                  | -          | -           | 388 810         | 388 810         | -              | -                                                         | 378 547                  | 378 547         |  |
| MP321 THABA CHWEU                | 187 934                  | -          | -           | 187 934         | 187 838         | -              | -                                                         | 165 565                  | 163 238         |  |
| MP324 NKOMAZI                    | 725 681                  | -          | -           | 725 681         | 723 672         | -              | -                                                         | 646 530                  | 644 874         |  |
| MP325 BUSHBUCKRIDGE              | 979 294                  | -          | -           | 979 294         | 979 294         | -              | -                                                         | 879 945                  | 879 945         |  |
| MP326 MBOMBELA/UMJINDI LOC MUN   | 948 458                  | -          | -           | 948 458         | 888 406         | -              | -                                                         | 834 510                  | 834 510         |  |
| DC32 EHLANZENI DIST MUNICIPALITY | 284 129                  | -          | -           | 284 129         | 284 129         | -              | -                                                         | 274 698                  | 274 698         |  |
| TOTAL M 004 MP:MUNICIPALITIES    | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |  |
| M 004 NC: MUNICIPALITIES         | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |  |
| NC061 RICHTERSVELD               | 23 414                   | -          | -           | 23 414          | 169 246         | -              | -                                                         | 19 237                   | 14 662          |  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY              | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |       |
|-----------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|-------|
|                                   | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |       |
|                                   | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |       |
|                                   | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           | R'000 |
| NC062 NAMA KHOI                   | 58 610                   | -          | -           | 58 610          | 203 103         | -              | -                                                         | 52 966                   | 39 764          |       |
| NC064 KAMIESBERG                  | 30 608                   | -          | -           | 30 608          | 47 226          | -              | -                                                         | 25 023                   | 20 294          |       |
| NC065 HANTAM                      | 31 566                   | -          | -           | 31 566          | 102 257         | -              | -                                                         | 27 160                   | 24 734          |       |
| NC066 KAROO HOOGLAND              | 30 429                   | -          | -           | 30 429          | 23 085          | -              | -                                                         | 25 231                   | 21 231          |       |
| NC067 KHAIMA                      | 25 674                   | -          | -           | 25 674          | 43 629          | -              | -                                                         | 21 156                   | 20 011          |       |
| DC6 NAMAKWA DISTRICT MUNICIPALITY | 55 849                   | -          | -           | 55 849          | 25 925          | -              | -                                                         | 52 385                   | 52 385          |       |
| NC071 UBUNTU                      | 46 240                   | -          | -           | 46 240          | 31 566          | -              | -                                                         | 38 741                   | 31 024          |       |
| NC072 UMSOBOMVU                   | 64 182                   | -          | -           | 64 182          | 30 429          | -              | -                                                         | 56 140                   | 51 295          |       |
| NC073 EMTHANJENI                  | 55 218                   | -          | -           | 55 218          | 19 486          | -              | -                                                         | 49 935                   | 36 827          |       |
| NC074 KAREEBERG                   | 33 449                   | -          | -           | 33 449          | 55 849          | -              | -                                                         | 27 308                   | 11 378          |       |
| NC075 RENOSTERBERG                | 31 992                   | -          | -           | 31 992          | 45 697          | -              | -                                                         | 27 568                   | 24 999          |       |
| NC076 THEMBELIHLE                 | 33 949                   | -          | -           | 33 949          | 63 686          | -              | -                                                         | 28 135                   | 27 023          |       |
| NC077 SYATHEMBA                   | 42 278                   | -          | -           | 42 278          | 45 940          | -              | -                                                         | 36 942                   | 27 109          |       |
| NC078 SIYANCUMA                   | 58 828                   | -          | -           | 58 828          | -               | -              | -                                                         | 54 012                   | 42 495          |       |
| DC7 PIXLEY KA SEME DISTRICT MUN   | 59 758                   | -          | -           | 59 758          | 29 856          | -              | -                                                         | 55 175                   | 55 175          |       |
| NC082 IKAI ! GARIB                | 108 332                  | -          | -           | 108 332         | 33 433          | -              | -                                                         | 96 170                   | 87 936          |       |
| NC084 !KHEIS                      | 33 197                   | -          | -           | 33 197          | 38 858          | -              | -                                                         | 27 602                   | 19 758          |       |
| NC085 TSANTSABANE                 | 50 271                   | -          | -           | 50 271          | 39 520          | -              | -                                                         | 44 676                   | 41 578          |       |
| NC086 KGATELOPELE                 | 30 490                   | -          | -           | 30 490          | 59 758          | -              | -                                                         | 25 503                   | 25 405          |       |
| NC087 DAWID KRUIPER               | 106 741                  | -          | -           | 106 741         | 104 332         | -              | -                                                         | 95 002                   | 72 802          |       |
| DC8 Z.F. MQCAWU DISTRICT MUN      | 78 618                   | -          | -           | 78 618          | 28 497          | -              | -                                                         | 74 698                   | 74 698          |       |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |
|----------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|
|                                  | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |
|                                  | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |
| NC091 SOL PLAATJIE               | 239 158                  | -          | -           | 239 158         | 37 690          | -              | -                                                         | 212 328                  | 207 016         |
| NC092 DIKGATLONG                 | 108 029                  | -          | -           | 108 029         | 30 490          | -              | -                                                         | 95 491                   | 90 589          |
| NC093 MAGARENG                   | 57 991                   | -          | -           | 57 991          | 106 741         | -              | -                                                         | 51 086                   | 44 380          |
| NC094 PHOKWANE                   | 126 099                  | -          | -           | 126 099         | 78 618          | -              | -                                                         | 114 939                  | 94 939          |
| DC9 FRANCES BAARD DIST MUNICIPAL | 132 171                  | -          | -           | 132 171         | 232 560         | -              | -                                                         | 128 076                  | 128 076         |
| NC451 JOE MOROLONG               | 170 407                  | -          | -           | 170 407         | 102 507         | -              | -                                                         | 155 937                  | 155 937         |
| NC452 GASEGONYANA                | 210 902                  | -          | -           | 210 902         | 52 567          | -              | -                                                         | 185 019                  | 183 985         |
| NC453 GAMAGARA                   | 53 715                   | -          | -           | 53 715          | 105 488         | -              | -                                                         | 45 435                   | 26 466          |
| DC45 JOHN TAOLONG GAETSEWEWE MUN | 102 257                  | -          | -           | 102 257         | 132 171         | -              | -                                                         | 95 976                   | 95 976          |
| TOTAL M 004 NC: MUNICIPALITIES   | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| M 004 NW: MUNICIPALITIES         | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| NW371 MORETELE                   | 415 351                  | -          | -           | 415 351         | 402 160         | -              | -                                                         | 376 690                  | 376 501         |
| NW372 MADIBENG                   | 941 456                  | -          | -           | 941 456         | 941 331         | -              | -                                                         | 818 913                  | 813 257         |
| NW373 RUSTENBURG                 | 941 352                  | -          | -           | 941 352         | 815 802         | -              | -                                                         | 808 419                  | 762 188         |
| NW374 KGETLENGRIVIER             | 117 740                  | -          | -           | 117 740         | 107 680         | -              | -                                                         | 105 336                  | 97 363          |
| NW375 MOSES KOTANE               | 528 602                  | -          | -           | 528 602         | 527 985         | -              | -                                                         | 476 855                  | 464 043         |
| DC37 BOJANALA PLATINUM DIST MUN  | 381 952                  | -          | -           | 381 952         | 381 750         | -              | -                                                         | 366 729                  | 365 334         |
| NW381 RATLOU                     | 150 626                  | -          | -           | 150 626         | 148 997         | -              | -                                                         | 138 974                  | 138 609         |
| NW382 TSWAING                    | 140 780                  | -          | -           | 140 780         | 140 548         | -              | -                                                         | 128 758                  | 128 758         |
| NW383 MAFIKENG                   | 327 788                  | -          | -           | 327 788         | 327 788         | -              | -                                                         | 292 733                  | 292 733         |
| NW384 DITSOBOTLA                 | 159 232                  | -          | -           | 159 232         | 145 608         | -              | -                                                         | 143 161                  | 140 762         |

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for the year ended 31 March 2023

| NAME OF MUNICIPALITY                  | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |
|---------------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|
|                                       | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |
|                                       | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |
|                                       | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           |
| NW385 RAMOTSHERE MOILOA               | 215 223                  | -          | -           | 215 223         | 215 223         | -              | -                                                         | 195 823                  | 195 727         |
| DC38 NGAKA MODIRI MOLEMA DIST MU      | 974 124                  | -          | -           | 974 124         | 973 665         | -              | -                                                         | 873 573                  | 873 573         |
| NW392 NALEDI                          | 63 233                   | -          | -           | 63 233          | 62 576          | -              | -                                                         | 58 600                   | 46 627          |
| NW393 NAMUSA                          | 66 849                   | -          | -           | 66 849          | 59 307          | -              | -                                                         | 62 550                   | 62 550          |
| NW394 GREATER TAUNG                   | 231 374                  | -          | -           | 231 374         | 231 014         | -              | -                                                         | 212 988                  | 212 445         |
| NW396 LEKWATEMANE                     | 60 204                   | -          | -           | 60 204          | 54 690          | -              | -                                                         | 56 063                   | 52 042          |
| NW397 MOLOPOKAGISANO                  | 144 818                  | -          | -           | 144 818         | 144 765         | -              | -                                                         | 133 289                  | 112 044         |
| DC39 DR RUTH SEGOMTSI MUN             | 448 060                  | -          | -           | 448 060         | 200 056         | -              | -                                                         | 404 182                  | 404 182         |
| NW403 CITY OF MATLOSANA               | 545 300                  | -          | -           | 545 300         | 538 013         | -              | -                                                         | 484 096                  | 473 766         |
| NW404 MAQUASSI HILLS                  | 159 404                  | -          | -           | 159 404         | 159 404         | -              | -                                                         | 143 541                  | 142 819         |
| NW405 VENTERSDORP/TLOKWE LOC MN       | 343 436                  | -          | -           | 343 436         | 343 436         | -              | -                                                         | 299 881                  | 294 814         |
| DC40 DR KENNETH KAUNDA MUN            | 206 714                  | -          | -           | 206 714         | 206 714         | -              | -                                                         | 200 130                  | 200 130         |
| <b>TOTAL M 004 NW: MUNICIPALITIES</b> | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| M 004 WC MUNICIPALITIES               | -                        | -          | -           | -               | -               | -              | -                                                         | -                        | -               |
| CPT CITY OF CAPE TOWN                 | 3 656 394                | -          | -           | 3 656 394       | 3 656 394       | -              | -                                                         | 3 215 174                | 3 215 174       |
| WC011 MATZIKAMA                       | 69 892                   | -          | -           | 69 892          | 59 995          | -              | -                                                         | 62 693                   | 45 804          |
| WC012 CEDERBERG                       | 61 451                   | -          | -           | 61 451          | 60 377          | -              | -                                                         | 55 044                   | 55 044          |
| WC013 BERGRIVIER                      | 57 506                   | -          | -           | 57 506          | 55 840          | -              | -                                                         | 50 990                   | 50 990          |
| WC014 SALDANHA BAY                    | 115 943                  | -          | -           | 115 943         | 115 943         | -              | -                                                         | 101 876                  | 101 876         |
| WC015 SWARTLAND                       | 126 228                  | -          | -           | 126 228         | 126 228         | -              | -                                                         | 108 796                  | 108 796         |
| DC1 WEST COAST DISTRICT MUNICIPAL     | 103 374                  | -          | -           | 103 374         | 103 374         | -              | -                                                         | 99 472                   | 99 263          |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY              | 2022/23                  |            |             |                 |                 | 2021/22        |                                                           |                          |                 |       |
|-----------------------------------|--------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------------------------------------------------|--------------------------|-----------------|-------|
|                                   | GRANT ALLOCATION         |            |             |                 |                 | TRANSFER       |                                                           |                          |                 |       |
|                                   | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers | Actual Transfer |       |
|                                   | R'000                    | R'000      | R'000       | R'000           | R'000           | R'000          | R'000                                                     | R'000                    | R'000           | R'000 |
| WC022 WITZENBERG                  | 121 668                  | -          | -           | 121 668         | 116 521         | -              | -                                                         | 106 666                  | 96 326          |       |
| WC023 DRAKENSTEIN                 | 194 355                  | -          | -           | 194 355         | 194 355         | -              | -                                                         | 171 259                  | 171 259         |       |
| WC024 STELLENBOSCH                | 179 634                  | -          | -           | 179 634         | 179 634         | -              | -                                                         | 157 136                  | 157 136         |       |
| WC025 BREDE VALLEY                | 147 822                  | -          | -           | 147 822         | 147 822         | -              | -                                                         | 131 552                  | 131 552         |       |
| WC026 LANGE BERG                  | 97 528                   | -          | -           | 97 528          | 97 528          | -              | -                                                         | 87 617                   | 87 617          |       |
| DC2 CAPE WINELANDS DIST MUNICIPAL | 251 295                  | -          | -           | 251 295         | 251 295         | -              | -                                                         | 245 208                  | 245 208         |       |
| WC031 THEEWATERSKLOOF             | 120 101                  | -          | -           | 120 101         | 110 527         | -              | -                                                         | 106 976                  | 101 629         |       |
| WC032 OVERSTRAND                  | 141 896                  | -          | -           | 141 896         | 141 896         | -              | -                                                         | 123 897                  | 123 897         |       |
| WC033 CAPE AGULHAS                | 37 037                   | -          | -           | 37 037          | 36 727          | -              | -                                                         | 33 290                   | 23 497          |       |
| WC034 SWELLEN DAM                 | 39 675                   | -          | -           | 39 675          | 39 675          | -              | -                                                         | 35 471                   | 35 471          |       |
| DC3 OVERBERG DISTRICT MUNICIPAL   | 81 486                   | -          | -           | 81 486          | 81 486          | -              | -                                                         | 77 375                   | 74 719          |       |
| WC041 KANNALAND                   | 33 259                   | -          | -           | 33 259          | 27 223          | -              | -                                                         | 30 553                   | 17 067          |       |
| WC042 HESSEQUA                    | 54 287                   | -          | -           | 54 287          | 54 287          | -              | -                                                         | 48 843                   | 48 843          |       |
| WC043 MOSSEL BAY                  | 119 020                  | -          | -           | 119 020         | 119 020         | -              | -                                                         | 105 409                  | 105 409         |       |
| WC044 GEORGE                      | 193 460                  | -          | -           | 193 460         | 193 460         | -              | -                                                         | 170 498                  | 170 188         |       |
| WC045 OUDTSHOORN                  | 89 431                   | -          | -           | 89 431          | 89 431          | -              | -                                                         | 80 955                   | 80 955          |       |
| WC047 BITOU                       | 129 019                  | -          | -           | 129 019         | 128 022         | -              | -                                                         | 111 953                  | 111 442         |       |
| WC048 KNYSNA                      | 111 170                  | -          | -           | 111 170         | 107 720         | -              | -                                                         | 98 572                   | 98 572          |       |
| DC4 EDEN DISTRICT MUNICIPALITY    | 172 721                  | -          | -           | 172 721         | 172 721         | -              | -                                                         | 167 653                  | 166 661         |       |
| WC051 LAINGSBURG                  | 20 139                   | -          | -           | 20 139          | 19 478          | -              | -                                                         | 18 461                   | 11 358          |       |
| WC052 PRINCE ALBERT               | 26 548                   | -          | -           | 26 548          | 26 548          | -              | -                                                         | 24 054                   | 24 054          |       |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                     | 2022/23                  |            |             |                   |                   | 2021/22        |                                                           |                          |
|------------------------------------------|--------------------------|------------|-------------|-------------------|-------------------|----------------|-----------------------------------------------------------|--------------------------|
|                                          | GRANT ALLOCATION         |            |             |                   |                   | TRANSFER       |                                                           |                          |
|                                          | DoRA and other transfers | Roll Overs | Adjustments | Total Available   | Actual Transfer   | Funds Withheld | Re-allocation by National Treasury or National Department | DoRA and other transfers |
|                                          | R'000                    | R'000      | R'000       | R'000             | R'000             | R'000          | R'000                                                     | R'000                    |
| WC053 BEAUFORT WEST                      | 77 265                   | -          | -           | 77 265            | 77 265            | -              | -                                                         | 69 625                   |
| DC5 CENTRAL KAROO DIST MUNICIPAL         | 36 456                   | -          | -           | 36 456            | 36 456            | -              | -                                                         | 33 268                   |
| <b>TOTAL M 004 WC:MUNICIPALITIES</b>     | -                        | -          | -           | -                 | -                 | -              | -                                                         | -                        |
| <b>TOTAL LGES</b>                        | <b>87 311 493</b>        | -          | -           | <b>87 311 493</b> | <b>83 937 761</b> | -              | -                                                         | <b>77 999 135</b>        |
| -                                        | -                        | -          | -           | -                 | -                 | -              | -                                                         | -                        |
| -                                        | -                        | -          | -           | -                 | -                 | -              | -                                                         | -                        |
| <b>LICENSING</b>                         |                          |            |             |                   |                   |                |                                                           |                          |
| Tshwane Metro Municipality               | 122                      | -          | -           | 122               | 33                | -              | -                                                         | 36                       |
| -                                        | -                        | -          | -           | -                 | -                 | -              | -                                                         | -                        |
| <b>MUNICIPAL DISASTER RECOVERY GRNT</b>  |                          |            |             |                   |                   |                |                                                           |                          |
| EC443 MBIZANA WINNIE MADIKIZELA -MANDELA | -                        | -          | -           | -                 | -                 | -              | -                                                         | -                        |
| ETH ETHEKWINI                            | -                        | -          | 1 534 785   | -                 | 1 534 785         | -              | -                                                         | -                        |
| KZN213 UMZUMBE                           | 9 000                    | -          | -           | -                 | 9 000             | -              | -                                                         | -                        |
| DC22 UMGUNGUNDLOVU DIST MUN              | -                        | -          | 10 100      | -                 | 10 100            | -              | -                                                         | -                        |
| KZN237 INKOSI ILANGALIBALELE             | -                        | -          | 76 950      | -                 | 76 950            | -              | -                                                         | -                        |
| KZN238 ALFRED DUMA                       | -                        | -          | 22 000      | -                 | 22 000            | -              | -                                                         | -                        |
| KZN282 UMHATHUZE LOCAL MUN               | -                        | -          | 39 466      | -                 | 39 466            | -              | -                                                         | -                        |
| KZN291 MANDENI                           | -                        | -          | 17 023      | -                 | 17 023            | -              | -                                                         | -                        |
| KZN292 KWADUKUZA                         | -                        | -          | 1 271 098   | -                 | 1 271 098         | -              | -                                                         | -                        |
| KZN294 MAPHUMULO                         | 7 000                    | -          | (7 000)     | -                 | -                 | -              | -                                                         | -                        |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                    | 2022/23                  |            |                  |                  |                    | 2021/22        |                                                            |                          |                   |
|-----------------------------------------|--------------------------|------------|------------------|------------------|--------------------|----------------|------------------------------------------------------------|--------------------------|-------------------|
|                                         | GRANT ALLOCATION         |            |                  |                  |                    | TRANSFER       |                                                            |                          |                   |
|                                         | DoRA and other transfers | Roll Overs | Adjustments      | Total Available  | Actual Transfer    | Funds Withheld | Re-allocations by National Treasury or National Department | DoRA and other transfers | Actual Transfer   |
|                                         | R'000                    | R'000      | R'000            | R'000            | R'000              | R'000          | R'000                                                      | R'000                    | R'000             |
| DC29 ILEMBE DISTRICT MUNICIPAL          | 10 023                   | -          | 4 526            | -                | 14 549             | -              | -                                                          | -                        | -                 |
| WC025 BREEDE VALLEY                     | -                        | -          | 10 310           | -                | 10 310             | -              | -                                                          | -                        | -                 |
| WC031 THEEWATERSKLOOF                   | -                        | -          | 11 940           | -                | 11 940             | -              | -                                                          | -                        | -                 |
| WC034 SWELLENDAM                        | -                        | -          | 3 553            | -                | 3 553              | -              | -                                                          | -                        | -                 |
| WC044 GEORGE                            | -                        | -          | 237 497          | 237 497          | 237 497            | -              | -                                                          | -                        | -                 |
| WC045 OUDTSHOORN                        | -                        | -          | 26 664           | 26 664           | 26 664             | -              | -                                                          | -                        | -                 |
| -                                       | -                        | -          | -                | -                | -                  | -              | -                                                          | -                        | -                 |
| <b>MUNICIPAL DISASTER RECOVERY GRNT</b> | <b>26 023</b>            | <b>-</b>   | <b>3 292 718</b> | <b>3 318 741</b> | <b>3 318 741</b>   | <b>-</b>       | <b>-</b>                                                   | <b>-</b>                 | <b>-</b>          |
| -                                       | -                        | -          | -                | -                | -                  | -              | -                                                          | -                        | -                 |
| -                                       | -                        | -          | -                | -                | -                  | -              | -                                                          | -                        | -                 |
|                                         | <b>105 636 427</b>       | <b>-</b>   | <b>3 240 252</b> | <b>4 697 040</b> | <b>105 700 565</b> | <b>-</b>       | <b>62 130</b>                                              | <b>94 931 258</b>        | <b>93 100 704</b> |

check

National Departments are reminded of the DoRA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 48. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 49. COVID 19 RESPONSE EXPENDITURE

|                                |          | 2022/23    | 2021/22       |
|--------------------------------|----------|------------|---------------|
|                                | Note     | R'000      | R'000         |
| Compensation of employees      |          |            |               |
| Goods and services             |          | 296        | 46 466        |
| Transfers and subsidies        |          | -          | -             |
| Expenditure for capital assets |          | -          | 195           |
| Other                          |          | -          | -             |
| <b>Total</b>                   | Annex II | <b>296</b> | <b>46 661</b> |

Lower expenditure incurred for PPE's for Covid 19, since procurement of Covid 19 has been reduced

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY            | GRANT ALLOCATION         |              |              |                  | TRANSFER         |                 |                                                             |                                 | SPENT                        |                |                                            |                          | 2021/22          |                  |
|---------------------------------|--------------------------|--------------|--------------|------------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|----------------|--------------------------------------------|--------------------------|------------------|------------------|
|                                 | DoRA and other transfers | Roll Overs   | Adjustments  | Total Available  | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds  | % of available funds spent by municipality | DoRA and other transfers | R'000            | R'000            |
| <b>IUDG GRANT</b>               | <b>R'000</b>             | <b>R'000</b> | <b>R'000</b> | <b>R'000</b>     | <b>R'000</b>     | <b>R'000</b>    | <b>R'000</b>                                                | <b>R'000</b>                    | <b>R'000</b>                 | <b>R'000</b>   | <b>%</b>                                   | <b>R'000</b>             | <b>R'000</b>     | <b>R'000</b>     |
| GT481 MOGALE CITY               | 156 361                  | -            | (12 130)     | 144 231          | 144 231          | -               | -                                                           | 144 231                         | 88 116                       | 56 115         | 61%                                        | 142 974                  | 142 974          | 142 974          |
| KZN216 RAY NKONYENI             | 81 360                   | -            | -            | 81 360           | 81 360           | -               | -                                                           | 81 360                          | 41 869                       | 39 491         | 51%                                        | 76 131                   | 76 131           | 76 131           |
| KZN282 UMHATHUZE LOCAL MUN      | 147 172                  | -            | 62 130       | 209 302          | 209 302          | -               | 62 130                                                      | 209 302                         | 136 882                      | 72 420         | 65%                                        | 134 750                  | 134 750          | 134 750          |
| LIM354 POLOKWANE LOCAL MUN      | 426 044                  | -            | (50 000)     | 376 044          | 376 044          | -               | -                                                           | 376 044                         | 134 842                      | 241 202        | 36%                                        | 397 532                  | 397 532          | 397 532          |
| MP313 STEVE TSHWETE             | 76 305                   | -            | -            | 76 305           | 76 305           | -               | -                                                           | 76 305                          | 50 769                       | 25 536         | 67%                                        | 75 218                   | 75 218           | 75 218           |
| NC091 SOL PLAATJIE              | 70 390                   | -            | -            | 70 390           | 70 390           | -               | -                                                           | 70 390                          | 34 495                       | 35 895         | 49%                                        | 66 266                   | 66 266           | 66 266           |
| WC023 DRAKENSTEIN               | 61 989                   | -            | -            | 61 989           | 61 989           | -               | -                                                           | 61 989                          | 48 392                       | 13 597         | 78%                                        | 59 256                   | 59 256           | 59 256           |
| WC024 STELLENBOSCH              | 65 747                   | -            | -            | 65 747           | 65 747           | -               | -                                                           | 65 747                          | 49 170                       | 16 577         | 75%                                        | 56 941                   | 56 941           | 56 941           |
| <b>TOTAL IUDG GRANT</b>         | <b>1 085 368</b>         | <b>-</b>     | <b>-</b>     | <b>1 085 368</b> | <b>1 085 368</b> | <b>-</b>        | <b>62 130</b>                                               | <b>1 085 368</b>                | <b>584 535</b>               | <b>500 833</b> | <b>54%</b>                                 | <b>1 009 068</b>         | <b>1 009 068</b> | <b>1 009 068</b> |
| <b>DISASTER RESPONSE GRANT</b>  |                          |              |              |                  |                  |                 |                                                             |                                 |                              |                |                                            |                          |                  |                  |
| NIMA NELSON MANDELA BAY         |                          |              |              | -                | -                |                 |                                                             |                                 |                              |                |                                            | 57 829                   | 57 829           | 57 829           |
| EC101 DR BEYERS NAUDE LOCAL MUN |                          |              |              | -                | -                |                 |                                                             |                                 |                              |                |                                            | 6 057                    | 6 057            | 6 057            |
| EC102 BLUE CRANE ROUTE          |                          |              |              | -                | -                |                 |                                                             |                                 |                              |                |                                            | -                        | -                | -                |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
| EC104 MAKANA                     |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC105 NDLAMBE                    |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC106 SUNDAYS RIVER VALLEY       |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC108 KOUGA                      |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC109 KOUKAMA                    |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| DC12 AMATOLE DIST MUNICIPALITY   |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| DC13 CHRIS HANI DIST MUNICIPALIT |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC121 MBHASHE                    |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC153 NGOUZA HILL                |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC154 PORT ST JOHNS              |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC155 NYANDENI                   |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| DC15 OR TAMBO DIST MUNICIPALITY  |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC442 UMZIMVUBU                  |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC443 MBIZANA                    |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| EC444 NTABANKULU                 |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| ETH ETHEKWINI                    |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| KZN213 UMZUMBE                   |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| KZN216 RAY NKONYENI              |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| DC21 UGU DISTRICT MUNICIPALITY   |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| KZN225 MSUNDUZI                  |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY           | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|--------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
|                                | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |  |
|                                | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| KZN226 MKHAMBATHINI            | 8 200                    |            |             | 8 200           | 8 200            |                 |                                                             | 8 200                           |                              |               |                                            | -                        |                  |  |
| KZN237 INKOSI ILANGALIBALELE   | 48 950                   |            |             | 48 950          | 48 950           |                 |                                                             | 48 950                          |                              |               |                                            | -                        |                  |  |
| KZN238 ALFRED DUMA             | 14 414                   |            |             | 14 414          | 14 414           |                 |                                                             | 14 414                          |                              |               |                                            | 31 937                   | 31 937           |  |
| KZN292 KWADUKUZA               | 109 043                  |            |             | 109 043         | 109 043          |                 |                                                             | 109 043                         |                              |               |                                            |                          |                  |  |
| DC29 ILEMBE DISTRICT MUNICIPAL | 19 523                   |            |             | 19 523          | 19 523           |                 |                                                             | 19 523                          |                              |               |                                            | -                        |                  |  |
| LIM343 THULAMELA LOCAL MUN     |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 13 000                   | 13 000           |  |
| LIM344 MAKHADO                 |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 26 000                   | 26 000           |  |
| LIM345 NEW LOCAL MUNICIPALITY  |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 26 000                   | 26 000           |  |
| DC34 VHEMBE DIST MUNICIPALITY  |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | -                        |                  |  |
| LIM351 BLOUBERG LOCAL MUN      |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 12 900                   | 12 900           |  |
| LIM353 MOLEMOLE LOCAL MUN      |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 1 000                    | 1 000            |  |
| LIM354 POLOKWANE LOCAL MUN     |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 2 600                    | 2 600            |  |
| LIM355 LEPELLENKUMPI           |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 5 625                    | 5 625            |  |
| NC453 GAMAGARA                 |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 7 000                    | 7 000            |  |
| NC086 KGATELOPELE              |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 1 839                    | 1 839            |  |
| NC091 SOL PLAATJIE             |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 1 015                    | 1 015            |  |
| NC093 MAGARENG                 |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 6 440                    | 6 440            |  |
| NC094 PHOKWANE                 |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 6 457                    | 6 457            |  |
| NW392 NALEDI                   |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | 4 394                    | 4 394            |  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                       | GRANT ALLOCATION |            |                  |                  | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |                |
|--------------------------------------------|------------------|------------|------------------|------------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|----------------|
|                                            | R'000            | Roll Overs | Adjustments      | Total Available  | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DoRA and other transfers | Actual Trans-fer | R'000          |
| NW396 LEKWATEEMANE                         | -                |            |                  |                  |                  |                 |                                                             |                                 |                              |               |                                            | 4 570                    | 4 570            |                |
| NW397 MOLOPOKAGISANO                       | -                |            |                  |                  |                  |                 |                                                             |                                 |                              |               |                                            | 6 362                    | 6 362            |                |
| WC045 OUDTSHOORN                           | -                |            |                  |                  |                  |                 |                                                             |                                 |                              |               |                                            | 47 150                   | 47 150           |                |
| UNALLOCATED                                | 143 270          |            | 2 707 944        | 2 851 214        |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |                |
| <b>DISASTER RESPONSE GRANT</b>             | <b>371 420</b>   | <b>-</b>   | <b>3 002 755</b> | <b>3 374 175</b> | <b>516 661</b>   | <b>-</b>        | <b>-</b>                                                    | <b>-</b>                        | <b>-</b>                     | <b>-</b>      | <b>-</b>                                   | <b>330 271</b>           | <b>330 271</b>   | <b>330 271</b> |
| <b>MUNICIPAL INFRASTRUCTURE GRANT(MIG)</b> | -                |            |                  |                  |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |                |
| <b>EASTERN CAPE</b>                        | -                |            |                  |                  |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |                |
| EC101 DR BEYERS NAUDE LOCAL MUN            | 23 010           |            | 10 000           | 33 010           | 33 010           | -               | 10 000                                                      | 33 010                          | 18 411                       |               |                                            | 28 564                   | 28 564           |                |
| EC102 BLUE CRANE ROUTE                     | 15 755           |            |                  | 15 755           | 15 755           | -               |                                                             | 15 755                          | 8 108                        |               |                                            | 14 892                   | 14 892           |                |
| EC104 MAKANA                               | 27 386           |            | (4 588)          | 22 798           | 22 798           | -               | (4 588)                                                     | 22 798                          | 6 561                        |               |                                            | 40 590                   | 40 590           |                |
| EC105 NDLAMBE                              | 30 727           |            |                  | 30 727           | 30 727           | -               |                                                             | 30 727                          | 14 055                       |               |                                            | 28 663                   | 28 663           |                |
| EC106 SUNDAY'S RIVER VALLEY                | 28 785           |            | 10 000           | 38 785           | 38 785           | -               | 10 000                                                      | 38 785                          | 25 946                       |               |                                            | 34 876                   | 34 876           |                |
| EC108 KOUGA                                | 35 891           |            |                  | 35 891           | 35 891           | -               |                                                             | 35 891                          | 19 455                       |               |                                            | 33 413                   | 33 413           |                |
| EC109 KOUKAMA                              | 24 997           |            |                  | 24 997           | 24 997           | -               |                                                             | 24 997                          | 7 665                        |               |                                            | 16 034                   | 16 034           |                |
| EC121 MBHASHE                              | 68 458           |            |                  | 68 458           | 68 458           | -               |                                                             | 68 458                          | 40 919                       |               |                                            | 67 367                   | 67 367           |                |
| EC122 MNQUMA                               | 71 478           |            | 5 000            | 76 478           | 76 478           | -               | 5 000                                                       | 76 478                          | 59 886                       |               |                                            | 66 145                   | 66 145           |                |
| EC123 GREAT KEI                            | 22 215           |            |                  | 22 215           | 22 215           | -               |                                                             | 22 215                          | 13 282                       |               |                                            | 11 636                   | 11 636           |                |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                                  | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
| NAME OF MUNICIPALITY             | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |  |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| EC124 AMAHLATI                   | 31 701                   |            |             | 31 701          | 31 701           | -               |                                                             | 31 701                          | 20 792                       |               |                                            | 29 558                   | 29 558           |  |
| EC126 NGQUSHWA                   | 35 198                   |            |             | 35 198          | 35 198           | -               |                                                             | 35 198                          | 15 284                       |               |                                            | 23 578                   | 23 578           |  |
| EC129 RAYMOND MHLABA             | 44 503                   |            | 9 500       | 54 003          | 54 003           | -               | 9 500                                                       | 54 003                          | 32 037                       |               |                                            | 41 333                   | 41 333           |  |
| DC12 AMATOLE DIST MUNICIPALITY   | 493 661                  |            | (98 121)    | 395 540         | 395 540          | -               | (98 121)                                                    | 395 540                         | 51 868                       |               |                                            | 454 461                  | 454 461          |  |
| EC131 INXUBA YETHEMBA            | 17 813                   |            | 7 000       | 24 813          | 24 813           | -               | 7 000                                                       | 24 813                          | 21 362                       |               |                                            | 16 785                   | 16 785           |  |
| EC135 INTSIKA YETHU              | 48 873                   |            |             | 48 873          | 48 873           | -               |                                                             | 48 873                          | 37 062                       |               |                                            | 45 353                   | 45 353           |  |
| EC136 EMALAHLENI                 | 47 916                   |            |             | 47 916          | 47 916           | -               |                                                             | 47 916                          | 24 590                       |               |                                            | 35 275                   | 35 275           |  |
| EC137 ENGCOBO                    | 43 687                   |            | 13 500      | 57 187          | 57 187           | -               | 13 500                                                      | 57 187                          | 39 333                       |               |                                            | 62 582                   | 62 582           |  |
| EC138 SAKHISIZWE                 | 20 231                   |            |             | 20 231          | 20 231           | -               |                                                             | 20 231                          | 10 252                       |               |                                            | 19 009                   | 19 009           |  |
| EC139 ENOCH MGIJIMA LOCAL MUN    | 61 673                   |            | (14 345)    | 47 328          | 47 328           | -               | (14 345)                                                    | 47 328                          | 14 463                       |               |                                            | 54 126                   | 54 126           |  |
| DC13 CHRIS HANI DIST MUNICIPALIT | 330 451                  |            | 120 000     | 450 451         | 450 451          | -               | 120 000                                                     | 450 451                         | 319 362                      |               |                                            | 304 343                  | 304 343          |  |
| EC141 ELUNDINI                   | 44 175                   |            | (3 500)     | 40 675          | 40 675           | -               | (3 500)                                                     | 40 675                          | 19 182                       |               |                                            | 41 031                   | 41 031           |  |
| EC142 SENQU                      | 43 640                   |            | (6 255)     | 37 385          | 37 385           | -               | (6 255)                                                     | 37 385                          | 16 398                       |               |                                            | 38 464                   | 38 464           |  |
| EC145 WALTER SIZULU              | 21 008                   |            |             | 21 008          | 21 008           | -               |                                                             | 21 008                          | 9 329                        |               |                                            | 13 830                   | 13 830           |  |
| DC14 JOE DISTR MUNICIPALITY      | 180 246                  |            |             | 180 246         | 180 246          | -               |                                                             | 180 246                         | 116 513                      |               |                                            | 166 188                  | 166 188          |  |
| EC153 NGOUZA HILL                | 62 127                   |            |             | 62 127          | 62 127           | -               |                                                             | 62 127                          | 32 353                       |               |                                            | 57 544                   | 57 544           |  |
| EC154 PORT ST JOHNS              | 38 862                   |            |             | 38 862          | 38 862           | -               |                                                             | 38 862                          | 29 502                       |               |                                            | 40 146                   | 40 146           |  |
| EC155 NYANDENI                   | 69 440                   |            |             | 69 440          | 69 440           | -               |                                                             | 69 440                          | 36 930                       |               |                                            | 73 270                   | 73 270           |  |
| EC156 MHLONTLO                   | 50 293                   |            |             | 50 293          | 50 293           | -               |                                                             | 50 293                          | 35 107                       |               |                                            | 66 659                   | 66 659           |  |
| EC157 KI SABATA DALINDYEBO       | 98 791                   |            |             | 98 791          | 98 791           | -               |                                                             | 98 791                          | 73 028                       |               |                                            | 91 267                   | 91 267           |  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                                 | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|---------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
| NAME OF MUNICIPALITY            | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |  |
|                                 | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| DC15 OR TAMBO DIST MUNICIPALITY | 730 131                  |            | (80 000)    | 650 131         | 650 131          | -               | (80 000)                                                    | 650 131                         | 268 306                      |               |                                            | 529 438                  | 529 438          |  |
| EC442 UMZIMVUBU                 | 52 786                   |            |             | 52 786          | 52 786           | -               |                                                             | 52 786                          | 34 299                       |               |                                            | 48 951                   | 48 951           |  |
| EC441 MATATIELE                 | 56 068                   |            | (3 345)     | 52 723          | 52 723           | -               | (3 345)                                                     | 52 723                          | 30 378                       |               |                                            | 51 023                   | 51 023           |  |
| EC443 MBIZANA                   | 55 038                   |            | (4 356)     | 50 682          | 50 682           | -               | (4 356)                                                     | 50 682                          | 25 849                       |               |                                            | 76 971                   | 76 971           |  |
| EC444 NTABANKULU                | 30 576                   |            | 16 767      | 47 343          | 47 343           | -               | 16 767                                                      | 47 343                          | 13 245                       |               |                                            | 28 524                   | 28 524           |  |
| DC44 ALFRED NZO DIST MUNICIPAL  | 433 122                  |            |             | 433 122         | 433 122          | -               |                                                             | 433 122                         | 268 631                      |               |                                            | 398 778                  | 398 778          |  |
| TOTAL EASTERN CAPE              | 3 490 712                | -          | (22 743)    | 3 467 969       | 3 467 969        | -               | (22 743)                                                    | 3 467 969                       | 1 809 743                    | -             |                                            | 3 150 667                | 3 150 667        |  |
| FREE STATE                      |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |  |
| FS161 LETSEMENG                 | 19 019                   |            | (1 060)     | 17 959          | 17 959           | -               | (1 060)                                                     | 17 959                          | 7 224                        |               |                                            | 17 894                   | 17 894           |  |
| FS162 KOPANONG                  | 22 932                   |            | (3 048)     | 19 884          | 19 884           | -               | (3 048)                                                     | 19 884                          | 4 634                        |               |                                            | 21 494                   | 21 494           |  |
| FS163 MOHOKARE                  | 19 991                   |            | (9 000)     | 10 991          | 10 991           | -               | (9 000)                                                     | 10 991                          | 2 927                        |               |                                            | 18 788                   | 18 788           |  |
| FS181 MASILONYANA               | 28 257                   |            | (4 600)     | 23 657          | 23 657           | -               | (4 600)                                                     | 23 657                          | 5 897                        |               |                                            | 24 552                   | 24 552           |  |
| FS182 TOKOLOGO                  | 28 332                   |            | (2 476)     | 25 856          | 25 856           | -               | (2 476)                                                     | 25 856                          | 17 382                       |               |                                            | 17 262                   | 17 262           |  |
| FS183 TSWELOPELE                | 18 256                   |            | 10 800      | 29 056          | 29 056           | -               | 10 800                                                      | 29 056                          | 13 713                       |               |                                            | 17 192                   | 17 192           |  |
| FS184 MATJHABENG                | 136 630                  |            | (36 976)    | 99 654          | 99 654           | -               | (36 976)                                                    | 99 654                          | 20 870                       |               |                                            | 133 069                  | 133 069          |  |
| FS185 NALA                      | 33 439                   |            |             | 33 439          | 33 439           | -               |                                                             | 33 439                          | 22 178                       |               |                                            | 31 157                   | 31 157           |  |
| FS191 SETSOTO                   | 53 700                   |            |             | 53 700          | 53 700           | -               |                                                             | 53 700                          | 40 520                       |               |                                            | 49 792                   | 49 792           |  |
| FS192 DIHLABENG                 | 43 828                   |            | (4 500)     | 39 328          | 39 328           | -               | (4 500)                                                     | 39 328                          | 16 264                       |               |                                            | 40 712                   | 40 712           |  |
| FS193 NKETOANA                  | 28 508                   |            |             | 28 508          | 28 508           | -               |                                                             | 28 508                          | 16 904                       |               |                                            | 26 621                   | 26 621           |  |
| FS194 MALUTIAPHOFUNG            | 187 049                  |            |             | 187 049         | 187 049          | -               |                                                             | 187 049                         | 126 930                      |               |                                            | 182 445                  | 182 445          |  |
| FS195 PHUMELELA                 | 23 519                   |            |             | 23 519          | 23 519           | -               |                                                             | 23 519                          | 11 810                       |               |                                            | 20 309                   | 20 309           |  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |                 |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |                |
|----------------------------------|--------------------------|------------|-----------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|----------------|
|                                  | DORA and other transfers | Roll Overs | Adjustments     | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |                |
|                                  | R'000                    | R'000      | R'000           | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |                |
| FS196 MATSOPA                    | 32 275                   |            |                 | 32 275          | 32 275           | -               |                                                             | 32 275                          | 16 121                       |               |                                            | 20 889                   | 20 889           |                |
| FS201 MOQHAKA                    | 45 594                   |            |                 | 45 594          | 45 594           | -               |                                                             | 45 594                          | 30 062                       |               |                                            | 42 336                   | 42 336           |                |
| FS203 NGWATHE                    | 47 663                   |            | (4 766)         | 42 897          | 42 897           | -               | (4 766)                                                     | 42 897                          | 5 259                        |               |                                            | 44 240                   | 44 240           |                |
| FS204 METSMAHOLO                 | 50 756                   |            |                 | 50 756          | 50 756           | -               |                                                             | 50 756                          | 23 694                       |               |                                            | 47 085                   | 47 085           |                |
| FS205 MAFUBE                     | 25 129                   |            | (1 200)         | 23 929          | 23 929           | -               | (1 200)                                                     | 23 929                          | 15 125                       |               |                                            | 23 515                   | 23 515           |                |
| <b>TOTAL FREE STATE</b>          | <b>844 877</b>           | <b>-</b>   | <b>(56 826)</b> | <b>788 051</b>  | <b>788 051</b>   | <b>-</b>        | <b>(56 826)</b>                                             | <b>788 051</b>                  | <b>397 514</b>               | <b>-</b>      | <b>-</b>                                   | <b>779 352</b>           | <b>779 352</b>   | <b>779 352</b> |
| <b>GAUTENG</b>                   |                          |            |                 |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |                |
| GT421 EMFULENI                   | 194 208                  |            | (40 000)        | 154 208         | 154 208          | -               | (40 000)                                                    | 154 208                         | 32 212                       |               |                                            | 59 030                   | 59 030           |                |
| GT422 MIDVAAL                    | 35 909                   |            |                 | 35 909          | 35 909           | -               |                                                             | 35 909                          | 18 627                       |               |                                            | 33 429                   | 33 429           |                |
| GT423 LESEDI                     | 29 698                   |            |                 | 29 698          | 29 698           | -               |                                                             | 29 698                          | 16 651                       |               |                                            | 22 716                   | 22 716           |                |
| GT484 MERAFOG CITY               | 85 708                   |            | (10 000)        | 75 708          | 75 708           | -               | (10 000)                                                    | 75 708                          | 30 143                       |               |                                            | 70 035                   | 70 035           |                |
| GT485 RAND WEST CITY             | 104 417                  |            |                 | 104 417         | 104 417          | -               |                                                             | 104 417                         | 58 440                       |               |                                            | 96 442                   | 96 442           |                |
| <b>TOTAL GAUTENG</b>             | <b>449 940</b>           | <b>-</b>   | <b>(50 000)</b> | <b>399 940</b>  | <b>399 940</b>   | <b>-</b>        | <b>(50 000)</b>                                             | <b>399 940</b>                  | <b>156 073</b>               | <b>-</b>      | <b>-</b>                                   | <b>281 652</b>           | <b>281 652</b>   | <b>281 652</b> |
| <b>KWAZULU NATAL</b>             |                          |            |                 |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |                |
| KZN212 UMDONI LOCAL MUNICIPALITY | 44 631                   |            |                 | 44 631          | 44 631           | -               |                                                             | 44 631                          | 28 784                       |               |                                            | 32 253                   | 32 253           |                |
| KZN213 UMZUMBE                   | 38 552                   |            |                 | 38 552          | 38 552           | -               |                                                             | 38 552                          | 29 914                       |               |                                            | 35 861                   | 35 861           |                |
| KZN214 UMUZIWABANTU              | 26 163                   |            |                 | 26 163          | 26 163           | -               |                                                             | 26 163                          | 23 270                       |               |                                            | 32 464                   | 32 464           |                |
| DC21 UGU DISTRICT MUNICIPALITY   | 277 374                  |            |                 | 277 374         | 277 374          | -               |                                                             | 277 374                         | 186 008                      |               |                                            | 255 524                  | 255 524          |                |
| KZN221 UMSHWATHI                 | 31 069                   |            |                 | 31 069          | 31 069           | -               |                                                             | 31 069                          | 29 270                       |               |                                            | 33 977                   | 33 977           |                |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY            | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |         |
|---------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|---------|
|                                 | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |         |
|                                 | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000   |
| KZN222 UMNGENI                  | 25 816                   |            | 5 000       | 30 816          | 30 816        | -           | 5 000                                               | 30 816                          | 18 969                       |               |                                            | 24 146                   | 24 146        | 24 146  |
| KZN223 MPOFANA                  | 13 114                   |            |             | 13 114          | 13 114        | -           |                                                     | 13 114                          | 6 329                        |               |                                            | 17 463                   | 17 463        | 17 463  |
| KZN224 IMPENDLE                 | 12 753                   |            |             | 12 753          | 12 753        | -           |                                                     | 12 753                          | 11 729                       |               |                                            | 20 130                   | 20 130        | 20 130  |
| KZN225 MSUNDUZI                 | 227 153                  |            |             | 227 153         | 227 153       | -           |                                                     | 227 153                         | 157 398                      |               |                                            | 209 331                  | 209 331       | 209 331 |
| KZN226 MKHAMBATHINI             | 17 781                   |            | 10 100      | 27 881          | 27 881        | -           | 10 100                                              | 27 881                          | 13 223                       |               |                                            | 31 755                   | 31 755        | 31 755  |
| KZN227 RICHMOND                 | 20 511                   |            |             | 20 511          | 20 511        | -           |                                                     | 20 511                          | 13 458                       |               |                                            | 27 266                   | 27 266        | 27 266  |
| DC22 UMGUNGUNDLOVU DIST MUN     | 116 867                  |            | 68 974      | 185 841         | 185 841       | -           | 68 974                                              | 185 841                         | 95 510                       |               |                                            | 132 893                  | 132 893       | 132 893 |
| KZN235 OKHAHLAMBA               | 31 891                   |            | 15 900      | 47 791          | 47 791        | -           | 15 900                                              | 47 791                          | 31 256                       |               |                                            | 37 734                   | 37 734        | 37 734  |
| KZN237 INKOSI ILANGALIBALELE    | 42 690                   |            |             | 42 690          | 42 690        | -           |                                                     | 42 690                          | 25 458                       |               |                                            | 39 665                   | 39 665        | 39 665  |
| KZN238 ALFRED DUMA              | 70 409                   |            |             | 70 409          | 70 409        | -           |                                                     | 70 409                          | 37 789                       |               |                                            | 70 161                   | 70 161        | 70 161  |
| DC23 UTHUKELA DIST MUNICIPALITY | 211 484                  |            | (40 000)    | 171 484         | 171 484       | -           | (40 000)                                            | 171 484                         | 102 626                      |               |                                            | 194 919                  | 194 919       | 194 919 |
| KZN241 UNDUMENI                 | 16 782                   |            |             | 16 782          | 16 782        | -           |                                                     | 16 782                          | 8 391                        |               |                                            | 15 836                   | 15 836        | 15 836  |
| KZN242 NQUTHU                   | 35 231                   |            |             | 35 231          | 35 231        | -           |                                                     | 35 231                          | 16 495                       |               |                                            | 36 806                   | 36 806        | 36 806  |
| KZN244 MSINGA                   | 42 414                   |            | 17 000      | 59 414          | 59 414        | -           | 17 000                                              | 59 414                          | 34 044                       |               |                                            | 48 412                   | 48 412        | 48 412  |
| KZN245 UMVOTI                   | 33 620                   |            | 14 500      | 48 120          | 48 120        | -           | 14 500                                              | 48 120                          | 26 750                       |               |                                            | 41 323                   | 41 323        | 41 323  |
| DC24 UMZINYATHI DIST MUNICIPAL  | 216 735                  |            |             | 216 735         | 216 735       | -           |                                                     | 216 735                         | 135 140                      |               |                                            | 206 904                  | 206 904       | 206 904 |
| KZN252 NEWCASTLE                | 129 141                  |            |             | 129 141         | 129 141       | -           |                                                     | 129 141                         | 89 032                       |               |                                            | 119 182                  | 119 182       | 119 182 |
| KZN253 EMADLANGENI              | 10 010                   |            |             | 10 010          | 10 010        | -           |                                                     | 10 010                          | 6 278                        |               |                                            | 4 807                    | 4 807         | 4 807   |
| KZN254 DANNHAUSER               | 24 347                   |            | (5 000)     | 19 347          | 19 347        | -           | (5 000)                                             | 19 347                          | 10 664                       |               |                                            | 34 794                   | 34 794        | 34 794  |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |         |
|-------------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|---------|
|                                     | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |         |
|                                     | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000   |
| DC25 AMAJUBA DIST MUNICIPALITY      | 46 587                   | (1 900)    | 44 687      | 44 687          | 44 687        | -           | (1 900)                                             | 44 687                          | 17 415                       |               |                                            | 43 250                   | 43 250        | 43 250  |
| KZN261 EDUMBE                       | 20 055                   | 9 000      | 29 055      | 29 055          | 29 055        | -           | 9 000                                               | 29 055                          | 16 237                       |               |                                            | 24 847                   | 24 847        | 24 847  |
| KZN262 UPHONGOLO                    | 31 889                   |            | 31 889      | 31 889          | 31 889        | -           |                                                     | 31 889                          | 16 375                       |               |                                            | 34 732                   | 34 732        | 34 732  |
| KZN263 ABAQULUSI                    | 42 083                   |            | 42 083      | 42 083          | 42 083        | -           |                                                     | 42 083                          | 23 794                       |               |                                            | 39 107                   | 39 107        | 39 107  |
| KZN265 NONGOMA                      | 36 009                   | 20 000     | 56 009      | 56 009          | 56 009        | -           | 20 000                                              | 56 009                          | 35 788                       |               |                                            | 33 521                   | 33 521        | 33 521  |
| KZN266 ULUNDI                       | 44 888                   | 30 000     | 74 888      | 74 888          | 74 888        | -           | 30 000                                              | 74 888                          | 40 655                       |               |                                            | 52 489                   | 52 489        | 52 489  |
| DC26 ZULULAND DIST MUNICIPALITY     | 259 530                  |            | 259 530     | 259 530         | 259 530       | -           |                                                     | 259 530                         | 215 598                      |               |                                            | 269 111                  | 269 111       | 269 111 |
| KZN271 UMLABUYALINGANA              | 39 523                   |            | 39 523      | 39 523          | 39 523        | -           |                                                     | 39 523                          | 24 907                       |               |                                            | 36 754                   | 36 754        | 36 754  |
| KZN272 JOZINI                       | 42 381                   | 22 000     | 64 381      | 64 381          | 64 381        | -           | 22 000                                              | 64 381                          | 36 223                       |               |                                            | 51 381                   | 51 381        | 51 381  |
| KZN275 MTUBATUBA                    | 35 867                   |            | 35 867      | 35 867          | 35 867        | -           |                                                     | 35 867                          | 29 748                       |               |                                            | 33 391                   | 33 391        | 33 391  |
| KZN276 BIG FIVE/HLABISA LOC MUN     | 23 874                   | (1 374)    | 22 500      | 22 500          | 22 500        | -           | (1 374)                                             | 22 500                          | 11 538                       |               |                                            | 22 360                   | 22 360        | 22 360  |
| DC27 UMKHANYAKUDE DIST MUNICIPALITY | 247 281                  | (30 000)   | 217 281     | 217 281         | 217 281       | -           | (30 000)                                            | 217 281                         | 57 518                       |               |                                            | 163 844                  | 163 844       | 163 844 |
| KZN281 MFOLOZI                      | 29 491                   | 15 000     | 44 491      | 44 491          | 44 491        | -           | 15 000                                              | 44 491                          | 28 122                       |               |                                            | 42 526                   | 42 526        | 42 526  |
| KZN284 UMHLAZI                      | 45 827                   |            | 45 827      | 45 827          | 45 827        | -           |                                                     | 45 827                          | 32 084                       |               |                                            | 42 551                   | 42 551        | 42 551  |
| KZN285 MTHONJANENI LOCAL MUN        | 30 039                   | 18 500     | 48 539      | 48 539          | 48 539        | -           | 18 500                                              | 48 539                          | 26 525                       |               |                                            | 28 832                   | 28 832        | 28 832  |
| KZN286 NKANDLA                      | 25 579                   |            | 25 579      | 25 579          | 25 579        | -           |                                                     | 25 579                          | 16 538                       |               |                                            | 29 929                   | 29 929        | 29 929  |
| DC28 UTHUNGULU DIST MUNICIPALITY    | 196 344                  |            | 196 344     | 196 344         | 196 344       | -           |                                                     | 196 344                         | 128 469                      |               |                                            | 180 995                  | 180 995       | 180 995 |
| CETSWAYO                            |                          |            |             |                 |               |             |                                                     |                                 |                              |               |                                            |                          |               |         |
| KZN291 MANDENI                      | 40 044                   |            | 40 044      | 40 044          | 40 044        | -           |                                                     | 40 044                          | 29 501                       |               |                                            | 42 232                   | 42 232        | 42 232  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |                |                  | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |              |
|----------------------------------|--------------------------|------------|----------------|------------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--------------|
|                                  | DORA and other transfers | Roll Overs | Adjustments    | Total Available  | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000        |
| KZN292 KWADUKUZA                 | 68 871                   |            |                | 68 871           | 68 871           | -               |                                                             | 68 871                          | 48 058                       |               |                                            | 61 549                   | 61 549           | R'000        |
| KZN293 NDWEDWE                   | 33 627                   |            | 8 000          | 41 627           | 41 627           | -               | 8 000                                                       | 41 627                          | 28 074                       |               |                                            | 40 331                   | 40 331           | R'000        |
| KZN294 MAPHUMULO                 | 24 986                   |            |                | 24 986           | 24 986           | -               |                                                             | 24 986                          | 14 176                       |               |                                            | 31 382                   | 31 382           | R'000        |
| DC29 ILEMBE DISTRICT MUNICIPAL   | 221 475                  |            |                | 221 475          | 221 475          | -               |                                                             | 221 475                         | 151 193                      |               |                                            | 217 109                  | 217 109          | R'000        |
| KZN433 GRAETER KOKSTAD           | 19 214                   |            |                | 19 214           | 19 214           | -               |                                                             | 19 214                          | 8 756                        |               |                                            | 18 073                   | 18 073           | R'000        |
| KZN434 UBUHLEBEZWE               | 30 291                   |            |                | 30 291           | 30 291           | -               |                                                             | 30 291                          | 16 883                       |               |                                            | 32 262                   | 32 262           | R'000        |
| KZN435 UMZIMKHULU                | 49 281                   |            |                | 49 281           | 49 281           | -               |                                                             | 49 281                          | 27 911                       |               |                                            | 45 728                   | 45 728           | R'000        |
| KZN436 DR NKOSAZANA DLAMINI ZUMA | 30 558                   |            |                | 30 558           | 30 558           | -               |                                                             | 30 558                          | 14 014                       |               |                                            | 42 508                   | 42 508           | R'000        |
| DC43 HARRY GWALA DISTRICT MUN    | 231 011                  |            |                | 231 011          | 231 011          | -               |                                                             | 231 011                         | 106 169                      |               |                                            | 220 880                  | 220 880          | R'000        |
| <b>TOTAL KWAZULU NATAL</b>       | <b>3 663 143</b>         | <b>-</b>   | <b>175 700</b> | <b>3 838 843</b> | <b>3 838 843</b> | <b>-</b>        | <b>175 700</b>                                              | <b>3 838 843</b>                | <b>2 340 054</b>             | <b>-</b>      | <b>-</b>                                   | <b>3 585 280</b>         | <b>3 585 280</b> | <b>R'000</b> |
| <b>LIMPOPO</b>                   |                          |            |                |                  |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |              |
| LIM471 EMPRAIM MOGALE            | 37 821                   |            | 19 000         | 56 821           | 56 821           | -               | 19 000                                                      | 56 821                          | 33 509                       |               |                                            | 30 189                   | 30 189           | R'000        |
| LIM473 MAKHUDUTHAMAGA            | 70 915                   |            | 24 000         | 94 915           | 94 915           | -               | 24 000                                                      | 94 915                          | 60 136                       |               |                                            | 61 777                   | 61 777           | R'000        |
| LIM472 ELIAS MOTSOLEDI           | 62 606                   |            | 32 000         | 94 606           | 94 606           | -               | 32 000                                                      | 94 606                          | 55 005                       |               |                                            | 57 984                   | 57 984           | R'000        |
| LIM476 GRTR TUBATSE/ FETAKGOMO   | 96 588                   |            | 30 000         | 126 588          | 126 588          | -               | 30 000                                                      | 126 588                         | 79 963                       |               |                                            | 74 240                   | 74 240           | R'000        |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                          | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|-----------------------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
|                                               | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |  |
|                                               | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| DC47 GREATER SEKHUKHUNE DIST MUN              | 547 578                  |            | (73 578)    | 474 000         | 474 000          | 474 000         | -                                                           | (73 578)                        | 474 000                      | 146 028       |                                            | 454 052                  | 454 052          |  |
| LIM331 GREATER GIYANI                         | 69 261                   |            | (2 500)     | 66 761          | 66 761           | 66 761          | -                                                           | (2 500)                         | 66 761                       | 33 470        |                                            | 64 105                   | 64 105           |  |
| LIM332 GREATER LETABA                         | 65 707                   |            | 15 000      | 80 707          | 80 707           | 80 707          | -                                                           | 15 000                          | 80 707                       | 53 517        |                                            | 60 836                   | 60 836           |  |
| LIM333 GREATER TZANEEN                        | 119 004                  |            |             | 119 004         | 119 004          | 119 004         | -                                                           |                                 | 119 004                      | 73 302        |                                            | 161 741                  | 161 741          |  |
| LIM334 BAPHALABORWA                           | 36 186                   |            |             | 36 186          | 36 186           | 36 186          | -                                                           |                                 | 36 186                       | 20 457        |                                            | 31 748                   | 31 748           |  |
| LIM335 MARULENG                               | 30 170                   |            | 35 000      | 65 170          | 65 170           | 65 170          | -                                                           | 35 000                          | 65 170                       | 29 414        |                                            | 48 709                   | 48 709           |  |
| DC33 MOPANI DIST MUNICIPALITY                 | 523 460                  |            | (42 431)    | 481 029         | 481 029          | 481 029         | -                                                           | (42 431)                        | 481 029                      | 247 762       |                                            | 436 797                  | 436 797          |  |
| LIM341 MUSINA LOCAL MUNICIPALITY              | 32 713                   |            |             | 32 713          | 32 713           | 32 713          | -                                                           |                                 | 32 713                       | 13 719        |                                            | 36 988                   | 36 988           |  |
| LIM343 THULAMELA LOCAL MUN                    | 113 912                  |            | 30 000      | 143 912         | 143 912          | 143 912         | -                                                           | 30 000                          | 143 912                      | 86 415        |                                            | 111 174                  | 111 174          |  |
| LIM344 MAKHADO                                | 102 597                  |            |             | 102 597         | 102 597          | 102 597         | -                                                           |                                 | 102 597                      | 61 639        |                                            | 110 768                  | 110 768          |  |
| LIM345 NEW LOCAL MUNICIPALITY/COLLINS CHABANE | 93 889                   |            | 45 000      | 138 889         | 138 889          | 138 889         | -                                                           | 45 000                          | 138 889                      | 86 852        |                                            | 114 758                  | 114 758          |  |
| DC34 VHEMBE DIST MUNICIPALITY                 | 593 243                  |            |             | 593 243         | 593 243          | 593 243         | -                                                           |                                 | 593 243                      | 220 815       |                                            | 546 054                  | 546 054          |  |
| LIM351 BLOUBERG LOCAL MUN                     | 50 408                   |            | 21 290      | 71 698          | 71 698           | 71 698          | -                                                           | 21 290                          | 71 698                       | 40 389        |                                            | 80 764                   | 80 764           |  |
| LIM353 MOLEMOLE LOCAL MUN                     | 39 792                   |            |             | 39 792          | 39 792           | 39 792          | -                                                           |                                 | 39 792                       | 26 293        |                                            | 37 000                   | 37 000           |  |
| LIM355 LEPELLENKUMPI                          | 61 628                   |            | (12 000)    | 49 628          | 49 628           | 49 628          | -                                                           | (12 000)                        | 49 628                       | 9 071         |                                            | 57 085                   | 57 085           |  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                                   | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|-----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
| NAME OF MUNICIPALITY              | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DoRA and other transfers | Actual Trans-fer |  |
|                                   | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| DC35 CAPRICORN DIST MUNICIPALITY  | 265 547                  |            | (22 000)    | 243 547         | 243 547          | -               | (22 000)                                                    | 243 547                         | 139 017                      |               |                                            | 244 646                  | 244 646          |  |
| LIM361 THABAZIMBI                 | 37 573                   |            | (15 029)    | 22 544          | 22 544           | -               | (15 029)                                                    | 22 544                          | 7 874                        |               |                                            | 34 960                   | 34 960           |  |
| LIM362 LEPHALALE                  | 59 592                   |            | (8 415)     | 51 177          | 51 177           | -               | (8 415)                                                     | 51 177                          | 17 823                       |               |                                            | 46 014                   | 46 014           |  |
| LIM366 BELA BELA                  | 29 130                   |            |             | 29 130          | 29 130           | -               |                                                             | 29 130                          | 17 473                       |               |                                            | 27 194                   | 27 194           |  |
| LIM367 MOGALAKWENA                | 179 727                  |            |             | 179 727         | 179 727          | -               |                                                             | 179 727                         | 128 416                      |               |                                            | 130 622                  | 130 622          |  |
| LIM368 MODIMOLLE/ MOOKGOPONG L MN | 43 725                   |            |             | 43 725          | 43 725           | -               |                                                             | 43 725                          | 23 263                       |               |                                            | 40 617                   | 40 617           |  |
| TOTAL LIMPOPO                     | 3 362 772                | -          | 75 337      | 3 438 109       | 3 438 109        | -               | 75 337                                                      | 3 438 109                       | 1 711 623                    | -             |                                            | 3 100 822                | 3 100 822        |  |
| MPUMALANGA                        |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |  |
| MP301 ALBERT LUTHULI              | 99 706                   |            |             | 99 706          | 99 706           | -               |                                                             | 99 706                          | 74 568                       |               |                                            | 92 108                   | 92 108           |  |
| MP302 MSUKALINGWA                 | 60 055                   |            |             | 60 055          | 60 055           | -               |                                                             | 60 055                          | 41 240                       |               |                                            | 55 638                   | 55 638           |  |
| MP303 MKHONDO                     | 89 625                   |            |             | 89 625          | 89 625           | -               |                                                             | 89 625                          | 68 229                       |               |                                            | 92 836                   | 92 836           |  |
| MP304 PIXLEY KA SEME              | 29 722                   |            |             | 29 722          | 29 722           | -               |                                                             | 29 722                          | 14 744                       |               |                                            | 25 238                   | 25 238           |  |
| MP305 LEKWA                       | 32 514                   |            |             | 32 514          | 32 514           | -               |                                                             | 32 514                          | 26 464                       |               |                                            | 50 307                   | 50 307           |  |
| MP306 DIPALESENG                  | 20 943                   |            |             | 20 943          | 20 943           | -               |                                                             | 20 943                          | 14 635                       |               |                                            | 27 417                   | 27 417           |  |
| MP307 GOVAN MBEKI                 | 65 932                   |            |             | 65 932          | 65 932           | -               |                                                             | 65 932                          | 44 688                       |               |                                            | 51 526                   | 51 526           |  |
| MP311 VICTOR KHANYE               | 27 976                   |            |             | 27 976          | 27 976           | -               |                                                             | 27 976                          | 21 587                       |               |                                            | 26 134                   | 26 134           |  |
| MP312 EMALAHLENI                  | 137 675                  |            |             | 137 675         | 137 675          | -               |                                                             | 137 675                         | 107 186                      |               |                                            | 127 032                  | 127 032          |  |
| MP314 EMAKHAZENI                  | 20 272                   |            |             | 20 272          | 20 272           | -               |                                                             | 20 272                          | 14 385                       |               |                                            | 19 046                   | 19 046           |  |
| MP315 THEMBSILE                   | 141 661                  |            |             | 141 661         | 141 661          | -               |                                                             | 141 661                         | 94 747                       |               |                                            | 130 698                  | 130 698          |  |
| MP316 DR JS MOROKA                | 153 660                  |            |             | 153 660         | 153 660          | -               |                                                             | 153 660                         | 102 067                      |               |                                            | 132 482                  | 132 482          |  |
| MP321 THABA CHWEU                 | 53 907                   |            |             | 53 907          | 53 907           | -               |                                                             | 53 907                          | 35 341                       |               |                                            | 49 982                   | 49 982           |  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY           | GRANT ALLOCATION         |            |               |                  | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |                  |
|--------------------------------|--------------------------|------------|---------------|------------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|------------------|
|                                | DORA and other transfers | Roll Overs | Adjustments   | Total Available  | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |                  |
|                                | R'000                    | R'000      | R'000         | R'000            | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            | R'000            |
| MP324 NKOMAZI                  | 258 939                  |            | 65 000        | 323 939          | 323 939          | -               | 65 000                                                      | 323 939                         | 179 833                      |               |                                            | 258 568                  | 258 568          |                  |
| MP325 BUSHBUCKRIDGE            | 430 851                  |            |               | 430 851          | 430 851          | -               |                                                             | 430 851                         | 305 378                      |               |                                            | 396 689                  | 396 689          |                  |
| MP326 MBOMBELA/UMJINDI LOC MUN | 384 362                  |            |               | 384 362          | 384 362          | -               |                                                             | 384 362                         | 257 462                      |               |                                            | 353 929                  | 353 929          |                  |
| <b>TOTAL</b>                   | <b>2 007 800</b>         | <b>-</b>   | <b>65 000</b> | <b>2 072 800</b> | <b>2 072 800</b> | <b>-</b>        | <b>65 000</b>                                               | <b>2 072 800</b>                | <b>1 402 554</b>             | <b>-</b>      | <b>-</b>                                   | <b>1 889 630</b>         | <b>1 889 630</b> | <b>1 889 630</b> |
| <b>MPUMALANGA</b>              |                          |            |               |                  |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |                  |
| <b>NORTHERN CAPE</b>           |                          |            |               |                  |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |                  |
| NC451 JOE MOROLONG             | 68 496                   |            | 16 463        | 84 959           | 84 959           | -               | 16 463                                                      | 84 959                          | 45 365                       |               |                                            | 6 161                    | 6 161            |                  |
| NC452 GASEGONYANA              | 60 738                   |            | 15 000        | 75 738           | 75 738           | -               | 15 000                                                      | 75 738                          | 46 095                       |               |                                            | 10 017                   | 10 017           |                  |
| NC453 GAMAGARA                 | 12 908                   |            | (3 450)       | 9 458            | 9 458            | -               | (3 450)                                                     | 9 458                           | 2 178                        |               |                                            | 13 708                   | 13 708           |                  |
| NC061 RICHTERSVELD             | 7 697                    |            |               | 7 697            | 7 697            | -               |                                                             | 7 697                           | 4 198                        |               |                                            | 10 051                   | 10 051           |                  |
| NC062 NAMA KHOI                | 16 070                   |            | (5 165)       | 10 905           | 10 905           | -               | (5 165)                                                     | 10 905                          | 6 558                        |               |                                            | 14 276                   | 14 276           |                  |
| NC064 KAMIESBERG               | 7 945                    |            |               | 7 945            | 7 945            | -               |                                                             | 7 945                           | 4 643                        |               |                                            | 14 942                   | 14 942           |                  |
| NC065 HANTAM                   | 10 493                   |            |               | 10 493           | 10 493           | -               |                                                             | 10 493                          | 4 680                        |               |                                            | 6 274                    | 6 274            |                  |
| NC066 KAROO HOOGLAND           | 17 562                   |            |               | 17 562           | 17 562           | -               |                                                             | 17 562                          | 9 344                        |               |                                            | 16 887                   | 16 887           |                  |
| NC067 KHAIMA                   | 8 200                    |            | (6 200)       | 2 000            | 2 000            | -               | (6 200)                                                     | 2 000                           | 1 758                        |               |                                            | 10 096                   | 10 096           |                  |
| NC071 UBUNTU                   | 10 735                   |            | 5 000         | 15 735           | 15 735           | -               | 5 000                                                       | 15 735                          | 9 558                        |               |                                            | 5 224                    | 5 224            |                  |
| NC072 UMSOBOMVU                | 21 988                   |            | (7 000)       | 14 988           | 14 988           | -               | (7 000)                                                     | 14 988                          | 4 710                        |               |                                            | 3 000                    | 3 000            |                  |
| NC073 EMTHANJENI               | 22 759                   |            | (3 759)       | 19 000           | 19 000           | -               | (3 759)                                                     | 19 000                          | 7 219                        |               |                                            | 7 222                    | 7 222            |                  |
| NC074 KAREEBERG                | 19 506                   |            | (16 506)      | 3 000            | 3 000            | -               | (16 506)                                                    | 3 000                           | -                            |               |                                            | 26 110                   | 26 110           |                  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY       | GRANT ALLOCATION         |            |              |                 | TRANSFER       |             |                                            |                                 | SPENT                        |               |                                            |                          | 2021/22        |                |
|----------------------------|--------------------------|------------|--------------|-----------------|----------------|-------------|--------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|----------------|----------------|
|                            | DORA and other transfers | Roll Overs | Adjustments  | Total Available | Actual Trans-  | Funds With- | Re-allocations by Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-  |                |
|                            | R'000                    | R'000      | R'000        | R'000           | R'000          | R'000       | R'000                                      | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000          | R'000          |
| NC075 RENOSTERBERG         | 7 862                    | 8 000      | 8 000        | 15 862          | 15 862         | -           | 8 000                                      | 15 862                          | 6 393                        |               |                                            | 10 020                   | 10 020         | 10 020         |
| NC076 THEMBELIHLE          | 10 134                   |            |              | 10 134          | 10 134         | -           |                                            | 10 134                          | 2 313                        |               |                                            | 18 485                   | 18 485         | 18 485         |
| NC077 SIYATHEMBA           | 10 572                   | (2 572)    | (2 572)      | 8 000           | 8 000          | -           | (2 572)                                    | 8 000                           | 3 338                        |               |                                            | 11 040                   | 11 040         | 11 040         |
| NC078 SIYANCUMA            | 18 395                   | (13 395)   | (13 395)     | 5 000           | 5 000          | -           | (13 395)                                   | 5 000                           | -                            |               |                                            | 28 187                   | 28 187         | 28 187         |
| NC082 IKAI ! GARIB         | 25 097                   | (20 097)   | (20 097)     | 5 000           | 5 000          | -           | (20 097)                                   | 5 000                           | 3 235                        |               |                                            | 44 227                   | 44 227         | 44 227         |
| NC084 IKHEIS               | 11 567                   |            |              | 11 567          | 11 567         | -           |                                            | 11 567                          | 8 833                        |               |                                            | 26 323                   | 26 323         | 26 323         |
| NC085 TSANTSABANE          | 17 165                   | (5 165)    | (5 165)      | 12 000          | 12 000         | -           | (5 165)                                    | 12 000                          | 1 335                        |               |                                            | 21 370                   | 21 370         | 21 370         |
| NC086 KGATELOPELE          | 8 510                    | 40 000     | 40 000       | 48 510          | 48 510         | -           | 40 000                                     | 48 510                          | 7 433                        |               |                                            | 9 041                    | 9 041          | 9 041          |
| NC087 DAWID KRUIPER        | 28 183                   |            |              | 28 183          | 28 183         | -           |                                            | 28 183                          | 15 624                       |               |                                            | 13 069                   | 13 069         | 13 069         |
| NC092 DIKGATLONG           | 21 763                   |            |              | 21 763          | 21 763         | -           |                                            | 21 763                          | 10 226                       |               |                                            | 85 401                   | 85 401         | 85 401         |
| NC093 MAGARENG             | 18 612                   |            |              | 18 612          | 18 612         | -           |                                            | 18 612                          | 16 605                       |               |                                            | 56 267                   | 56 267         | 56 267         |
| NC094 PHOKWANE             | 29 538                   |            |              | 29 538          | 29 538         | -           |                                            | 29 538                          | 13 647                       |               |                                            | 4 750                    | 4 750          | 4 750          |
| <b>TOTAL NORTHERN CAPE</b> | <b>492 495</b>           | <b>-</b>   | <b>1 154</b> | <b>493 649</b>  | <b>493 649</b> | <b>-</b>    | <b>1 154</b>                               | <b>493 649</b>                  | <b>235 288</b>               | <b>-</b>      | <b>-</b>                                   | <b>472 148</b>           | <b>472 148</b> | <b>472 148</b> |
| <b>NORTH WEST</b>          |                          |            |              |                 |                |             |                                            |                                 |                              |               |                                            |                          |                |                |
| NW371 MORETELE             | 131 680                  |            |              | 131 680         | 131 680        | -           |                                            | 131 680                         | 71 877                       |               |                                            | 121 516                  | 121 516        | 121 516        |
| NW372 MADIBENG             | 324 408                  | (120 408)  | (120 408)    | 204 000         | 204 000        | -           | (120 408)                                  | 204 000                         | 21 277                       |               |                                            | 294 785                  | 294 785        | 294 785        |
| NW373 RUSTENBURG           | 270 530                  | (39 341)   | (39 341)     | 231 189         | 231 189        | -           | (39 341)                                   | 231 189                         | 156 190                      |               |                                            | 249 229                  | 249 229        | 249 229        |
| NW374 KGETLENGRIVIER       | 29 056                   |            |              | 29 056          | 29 056         | -           |                                            | 29 056                          | 13 825                       |               |                                            | 24 126                   | 24 126         | 24 126         |
| NW375 MOSES KOTANE         | 171 967                  | (18 134)   | (18 134)     | 153 833         | 153 833        | -           | (18 134)                                   | 153 833                         | 99 291                       |               |                                            | 147 571                  | 147 571        | 147 571        |
| NW381 RATLOU               | 33 155                   | (9 262)    | (9 262)      | 23 893          | 23 893         | -           | (9 262)                                    | 23 893                          | -                            |               |                                            | 25 197                   | 25 197         | 25 197         |
| NW382 TSWAING              | 33 010                   | 10 000     | 10 000       | 43 010          | 43 010         | -           | 10 000                                     | 43 010                          | 32 820                       |               |                                            | 22 763                   | 22 763         | 22 763         |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION |            |                  |                  | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|----------------------------------|------------------|------------|------------------|------------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                  | R'000            | Roll Overs | Adjustments      | Total Available  | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DoRA and other transfers | Actual Trans-fer | R'000 |
| NW383 MAFIKENG                   | 80 187           |            | 40 000           | 120 187          | 120 187          | -               | 40 000                                                      | 120 187                         | 72 426                       |               |                                            | 84 679                   | 84 679           |       |
| NW384 DITSOBOTLA                 | 41 395           |            | (8 720)          | 32 675           | 32 675           | -               | (8 720)                                                     | 32 675                          | -                            |               |                                            | 38 475                   | 38 475           |       |
| NW385 RAMOTSHERE MOILOA          | 42 105           |            |                  | 42 105           | 42 105           | -               |                                                             | 42 105                          | 33 472                       |               |                                            | 59 127                   | 59 127           |       |
| DC38 NGAKA MODIRI MOLEMA DIST MU | 344 835          |            |                  | 344 835          | 344 835          | -               |                                                             | 344 835                         | 193 468                      |               |                                            | 317 573                  | 317 573          |       |
| NW392 NALEDI                     | 18 823           |            | 25 000           | 43 823           | 43 823           | -               | 25 000                                                      | 43 823                          | 18 290                       |               |                                            | 33 914                   | 33 914           |       |
| NW393 NAMUSA                     | 17 342           |            | (2 300)          | 15 042           | 15 042           | -               | (2 300)                                                     | 15 042                          | -                            |               |                                            | 16 351                   | 16 351           |       |
| NW394 GREATER TAUNG              | 54 163           |            |                  | 54 163           | 54 163           | -               |                                                             | 54 163                          | 39 148                       |               |                                            | 40 218                   | 40 218           |       |
| NW396 LEKWATEEMANE               | 16 300           |            |                  | 16 300           | 16 300           | -               |                                                             | 16 300                          | 7 382                        |               |                                            | 15 394                   | 15 394           |       |
| NW397 MOLOPOKAGISANO             | 33 926           |            |                  | 33 926           | 33 926           | -               |                                                             | 33 926                          | 23 042                       |               |                                            | 41 114                   | 41 114           |       |
| DC39 DR RUTH SEGOMTSI MUN        | 158 928          |            |                  | 158 928          | 158 928          | -               |                                                             | 158 928                         | 88 721                       |               |                                            | 146 579                  | 146 579          |       |
| NW403 CITY OF MATLOSANA          | 100 187          |            | (11 000)         | 89 187           | 89 187           | -               | (11 000)                                                    | 89 187                          | 31 859                       |               |                                            | 97 551                   | 97 551           |       |
| NW404 MAQUASSI HILLS             | 31 782           |            |                  | 31 782           | 31 782           | -               |                                                             | 31 782                          | 20 333                       |               |                                            | 39 632                   | 39 632           |       |
| NW405 VENTERSDORP/ TLOKWE LOC MN | 76 186           |            | (28 871)         | 47 315           | 47 315           | -               | (28 871)                                                    | 47 315                          | 37 983                       |               |                                            | 62 975                   | 62 975           |       |
| <b>TOTAL NORTH WEST</b>          | <b>2 009 965</b> | <b>-</b>   | <b>(163 036)</b> | <b>1 846 929</b> | <b>1 846 929</b> | <b>-</b>        | <b>(163 036)</b>                                            | <b>1 846 929</b>                | <b>961 404</b>               | <b>-</b>      | <b>-</b>                                   | <b>1 878 769</b>         | <b>1 878 769</b> |       |
| <b>WESTERN CAPE</b>              |                  |            |                  |                  |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| WC011 MATZIKAMA                  | 23 817           |            |                  | 23 817           | 23 817           | -               |                                                             | 23 817                          | 20 392                       |               |                                            | 22 308                   | 22 308           |       |
| WC012 CEDERBERG                  | 17 309           |            | (5 200)          | 12 109           | 12 109           | -               | (5 200)                                                     | 12 109                          | 5 065                        |               |                                            | 16 320                   | 16 320           |       |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

|                       | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|-----------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
| NAME OF MUNICIPALITY  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |  |
|                       | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| WC013 BERGRIVIER      | 16 017                   |            |             | 16 017          | 16 017           | -               |                                                             | 16 017                          | 10 125                       |               |                                            | 15 134                   | 15 134           |  |
| WC014 SALDANHA BAY    | 21 634                   |            | (2 266)     | 19 368          | 19 368           | -               | (2 266)                                                     | 19 368                          | 9 955                        |               |                                            | 20 299                   | 20 299           |  |
| WC015 SWARTLAND       | 33 810                   |            |             | 33 810          | 33 810           | -               |                                                             | 33 810                          | 24 437                       |               |                                            | 26 301                   | 26 301           |  |
| WC022 WITZENBERG      | 25 091                   |            |             | 25 091          | 25 091           | -               |                                                             | 25 091                          | 13 792                       |               |                                            | 24 980                   | 24 980           |  |
| WC025 BREEDE VALLEY   | 44 987                   |            |             | 44 987          | 44 987           | -               |                                                             | 44 987                          | 26 168                       |               |                                            | 36 260                   | 36 260           |  |
| WC026 LANGEBERG       | 24 597                   |            |             | 24 597          | 24 597           | -               |                                                             | 24 597                          | 10 802                       |               |                                            | 23 025                   | 23 025           |  |
| WC031 THEEWATERSKLOOF | 29 728                   |            |             | 29 728          | 29 728           | -               |                                                             | 29 728                          | 14 725                       |               |                                            | 25 602                   | 25 602           |  |
| WC032 OVERSTRAND      | 24 628                   |            |             | 24 628          | 24 628           | -               |                                                             | 24 628                          | 12 999                       |               |                                            | 21 053                   | 21 053           |  |
| WC033 CAPE AGULHAS    | 11 929                   |            |             | 11 929          | 11 929           | -               |                                                             | 11 929                          | 5 823                        |               |                                            | 11 373                   | 11 373           |  |
| WC034 SWELLEN DAM     | 13 005                   |            |             | 13 005          | 13 005           | -               |                                                             | 13 005                          | 6 531                        |               |                                            | 12 362                   | 12 362           |  |
| WC041 KANNALAND       | 11 083                   |            | (1 920)     | 9 163           | 9 163            | -               | (1 920)                                                     | 9 163                           | 371                          |               |                                            | 10 594                   | 10 594           |  |
| WC042 HESSEQUA        | 24 982                   |            |             | 24 982          | 24 982           | -               |                                                             | 24 982                          | 13 845                       |               |                                            | 14 181                   | 14 181           |  |
| WC043 MOSSEL BAY      | 27 046                   |            |             | 27 046          | 27 046           | -               |                                                             | 27 046                          | 11 186                       |               |                                            | 25 277                   | 25 277           |  |
| WC044 GEORGE          | 45 508                   |            |             | 45 508          | 45 508           | -               |                                                             | 45 508                          | 20 333                       |               |                                            | 42 262                   | 42 262           |  |
| WC045 OUDTSHOORN      | 33 325                   |            |             | 33 325          | 33 325           | -               |                                                             | 33 325                          | 13 945                       |               |                                            | 22 775                   | 22 775           |  |
| WC047 BITOU           | 22 508                   |            |             | 22 508          | 22 508           | -               |                                                             | 22 508                          | 3 506                        |               |                                            | 30 104                   | 30 104           |  |
| WC048 KNYSNA          | 39 114                   |            | (9 400)     | 29 714          | 29 714           | -               | (9 400)                                                     | 29 714                          | 7 869                        |               |                                            | 24 460                   | 24 460           |  |
| WC051 LAINGSBURG      | 6 870                    |            |             | 6 870           | 6 870            | -               |                                                             | 6 870                           | 5 132                        |               |                                            | 5 519                    | 5 519            |  |
| WC052 PRINCE ALBERT   | 7 956                    |            |             | 7 956           | 7 956            | -               |                                                             | 7 956                           | 3 648                        |               |                                            | 9 718                    | 9 718            |  |
| WC053 BEAUFORT WEST   | 15 353                   |            | (5 800)     | 9 553           | 9 553            | -               | (5 800)                                                     | 9 553                           | 2 060                        |               |                                            | 14 521                   | 14 521           |  |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                          | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|-----------------------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
|                                               | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |  |
|                                               | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| <b>TOTAL WESTERN CAPE</b>                     | 520 297                  | -          | (24 586)    | 495 711         | 495 711          | -               | (24 586)                                                    | 495 711                         | 242 709                      | -             | -                                          | 454 428                  | 454 428          |  |
| <b>TOTAL MIG</b>                              | 16 842 001               | -          | -           | 16 842 001      | 16 842 001       | -               | -                                                           | 16 842 001                      | 9 256 962                    | -             | -                                          | 15 592 748               | 15 592 748       |  |
| <b>LOCAL GOVERNMENT EQUITABLE SHARE GRANT</b> |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |  |
| <b>M 004 EC: MUNICIPALITIES</b>               |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |  |
| TOTAL M 006 BUF BUFFALO CITY                  | 1 045 448                |            |             | 1 045 448       | 1 045 448        |                 |                                                             |                                 |                              |               |                                            | 936 811                  | 936 811          |  |
| TOTAL M 006 NMA NELSON MANDELA BAY            | 1 288 228                |            |             | 1 288 228       | 1 045 975        |                 |                                                             |                                 |                              |               |                                            | 1 143 807                | 1 089 614        |  |
| EC101 DR BEYERS NAUDE LOCAL MUN               | 107 059                  |            |             | 107 059         | 107 059          |                 |                                                             |                                 |                              |               |                                            | 99 316                   | 99 316           |  |
| EC102 BLUE CRANE ROUTE                        | 63 385                   |            |             | 63 385          | 58 385           |                 |                                                             |                                 |                              |               |                                            | 58 178                   | 53 863           |  |
| EC104 MAKANA                                  | 113 634                  |            |             | 113 634         | 113 634          |                 |                                                             |                                 |                              |               |                                            | 103 061                  | 103 061          |  |
| EC105 NDLAMBE                                 | 119 231                  |            |             | 119 231         | 119 231          |                 |                                                             |                                 |                              |               |                                            | 107 582                  | 107 582          |  |
| EC106 SUNDAYS RIVER VALLEY                    | 101 270                  |            |             | 101 270         | 95 989           |                 |                                                             |                                 |                              |               |                                            | 90 418                   | 90 418           |  |
| EC108 KOUGA                                   | 163 292                  |            |             | 163 292         | 163 292          |                 |                                                             |                                 |                              |               |                                            | 143 774                  | 143 774          |  |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
| EC109 KOUKAMA                    | 60 474                   |            |             | 60 474          | 60 474           | 60 474          |                                                             |                                 |                              |               |                                            | 54 362                   | 54 362           | R'000 |
| DC10 SARAH BAARTMAN DISTRICT MUN | 104 576                  |            |             | 104 576         | 102 564          |                 |                                                             |                                 |                              |               |                                            | 100 709                  | 100 540          | R'000 |
| EC121 MBHASHE                    | 294 923                  |            |             | 294 923         | 294 923          |                 |                                                             |                                 |                              |               |                                            | 271 935                  | 270 297          | R'000 |
| EC122 MNQUMA                     | 307 329                  |            |             | 307 329         | 307 329          |                 |                                                             |                                 |                              |               |                                            | 282 161                  | 280 299          | R'000 |
| EC123 GREAT KEI                  | 50 186                   |            |             | 50 186          | 50 186           |                 |                                                             |                                 |                              |               |                                            | 46 595                   | 46 102           | R'000 |
| EC124 AMAHLATI                   | 124 987                  |            |             | 124 987         | 124 987          |                 |                                                             |                                 |                              |               |                                            | 115 504                  | 115 504          | R'000 |
| EC126 NGQUSHWA                   | 97 609                   |            |             | 97 609          | 97 609           |                 |                                                             |                                 |                              |               |                                            | 90 290                   | 83 407           | R'000 |
| EC129 RAYMOND MHLABA             | 204 622                  |            |             | 204 622         | 204 622          |                 |                                                             |                                 |                              |               |                                            | 189 927                  | 189 927          | R'000 |
| DC12 AMATOLE DIST MUNICIPALITY   | 1 025 616                |            |             | 1 025 616       | 959 327          |                 |                                                             |                                 |                              |               |                                            | 939 262                  | 939 262          | R'000 |
| EC131 INXUBA YETHEMBA            | 50 744                   |            |             | 50 744          | 50 744           |                 |                                                             |                                 |                              |               |                                            | 46 699                   | 46 699           | R'000 |
| EC135 INTSIKA YETHU              | 187 928                  |            |             | 187 928         | 181 639          |                 |                                                             |                                 |                              |               |                                            | 173 443                  | 170 913          | R'000 |
| EC136 EMALAHLENI                 | 146 186                  |            |             | 146 186         | 146 186          |                 |                                                             |                                 |                              |               |                                            | 135 035                  | 132 913          | R'000 |
| EC137 ENGCOBO                    | 175 143                  |            |             | 175 143         | 163 170          |                 |                                                             |                                 |                              |               |                                            | 161 714                  | 161 333          | R'000 |
| EC138 SAKHISIZWE                 | 80 323                   |            |             | 80 323          | 79 757           |                 |                                                             |                                 |                              |               |                                            | 74 331                   | 65 898           | R'000 |
| EC139 ENOCH MGILIMA LOCAL MUN    | 215 409                  |            |             | 215 409         | 215 409          |                 |                                                             |                                 |                              |               |                                            | 196 899                  | 196 899          | R'000 |
| DC13 CHRIS HANI DIST MUNICIPALIT | 654 460                  |            |             | 654 460         | 638 328          |                 |                                                             |                                 |                              |               |                                            | 600 621                  | 600 569          | R'000 |
| EC141 ELUNDINI                   | 180 384                  |            |             | 180 384         | 179 453          |                 |                                                             |                                 |                              |               |                                            | 166 231                  | 166 231          | R'000 |
| EC142 SENQU                      | 177 125                  |            |             | 177 125         | 177 125          |                 |                                                             |                                 |                              |               |                                            | 163 362                  | 147 485          | R'000 |
| EC145 WALTER SIZULU              | 70 586                   |            |             | 70 586          | 70 586           |                 |                                                             |                                 |                              |               |                                            | 64 368                   | 64 368           | R'000 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                  | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |       |
|---------------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|-------|
|                                       | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |       |
|                                       | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000 |
| DC14 JOE DISTRICT MUNICIPALITY        | 334 540                  |            |             | 334 540         | 332 307       |             |                                                     |                                 |                              |               |                                            | 302 992                  | 298 000       |       |
| EC153 NGOUZA HILL                     | 310 567                  |            |             | 310 567         | 300 175       |             |                                                     |                                 |                              |               |                                            | 283 556                  | 283 556       |       |
| EC154 PORT ST JOHNS                   | 182 985                  |            |             | 182 985         | 179 967       |             |                                                     |                                 |                              |               |                                            | 168 140                  | 163 475       |       |
| EC155 NYANDENI                        | 313 293                  |            |             | 313 293         | 313 293       |             |                                                     |                                 |                              |               |                                            | 286 893                  | 286 893       |       |
| EC156 MHLONTLO                        | 217 727                  |            |             | 217 727         | 198 109       |             |                                                     |                                 |                              |               |                                            | 200 960                  | 200 960       |       |
| EC157 KI SABATA DALINDYEBO            | 404 115                  |            |             | 404 115         | 404 115       |             |                                                     |                                 |                              |               |                                            | 365 575                  | 365 575       |       |
| DC15 OR TAMBO DISTRICT MUNICIPALITY   | 1 051 671                |            |             | 1 051 671       | 863 440       |             |                                                     |                                 |                              |               |                                            | 950 456                  | 554 829       |       |
| EC442 UMZIMVUBU                       | 260 936                  |            |             | 260 936         | 260 936       |             |                                                     |                                 |                              |               |                                            | 238 026                  | 238 026       |       |
| EC441 MATATIELE                       | 286 308                  |            |             | 286 308         | 286 308       |             |                                                     |                                 |                              |               |                                            | 258 826                  | 258 826       |       |
| EC443 MBIZANA                         | 320 095                  |            |             | 320 095         | 320 095       |             |                                                     |                                 |                              |               |                                            | 289 620                  | 289 620       |       |
| EC444 NTABANKULU                      | 149 587                  |            |             | 149 587         | 149 587       |             |                                                     |                                 |                              |               |                                            | 133 703                  | 133 703       |       |
| DC44 ALFRED NZO DISTRICT MUNICIPAL    | 686 652                  |            |             | 686 652         | 686 652       |             |                                                     |                                 |                              |               |                                            | 618 487                  | 618 487       |       |
| <b>TOTAL M 004 EC: MUNICIPALITIES</b> | -                        |            |             | -               | -             |             |                                                     |                                 |                              |               |                                            | -                        | -             |       |
| <b>M 004 FS: MUNICIPALITIES</b>       |                          |            |             | -               | -             |             |                                                     |                                 |                              |               |                                            |                          |               |       |
| MAN MANGAUNG                          | 938 383                  |            |             | 938 383         | 646 683       |             |                                                     |                                 |                              |               |                                            | 830 046                  | 811 667       |       |
| FS161 LETSEMENG                       | 79 028                   |            |             | 79 028          | 65 028        |             |                                                     |                                 |                              |               |                                            | 70 307                   | 62 629        |       |
| FS162 KOPANONG                        | 103 546                  |            |             | 103 546         | 78 546        |             |                                                     |                                 |                              |               |                                            | 93 005                   | 74 995        |       |
| FS163 MOHOKARE                        | 86 952                   |            |             | 86 952          | 61 246        |             |                                                     |                                 |                              |               |                                            | 76 781                   | 58 172        |       |
| DC16 KHARIEP DISTRICT MUNICIPAL       | 49 161                   |            |             | 49 161          | 49 161        |             |                                                     |                                 |                              |               |                                            | 47 192                   | 47 192        |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                   | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |       |
|----------------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|-------|
|                                        | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |       |
|                                        | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000 |
| FS181 MASILONYANA                      | 147 095                  |            |             | 147 095         | 137 087       |             |                                                     |                                 |                              |               |                                            | 133 179                  | 128 151       |       |
| FS182 TOKOLOGO                         | 70 432                   |            |             | 70 432          | 68 502        |             |                                                     |                                 |                              |               |                                            | 59 970                   | 55 996        |       |
| FS183 TSWELOPELE                       | 91 219                   |            |             | 91 219          | 91 219        |             |                                                     |                                 |                              |               |                                            | 81 535                   | 81 535        |       |
| FS184 MATJHABENG                       | 628 523                  |            |             | 628 523         | 553 423       |             |                                                     |                                 |                              |               |                                            | 561 595                  | 536 595       |       |
| FS185 NALA                             | 144 920                  |            |             | 144 920         | 142 632       |             |                                                     |                                 |                              |               |                                            | 132 571                  | 129 932       |       |
| DC18 LEJWELEPUTSWA DIST MUNICIPAL      | 144 044                  |            |             | 144 044         | 144 044       |             |                                                     |                                 |                              |               |                                            | 138 217                  | 138 020       |       |
| FS191 SETSOTO                          | 234 466                  |            |             | 234 466         | 182 624       |             |                                                     |                                 |                              |               |                                            | 212 318                  | 179 539       |       |
| FS192 DIHLABENG                        | 210 193                  |            |             | 210 193         | 190 193       |             |                                                     |                                 |                              |               |                                            | 186 348                  | 186 348       |       |
| FS193 NKETOANA                         | 120 870                  |            |             | 120 870         | 112 693       |             |                                                     |                                 |                              |               |                                            | 108 738                  | 102 128       |       |
| FS194 MALUTIAPHOFUNG                   | 744 441                  |            |             | 744 441         | 743 235       |             |                                                     |                                 |                              |               |                                            | 668 457                  | 630 835       |       |
| FS195 PHUMELELA                        | 93 052                   |            |             | 93 052          | 87 052        |             |                                                     |                                 |                              |               |                                            | 83 614                   | 83 614        |       |
| FS196 MATSOPA                          | 102 426                  |            |             | 102 426         | 88 862        |             |                                                     |                                 |                              |               |                                            | 91 947                   | 87 186        |       |
| DC19 THABO MOFUTSANYANE DIST MUNICIPAL | 130 459                  |            |             | 130 459         | 130 459       |             |                                                     |                                 |                              |               |                                            | 126 106                  | 125 196       |       |
| FS201 MOQHAKA                          | 257 433                  |            |             | 257 433         | 257 433       |             |                                                     |                                 |                              |               |                                            | 230 417                  | 220 958       |       |
| FS203 NGWATHE                          | 241 451                  |            |             | 241 451         | 192 374       |             |                                                     |                                 |                              |               |                                            | 215 960                  | 190 904       |       |
| FS204 METSIMAHOLO                      | 246 748                  |            |             | 246 748         | 242 194       |             |                                                     |                                 |                              |               |                                            | 214 398                  | 214 398       |       |
| FS205 MAFUBE                           | 118 903                  |            |             | 118 903         | 106 903       |             |                                                     |                                 |                              |               |                                            | 107 146                  | 96 227        |       |
| DC20 FEZILE DABI DIST MUNICIPAL        | 168 576                  |            |             | 168 576         | 168 576       |             |                                                     |                                 |                              |               |                                            | 164 035                  | 162 540       |       |
| <b>TOTAL M 004 FS: MUNICIPALITIES</b>  | -                        |            |             | -               | -             |             |                                                     |                                 |                              |               |                                            | -                        | -             |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |       |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000 |
| <b>M 004</b>                     |                          |            |             |                 |               |             |                                                     |                                 |                              |               |                                            |                          |               |       |
| <b>GP:MUNICIPALITIES</b>         |                          |            |             |                 |               |             |                                                     |                                 |                              |               |                                            |                          |               |       |
| EKU EKURHULENI METRO             | 4 606 943                |            |             | 4 606 943       | 4 604 030     |             |                                                     |                                 |                              |               |                                            | 4 026 213                | 4 026 213     |       |
| JHB CITY OF JOHANNESBURG         | 6 279 400                |            |             | 6 279 400       | 5 643 542     |             |                                                     |                                 |                              |               |                                            | 5 467 766                | 5 381 548     |       |
| TSH CITY OF TSHWANE              | 3 551 250                |            |             | 3 551 250       | 3 366 807     |             |                                                     |                                 |                              |               |                                            | 3 088 576                | 3 003 279     |       |
| GT421 EMFULENI                   | 971 061                  |            |             | 971 061         | 954 712       |             |                                                     |                                 |                              |               |                                            | 863 908                  | 807 327       |       |
| GT422 MIDVAAL                    | 143 164                  |            |             | 143 164         | 140 751       |             |                                                     |                                 |                              |               |                                            | 124 899                  | 124 899       |       |
| GT423 LESEDI                     | 181 382                  |            |             | 181 382         | 181 319       |             |                                                     |                                 |                              |               |                                            | 157 951                  | 154 785       |       |
| DC42 SEDIBENG DISTRICT MUNICIPAL | 293 991                  |            |             | 293 991         | 293 186       |             |                                                     |                                 |                              |               |                                            | 285 545                  | 283 971       |       |
| GT481 MOGALE CITY                | 539 525                  |            |             | 539 525         | 539 525       |             |                                                     |                                 |                              |               |                                            | 471 790                  | 471 790       |       |
| GT484 MERAFOG CITY               | 259 031                  |            |             | 259 031         | 259 007       |             |                                                     |                                 |                              |               |                                            | 229 859                  | 220 510       |       |
| GT485 NEW LOC MUN (RNDFTN&WSTNR) | 393 139                  |            |             | 393 139         | 388 113       |             |                                                     |                                 |                              |               |                                            | 346 639                  | 343 039       |       |
| DC48 WEST RAND DIST MUNICIPALITY | 230 252                  |            |             | 230 252         | 230 252       |             |                                                     |                                 |                              |               |                                            | 222 589                  | 222 589       |       |
| <b>TOTAL M 004</b>               |                          |            |             |                 |               |             |                                                     |                                 |                              |               |                                            |                          |               |       |
| <b>GP:MUNICIPALITIES</b>         |                          |            |             |                 |               |             |                                                     |                                 |                              |               |                                            |                          |               |       |
| <b>M 004</b>                     |                          |            |             |                 |               |             |                                                     |                                 |                              |               |                                            |                          |               |       |
| <b>KZN:MUNICIPALITIES</b>        |                          |            |             |                 |               |             |                                                     |                                 |                              |               |                                            |                          |               |       |
| ETH ETHEKWINI                    | 4 057 189                |            |             | 4 057 189       | 3 994 457     |             |                                                     |                                 |                              |               |                                            | 3 580 447                | 3 564 753     |       |
| KZN212 UMDONI LOCAL MUNICIPALITY | 162 218                  |            |             | 162 218         | 162 218       |             |                                                     |                                 |                              |               |                                            | 147 611                  | 147 611       |       |
| KZN213 UMZUMBE                   | 154 862                  |            |             | 154 862         | 154 780       |             |                                                     |                                 |                              |               |                                            | 143 164                  | 132 764       |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY            | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|---------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                 | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
| KZN214 UMUZIWABANTU             | 110 541                  |            |             | 110 541         | 110 541          |                 |                                                             |                                 |                              |               |                                            | 100 390                  | 100 390          | R'000 |
| KZN216 RAY NKONYENI             | 260 646                  |            |             | 260 646         | 257 607          |                 |                                                             |                                 |                              |               |                                            | 233 214                  | 233 153          | R'000 |
| DC21 UGU DISTRICT MUNICIPALITY  | 585 146                  |            |             | 585 146         | 585 146          |                 |                                                             |                                 |                              |               |                                            | 524 364                  | 524 364          | R'000 |
| KZN221 UMSHWATHI                | 123 847                  |            |             | 123 847         | 123 847          |                 |                                                             |                                 |                              |               |                                            | 113 010                  | 113 010          | R'000 |
| KZN222 UMNENI                   | 88 389                   |            |             | 88 389          | 88 389           |                 |                                                             |                                 |                              |               |                                            | 77 509                   | 77 509           | R'000 |
| KZN223 MPOFANA                  | 43 460                   |            |             | 43 460          | 43 460           |                 |                                                             |                                 |                              |               |                                            | 39 181                   | 39 181           | R'000 |
| KZN224 IMPENDLE                 | 45 621                   |            |             | 45 621          | 45 621           |                 |                                                             |                                 |                              |               |                                            | 38 934                   | 38 934           | R'000 |
| KZN225 MSUNDUZI                 | 696 056                  |            |             | 696 056         | 695 966          |                 |                                                             |                                 |                              |               |                                            | 616 262                  | 615 793          | R'000 |
| KZN226 MKHAMBATHINI             | 77 519                   |            |             | 77 519          | 77 519           |                 |                                                             |                                 |                              |               |                                            | 70 470                   | 70 470           | R'000 |
| KZN227 RICHMOND                 | 86 421                   |            |             | 86 421          | 86 378           |                 |                                                             |                                 |                              |               |                                            | 78 424                   | 78 306           | R'000 |
| DC22 UMGUNGUNDLOVU DIST MUN     | 669 855                  |            |             | 669 855         | 669 855          |                 |                                                             |                                 |                              |               |                                            | 608 552                  | 608 437          | R'000 |
| KZN235 OKHAHLAMBA               | 149 733                  |            |             | 149 733         | 149 733          |                 |                                                             |                                 |                              |               |                                            | 137 472                  | 137 472          | R'000 |
| KZN237 INKOSI ILANGIBALELE      | 218 092                  |            |             | 218 092         | 218 092          |                 |                                                             |                                 |                              |               |                                            | 197 401                  | 197 401          | R'000 |
| KZN238 ALFRED DUMA              | 285 377                  |            |             | 285 377         | 283 515          |                 |                                                             |                                 |                              |               |                                            | 258 163                  | 258 163          | R'000 |
| DC23 UTHUKELA DIST MUNICIPALITY | 539 912                  |            |             | 539 912         | 527 936          |                 |                                                             |                                 |                              |               |                                            | 485 156                  | 484 901          | R'000 |
| KZN241 UNDUMENI                 | 60 247                   |            |             | 60 247          | 59 991           |                 |                                                             |                                 |                              |               |                                            | 53 751                   | 53 751           | R'000 |
| KZN242 NQUTHU                   | 169 636                  |            |             | 169 636         | 169 636          |                 |                                                             |                                 |                              |               |                                            | 151 247                  | 150 195          | R'000 |
| KZN244 MSINGA                   | 206 533                  |            |             | 206 533         | 206 533          |                 |                                                             |                                 |                              |               |                                            | 182 530                  | 182 530          | R'000 |
| KZN245 UMVOTI                   | 162 289                  |            |             | 162 289         | 162 289          |                 |                                                             |                                 |                              |               |                                            | 145 819                  | 145 819          | R'000 |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |       |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000 |
| DC24 UMZINYATHI DIST MUNICIPAL   | 453 007                  |            |             | 453 007         | 444 304       |             |                                                     |                                 |                              |               |                                            | 402 121                  | 395 011       |       |
| KZN252 NEWCASTLE                 | 466 902                  |            |             | 466 902         | 457 761       |             |                                                     |                                 |                              |               |                                            | 417 790                  | 403 334       |       |
| KZN253 EMADLANGENI               | 36 076                   |            |             | 36 076          | 36 076        |             |                                                     |                                 |                              |               |                                            | 33 467                   | 33 467        |       |
| KZN254 DANNHAUSER                | 108 935                  |            |             | 108 935         | 108 935       |             |                                                     |                                 |                              |               |                                            | 100 522                  | 100 522       |       |
| DC25 AMAJUBA DIST MUNICIPALITY   | 201 814                  |            |             | 201 814         | 181 764       |             |                                                     |                                 |                              |               |                                            | 184 017                  | 181 692       |       |
| KZN261 EDUMBE                    | 93 423                   |            |             | 93 423          | 93 029        |             |                                                     |                                 |                              |               |                                            | 82 382                   | 82 382        |       |
| KZN262 UPHONGOLO                 | 169 597                  |            |             | 169 597         | 169 597       |             |                                                     |                                 |                              |               |                                            | 153 601                  | 153 601       |       |
| KZN263 ABAQULUSI                 | 187 494                  |            |             | 187 494         | 187 494       |             |                                                     |                                 |                              |               |                                            | 167 845                  | 167 581       |       |
| KZN265 NONGOMA                   | 189 932                  |            |             | 189 932         | 189 932       |             |                                                     |                                 |                              |               |                                            | 170 818                  | 170 818       |       |
| KZN266 ULUNDI                    | 196 348                  |            |             | 196 348         | 196 348       |             |                                                     |                                 |                              |               |                                            | 180 263                  | 180 263       |       |
| DC26 ZULULAND DIST MUNICIPALITY  | 586 391                  |            |             | 586 391         | 585 622       |             |                                                     |                                 |                              |               |                                            | 524 645                  | 524 645       |       |
| KZN271 UMHLABUYALINGANA          | 213 526                  |            |             | 213 526         | 211 832       |             |                                                     |                                 |                              |               |                                            | 188 289                  | 188 289       |       |
| KZN272 JOZINI                    | 230 520                  |            |             | 230 520         | 230 520       |             |                                                     |                                 |                              |               |                                            | 203 877                  | 203 877       |       |
| KZN275 MTUBATUBA                 | 215 419                  |            |             | 215 419         | 215 419       |             |                                                     |                                 |                              |               |                                            | 188 307                  | 183 333       |       |
| KZN276 BIG FIVE/HLABISA LOC MUN  | 137 249                  |            |             | 137 249         | 137 238       |             |                                                     |                                 |                              |               |                                            | 122 043                  | 122 043       |       |
| DC27 UMKHANYAKUDE DIST MUNICIPAL | 537 398                  |            |             | 537 398         | 499 595       |             |                                                     |                                 |                              |               |                                            | 473 222                  | 426 022       |       |
| KZN281 MFOLOZI                   | 165 314                  |            |             | 165 314         | 165 314       |             |                                                     |                                 |                              |               |                                            | 147 696                  | 147 350       |       |
| KZN282 UMHLATHUZE LOCAL MUN      | 471 939                  |            |             | 471 939         | 471 939       |             |                                                     |                                 |                              |               |                                            | 416 124                  | 416 124       |       |
| KZN284 UMHLAZI                   | 226 733                  |            |             | 226 733         | 226 654       |             |                                                     |                                 |                              |               |                                            | 206 125                  | 206 125       |       |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
| KZN285 MTHONJANENI LOCAL MUN     | 93 695                   |            |             | 93 695          | 93 695           |                 |                                                             |                                 |                              |               |                                            | 86 810                   | 85 080           |       |
| KZN286 NKANDLA                   | 114 409                  |            |             | 114 409         | 114 409          |                 |                                                             |                                 |                              |               |                                            | 105 809                  | 105 809          |       |
| DC28 UTHUNGULU DIST MUNICIPAL    | 647 196                  |            |             | 647 196         | 644 612          |                 |                                                             |                                 |                              |               |                                            | 590 849                  | 590 849          |       |
| KZN291 MANDENI                   | 212 818                  |            |             | 212 818         | 209 944          |                 |                                                             |                                 |                              |               |                                            | 191 149                  | 189 110          |       |
| KZN292 KWADUKUZA                 | 228 012                  |            |             | 228 012         | 228 012          |                 |                                                             |                                 |                              |               |                                            | 198 138                  | 193 198          |       |
| KZN293 NDWEDWE                   | 181 613                  |            |             | 181 613         | 181 613          |                 |                                                             |                                 |                              |               |                                            | 165 366                  | 165 366          |       |
| KZN294 MAPHUMULO                 | 108 314                  |            |             | 108 314         | 108 314          |                 |                                                             |                                 |                              |               |                                            | 98 940                   | 98 940           |       |
| DC29 ILEMBE DISTRICT MUNICIPAL   | 680 949                  |            |             | 680 949         | 680 949          |                 |                                                             |                                 |                              |               |                                            | 600 260                  | 600 260          |       |
| KZN433 GRAETER KOKSTAD           | 75 091                   |            |             | 75 091          | 75 091           |                 |                                                             |                                 |                              |               |                                            | 68 350                   | 68 350           |       |
| KZN434 UBUHLEBEZWE               | 131 712                  |            |             | 131 712         | 131 712          |                 |                                                             |                                 |                              |               |                                            | 121 143                  | 118 257          |       |
| KZN435 UMZIMKHULU                | 230 678                  |            |             | 230 678         | 190 811          |                 |                                                             |                                 |                              |               |                                            | 210 352                  | 210 352          |       |
| KZN436 DR NKOSAZANA DLAMINI ZUMA | 152 466                  |            |             | 152 466         | 152 466          |                 |                                                             |                                 |                              |               |                                            | 139 476                  | 139 476          |       |
| DC43 HARRY GWALA DISTRICT MUN    | 432 161                  |            |             | 432 161         | 432 161          |                 |                                                             |                                 |                              |               |                                            | 387 013                  | 387 013          |       |
| <b>TOTAL M 004</b>               |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | -                        | -                |       |
| <b>KZN:MUNICIPALITIES</b>        |                          |            |             | -               | -                |                 |                                                             |                                 |                              |               |                                            | -                        | -                |       |
| <b>M 004</b>                     |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| <b>LP:MUNICIPALITIES</b>         |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| LIM471 EMPRAIM MOGALE            | 178 826                  |            |             | 178 826         | 178 826          |                 |                                                             |                                 |                              |               |                                            | 162 471                  | 162 471          |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
| LIM473 MAKHUDUTHAMAGA            | 324 200                  |            |             | 324 200         | 324 200          | 324 200         |                                                             |                                 |                              |               |                                            | 296 332                  | 296 332          | R'000 |
| LIM472 ELIAS MOTSOLEDI           | 334 260                  |            |             | 334 260         | 328 803          |                 |                                                             |                                 |                              |               |                                            | 302 788                  | 302 788          | R'000 |
| LIM476 GRTR TUBATSE/FETAKGOMO    | 537 000                  |            |             | 537 000         | 518 024          |                 |                                                             |                                 |                              |               |                                            | 478 597                  | 478 498          | R'000 |
| DC47 GREATER SEKHUKHUNE DIST MUN | 989 172                  |            |             | 989 172         | 947 647          |                 |                                                             |                                 |                              |               |                                            | 878 832                  | 853 912          | R'000 |
| LIM331 GREATER GIYANI            | 352 203                  |            |             | 352 203         | 352 203          |                 |                                                             |                                 |                              |               |                                            | 320 318                  | 320 318          | R'000 |
| LIM332 GREATER LETABA            | 341 960                  |            |             | 341 960         | 341 960          |                 |                                                             |                                 |                              |               |                                            | 310 748                  | 310 748          | R'000 |
| LIM333 GREATER TZANEEN           | 481 161                  |            |             | 481 161         | 479 694          |                 |                                                             |                                 |                              |               |                                            | 432 618                  | 431 330          | R'000 |
| LIM334 BAPHALABORWA              | 189 853                  |            |             | 189 853         | 188 935          |                 |                                                             |                                 |                              |               |                                            | 171 127                  | 169 872          | R'000 |
| LIM335 MARULENG                  | 153 904                  |            |             | 153 904         | 150 102          |                 |                                                             |                                 |                              |               |                                            | 139 743                  | 139 743          | R'000 |
| DC33 MOPANI DIST MUNICIPALITY    | 1 170 419                |            |             | 1 170 419       | 1 130 419        |                 |                                                             |                                 |                              |               |                                            | 1 044 405                | 1 024 326        | R'000 |
| LIM341 MUSINA LOCAL MUNICIPALITY | 193 793                  |            |             | 193 793         | 192 995          |                 |                                                             |                                 |                              |               |                                            | 169 864                  | 169 864          | R'000 |
| LIM343 THULAMELA LOCAL MUN       | 547 969                  |            |             | 547 969         | 547 969          |                 |                                                             |                                 |                              |               |                                            | 495 781                  | 485 142          | R'000 |
| LIM344 MAKHADO                   | 445 889                  |            |             | 445 889         | 445 889          |                 |                                                             |                                 |                              |               |                                            | 401 747                  | 401 747          | R'000 |
| LIM345 NEW LOCAL MUNICIPALITY    | 454 043                  |            |             | 454 043         | 454 043          |                 |                                                             |                                 |                              |               |                                            | 412 284                  | 412 284          | R'000 |
| DC34 VHEMBE DIST MUNICIPALITY    | 1 276 805                |            |             | 1 276 805       | 1 267 108        |                 |                                                             |                                 |                              |               |                                            | 1 134 436                | 1 043 210        | R'000 |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY              | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|-----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                   | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
| LIM351 BLOUBERG LOCAL MUN         | 221 256                  |            |             | 221 256         | 221 076          |                 |                                                             |                                 |                              |               |                                            | 203 615                  | 203 356          |       |
| LIM353 MOLEMOLE LOCAL MUN         | 168 761                  |            |             | 168 761         | 168 571          |                 |                                                             |                                 |                              |               |                                            | 155 513                  | 154 884          |       |
| LIM354 POLOKWANE LOCAL MUN        | 1 196 549                |            |             | 1 196 549       | 1 060 551        |                 |                                                             |                                 |                              |               |                                            | 1 055 884                | 998 407          |       |
| LIM355 LEPELLENKUMPI              | 301 329                  |            |             | 301 329         | 295 205          |                 |                                                             |                                 |                              |               |                                            | 275 926                  | 260 924          |       |
| DC35 CAPRICORN DIST MUNICIPALITY  | 730 232                  |            |             | 730 232         | 729 959          |                 |                                                             |                                 |                              |               |                                            | 666 269                  | 664 205          |       |
| LIM361 THABAZIMBI                 | 122 061                  |            |             | 122 061         | 107 300          |                 |                                                             |                                 |                              |               |                                            | 107 453                  | 101 653          |       |
| LIM362 LEHALALE                   | 202 071                  |            |             | 202 071         | 202 071          |                 |                                                             |                                 |                              |               |                                            | 174 746                  | 174 648          |       |
| LIM366 BELA BELA                  | 117 909                  |            |             | 117 909         | 117 695          |                 |                                                             |                                 |                              |               |                                            | 104 441                  | 94 601           |       |
| LIM367 MOGALAKWENA                | 535 476                  |            |             | 535 476         | 473 198          |                 |                                                             |                                 |                              |               |                                            | 483 337                  | 478 637          |       |
| LIM368 MODIMOLLE/ MOOKGOPONG L MN | 134 343                  |            |             | 134 343         | 132 643          |                 |                                                             |                                 |                              |               |                                            | 121 136                  | 117 663          |       |
| DC36 WATERBERG DIST MUNICIPALITY  | 145 500                  |            |             | 145 500         | 145 500          |                 |                                                             |                                 |                              |               |                                            | 140 217                  | 140 217          |       |
| <b>TOTAL M 004</b>                |                          |            |             | -               |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| <b>LP: MUNICIPALITIES</b>         |                          |            |             | -               |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| <b>M 004</b>                      |                          |            |             | -               |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| <b>MP: MUNICIPALITIES</b>         |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| MP301 ALBERT LUTHULI              | 388 235                  |            |             | 388 235         | 388 235          |                 |                                                             |                                 |                              |               |                                            | 349 235                  | 349 235          |       |
| MP302 MSUKALINGWA                 | 227 520                  |            |             | 227 520         | 227 019          |                 |                                                             |                                 |                              |               |                                            | 199 442                  | 198 537          |       |
| MP303 MKHONDO                     | 303 974                  |            |             | 303 974         | 296 920          |                 |                                                             |                                 |                              |               |                                            | 269 849                  | 246 587          |       |
| MP304 PIXLEY KA SEME              | 146 850                  |            |             | 146 850         | 121 769          |                 |                                                             |                                 |                              |               |                                            | 132 763                  | 110 818          |       |
| MP305 LEKWA                       | 152 423                  |            |             | 152 423         | 152 423          |                 |                                                             |                                 |                              |               |                                            | 134 933                  | 134 297          |       |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            | R'000 |
| MP306 DIPALESENG                 | 91 860                   |            |             | 91 860          | 88 067           |                 |                                                             |                                 |                              |               |                                            | 82 053                   | 69 602           |       |
| MP307 GOVAN MBEKI                | 380 023                  |            |             | 380 023         | 337 678          |                 |                                                             |                                 |                              |               |                                            | 331 028                  | 319 638          |       |
| DC30 GERT SIBANDE DIST MUNICIPAL | 317 655                  |            |             | 317 655         | 317 655          |                 |                                                             |                                 |                              |               |                                            | 309 408                  | 309 408          |       |
| MP311 VICTOR KHANYE              | 127 094                  |            |             | 127 094         | 127 094          |                 |                                                             |                                 |                              |               |                                            | 111 897                  | 100 987          |       |
| MP312 EMALAHLENI                 | 493 518                  |            |             | 493 518         | 493 518          |                 |                                                             |                                 |                              |               |                                            | 426 204                  | 426 204          |       |
| MP313 STEVE TSHWETE              | 284 669                  |            |             | 284 669         | 284 669          |                 |                                                             |                                 |                              |               |                                            | 242 978                  | 242 978          |       |
| MP314 EMAKHAZENI                 | 80 242                   |            |             | 80 242          | 80 242           |                 |                                                             |                                 |                              |               |                                            | 71 791                   | 67 214           |       |
| MP315 THEMBSILE                  | 513 707                  |            |             | 513 707         | 513 707          |                 |                                                             |                                 |                              |               |                                            | 458 200                  | 458 200          |       |
| MP316 DR JS MOROKA               | 461 561                  |            |             | 461 561         | 461 561          |                 |                                                             |                                 |                              |               |                                            | 419 133                  | 419 133          |       |
| DC31 NKANGALA DIST MUNICIPALITY  | 388 810                  |            |             | 388 810         | 388 810          |                 |                                                             |                                 |                              |               |                                            | 378 547                  | 378 547          |       |
| MP321 THABA CHWELU               | 187 934                  |            |             | 187 934         | 187 838          |                 |                                                             |                                 |                              |               |                                            | 165 565                  | 163 238          |       |
| MP324 NKOMAZI                    | 725 681                  |            |             | 725 681         | 723 672          |                 |                                                             |                                 |                              |               |                                            | 646 530                  | 644 874          |       |
| MP325 BUSHBUCKRIDGE              | 979 294                  |            |             | 979 294         | 979 294          |                 |                                                             |                                 |                              |               |                                            | 879 945                  | 879 945          |       |
| MP326 MBOMBELA/UMJINDI LOC MUN   | 948 458                  |            |             | 948 458         | 888 406          |                 |                                                             |                                 |                              |               |                                            | 834 510                  | 834 510          |       |
| DC32 EHLANZENI DIST MUNICIPALITY | 284 129                  |            |             | 284 129         | 284 129          |                 |                                                             |                                 |                              |               |                                            | 274 698                  | 274 698          |       |
| <b>TOTAL M 004</b>               | -                        |            |             | -               |                  |                 |                                                             |                                 |                              |               |                                            | -                        |                  |       |
| <b>MP:MUNICIPALITIES</b>         |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| <b>M 004 NC:</b>                 |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| <b>MUNICIPALITIES</b>            |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |       |
| NC061 RICHTERSVELD               | 23 414                   |            |             | 23 414          | 169 246          |                 |                                                             |                                 |                              |               |                                            | 19 237                   | 14 662           |       |
| NC062 NAMA KHOI                  | 58 610                   |            |             | 58 610          | 203 103          |                 |                                                             |                                 |                              |               |                                            | 52 966                   | 39 764           |       |
| NC064 KAMIESBERG                 | 30 608                   |            |             | 30 608          | 47 226           |                 |                                                             |                                 |                              |               |                                            | 25 023                   | 20 294           |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY             | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |       |
|----------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|-------|
|                                  | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |       |
|                                  | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000 |
| NC065 HANTAM                     | 31 566                   |            |             | 31 566          | 102 257       |             |                                                     |                                 |                              |               |                                            | 27 160                   | 24 734        |       |
| NC066 KAROO HOOGLAND             | 30 429                   |            |             | 30 429          | 23 085        |             |                                                     |                                 |                              |               |                                            | 25 231                   | 21 231        |       |
| NC067 KHAIMA                     | 25 674                   |            |             | 25 674          | 43 629        |             |                                                     |                                 |                              |               |                                            | 21 156                   | 20 011        |       |
| DC6 NAMAKWA DISTRICT MUNICIPALIT | 55 849                   |            |             | 55 849          | 25 925        |             |                                                     |                                 |                              |               |                                            | 52 385                   | 52 385        |       |
| NC071 UBUNTU                     | 46 240                   |            |             | 46 240          | 31 566        |             |                                                     |                                 |                              |               |                                            | 38 741                   | 31 024        |       |
| NC072 UMSOBOMVU                  | 64 182                   |            |             | 64 182          | 30 429        |             |                                                     |                                 |                              |               |                                            | 56 140                   | 51 295        |       |
| NC073 EMTHANJENI                 | 55 218                   |            |             | 55 218          | 19 486        |             |                                                     |                                 |                              |               |                                            | 49 935                   | 36 827        |       |
| NC074 KAREEBERG                  | 33 449                   |            |             | 33 449          | 55 849        |             |                                                     |                                 |                              |               |                                            | 27 308                   | 11 378        |       |
| NC075 RENOSTERBERG               | 31 992                   |            |             | 31 992          | 45 697        |             |                                                     |                                 |                              |               |                                            | 27 568                   | 24 999        |       |
| NC076 THEMBELIHLE                | 33 949                   |            |             | 33 949          | 63 686        |             |                                                     |                                 |                              |               |                                            | 28 135                   | 27 023        |       |
| NC077 SIYATHEMBA                 | 42 278                   |            |             | 42 278          | 45 940        |             |                                                     |                                 |                              |               |                                            | 36 942                   | 27 109        |       |
| NC078 SIYANCUMA                  | 58 828                   |            |             | 58 828          | -             |             |                                                     |                                 |                              |               |                                            | 54 012                   | 42 495        |       |
| DC7 PIXLEY KA SEME DISTRICT MUN  | 59 758                   |            |             | 59 758          | 29 856        |             |                                                     |                                 |                              |               |                                            | 55 175                   | 55 175        |       |
| NC082 IKAI ! GARIB               | 108 332                  |            |             | 108 332         | 33 433        |             |                                                     |                                 |                              |               |                                            | 96 170                   | 87 936        |       |
| NC084 !KHEIS                     | 33 197                   |            |             | 33 197          | 38 858        |             |                                                     |                                 |                              |               |                                            | 27 602                   | 19 758        |       |
| NC085 TSANTSABANE                | 50 271                   |            |             | 50 271          | 39 520        |             |                                                     |                                 |                              |               |                                            | 44 676                   | 41 578        |       |
| NC086 KGATELOPELE                | 30 490                   |            |             | 30 490          | 59 758        |             |                                                     |                                 |                              |               |                                            | 25 503                   | 25 405        |       |
| NC087 DAWID KRUIPER              | 106 741                  |            |             | 106 741         | 104 332       |             |                                                     |                                 |                              |               |                                            | 95 002                   | 72 802        |       |
| DC8 Z.F. MQCAWU DISTRICT MUN     | 78 618                   |            |             | 78 618          | 28 497        |             |                                                     |                                 |                              |               |                                            | 74 698                   | 74 698        |       |
| NC091 SOL PLAATJIE               | 239 158                  |            |             | 239 158         | 37 690        |             |                                                     |                                 |                              |               |                                            | 212 328                  | 207 016       |       |
| NC092 DIKGATLONG                 | 108 029                  |            |             | 108 029         | 30 490        |             |                                                     |                                 |                              |               |                                            | 95 491                   | 90 589        |       |
| NC093 MAGARENG                   | 57 991                   |            |             | 57 991          | 106 741       |             |                                                     |                                 |                              |               |                                            | 51 086                   | 44 380        |       |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                  | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |  |
|---------------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|--|
|                                       | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer |  |
|                                       | R'000                    | R'000      | R'000       | R'000           | R'000            | R'000           | R'000                                                       | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000            |  |
| NC094 PHOKWANE                        | 126 099                  |            |             | 126 099         | 78 618           |                 |                                                             |                                 |                              |               |                                            | 114 939                  | 94 939           |  |
| DC9 FRANCES BAARD DIST MUNICIPAL      | 132 171                  |            |             | 132 171         | 232 560          |                 |                                                             |                                 |                              |               |                                            | 128 076                  | 128 076          |  |
| NC451 JOE MOROLONG                    | 170 407                  |            |             | 170 407         | 102 507          |                 |                                                             |                                 |                              |               |                                            | 155 937                  | 155 937          |  |
| NC452 GASEGONYANA                     | 210 902                  |            |             | 210 902         | 52 567           |                 |                                                             |                                 |                              |               |                                            | 185 019                  | 183 985          |  |
| NC453 GAMAGARA                        | 53 715                   |            |             | 53 715          | 105 488          |                 |                                                             |                                 |                              |               |                                            | 45 435                   | 26 466           |  |
| DC45 JOHN TAOLONG                     | 102 257                  |            |             | 102 257         | 132 171          |                 |                                                             |                                 |                              |               |                                            | 95 976                   | 95 976           |  |
| <b>TOTAL M 004 NC: MUNICIPALITIES</b> | -                        |            |             | -               |                  |                 |                                                             |                                 |                              |               |                                            | -                        | -                |  |
| <b>M 004 NW: MUNICIPALITIES</b>       |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                  |  |
| NW371 MORETELE                        | 415 351                  |            |             | 415 351         | 402 160          |                 |                                                             |                                 |                              |               |                                            | 376 690                  | 376 501          |  |
| NW372 MADIBENG                        | 941 456                  |            |             | 941 456         | 941 331          |                 |                                                             |                                 |                              |               |                                            | 818 913                  | 813 257          |  |
| NW373 RUSTENBURG                      | 941 352                  |            |             | 941 352         | 815 802          |                 |                                                             |                                 |                              |               |                                            | 808 419                  | 762 188          |  |
| NW374 KGETLENGRIVIER                  | 117 740                  |            |             | 117 740         | 107 680          |                 |                                                             |                                 |                              |               |                                            | 105 336                  | 97 363           |  |
| NW375 MOSES KOTANE                    | 528 602                  |            |             | 528 602         | 527 985          |                 |                                                             |                                 |                              |               |                                            | 476 855                  | 464 043          |  |
| DC37 BOJANALA PLATINUM DIST MUN       | 381 952                  |            |             | 381 952         | 381 750          |                 |                                                             |                                 |                              |               |                                            | 366 729                  | 365 334          |  |
| NW381 RATLOU                          | 150 626                  |            |             | 150 626         | 148 997          |                 |                                                             |                                 |                              |               |                                            | 138 974                  | 138 609          |  |
| NW382 TSWAING                         | 140 780                  |            |             | 140 780         | 140 548          |                 |                                                             |                                 |                              |               |                                            | 128 758                  | 128 758          |  |
| NW383 MAFIKENG                        | 327 788                  |            |             | 327 788         | 327 788          |                 |                                                             |                                 |                              |               |                                            | 292 733                  | 292 733          |  |
| NW384 DITSOBOTLA                      | 159 232                  |            |             | 159 232         | 145 608          |                 |                                                             |                                 |                              |               |                                            | 143 161                  | 140 762          |  |

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for the year ended 31 March 2023

| NAME OF MUNICIPALITY                  | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |           |
|---------------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|-----------|
|                                       | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |           |
|                                       | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000     |
| NW385 RAMOTSHERE MOILOA               | 215 223                  |            |             | 215 223         | 215 223       |             |                                                     |                                 |                              |               |                                            | 195 823                  |               | 195 727   |
| DC38 NGAKA MODIRI MOLEMA DIST MU      | 974 124                  |            |             | 974 124         | 973 665       |             |                                                     |                                 |                              |               |                                            | 873 573                  |               | 873 573   |
| NW392 NALEDI                          | 63 233                   |            |             | 63 233          | 62 576        |             |                                                     |                                 |                              |               |                                            | 58 600                   |               | 46 627    |
| NW393 NAMUSA                          | 66 849                   |            |             | 66 849          | 59 307        |             |                                                     |                                 |                              |               |                                            | 62 550                   |               | 62 550    |
| NW394 GREATER TAUNG                   | 231 374                  |            |             | 231 374         | 231 014       |             |                                                     |                                 |                              |               |                                            | 212 988                  |               | 212 445   |
| NW396 LEKWATEEMANE                    | 60 204                   |            |             | 60 204          | 54 690        |             |                                                     |                                 |                              |               |                                            | 56 063                   |               | 52 042    |
| NW397 MOLOPOKAGISANO                  | 144 818                  |            |             | 144 818         | 144 765       |             |                                                     |                                 |                              |               |                                            | 133 289                  |               | 112 044   |
| DC39 DR RUTH SEGOMTSI MUN             | 448 060                  |            |             | 448 060         | 200 056       |             |                                                     |                                 |                              |               |                                            | 404 182                  |               | 404 182   |
| NW403 CITY OF MATLOSANA               | 545 300                  |            |             | 545 300         | 538 013       |             |                                                     |                                 |                              |               |                                            | 484 096                  |               | 473 766   |
| NW404 MAQUASSI HILLS                  | 159 404                  |            |             | 159 404         | 159 404       |             |                                                     |                                 |                              |               |                                            | 143 541                  |               | 142 819   |
| NW405 VENTERSDORP/ TLOKWE LOC MN      | 343 436                  |            |             | 343 436         | 343 436       |             |                                                     |                                 |                              |               |                                            | 299 881                  |               | 294 814   |
| DC40 DR KENNETH KAUNDA MUN            | 206 714                  |            |             | 206 714         | 206 714       |             |                                                     |                                 |                              |               |                                            | 200 130                  |               | 200 130   |
| <b>TOTAL M 004 NW: MUNICIPALITIES</b> | -                        |            |             | -               | -             |             |                                                     |                                 |                              |               |                                            | -                        |               | -         |
| <b>M 004 WC: MUNICIPALITIES</b>       |                          |            |             | -               |               |             |                                                     |                                 |                              |               |                                            |                          |               |           |
| CPT CITY OF CAPE TOWN                 | 3 656 394                |            |             | 3 656 394       | 3 656 394     |             |                                                     |                                 |                              |               |                                            | 3 215 174                |               | 3 215 174 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY              | GRANT ALLOCATION         |            |             |                 | TRANSFER      |             |                                                     |                                 | SPENT                        |               |                                            |                          | 2021/22       |       |
|-----------------------------------|--------------------------|------------|-------------|-----------------|---------------|-------------|-----------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|---------------|-------|
|                                   | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans- | Funds With- | Re-allocations by National Treasury or National De- | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans- |       |
|                                   | R'000                    | R'000      | R'000       | R'000           | R'000         | R'000       | R'000                                               | R'000                           | R'000                        | R'000         | %                                          | R'000                    | R'000         | R'000 |
| WC011 MATZIKAMA                   | 69 892                   |            |             | 69 892          | 59 995        |             |                                                     |                                 |                              |               |                                            | 62 693                   | 45 804        |       |
| WC012 CEDERBERG                   | 61 451                   |            |             | 61 451          | 60 377        |             |                                                     |                                 |                              |               |                                            | 55 044                   | 55 044        |       |
| WC013 BERGRIVIER                  | 57 506                   |            |             | 57 506          | 55 840        |             |                                                     |                                 |                              |               |                                            | 50 990                   | 50 990        |       |
| WC014 SALDANHA BAY                | 115 943                  |            |             | 115 943         | 115 943       |             |                                                     |                                 |                              |               |                                            | 101 876                  | 101 876       |       |
| WC015 SWARTLAND                   | 126 228                  |            |             | 126 228         | 126 228       |             |                                                     |                                 |                              |               |                                            | 108 796                  | 108 796       |       |
| DC1 WEST COAST DISTRICT MUNICIPAL | 103 374                  |            |             | 103 374         | 103 374       |             |                                                     |                                 |                              |               |                                            | 99 472                   | 99 263        |       |
| WC022 WITZENBERG                  | 121 668                  |            |             | 121 668         | 116 521       |             |                                                     |                                 |                              |               |                                            | 106 666                  | 96 326        |       |
| WC023 DRAKENSTEIN                 | 194 355                  |            |             | 194 355         | 194 355       |             |                                                     |                                 |                              |               |                                            | 171 259                  | 171 259       |       |
| WC024 STELLENBOSCH                | 179 634                  |            |             | 179 634         | 179 634       |             |                                                     |                                 |                              |               |                                            | 157 136                  | 157 136       |       |
| WC025 BREEDE VALLEY               | 147 822                  |            |             | 147 822         | 147 822       |             |                                                     |                                 |                              |               |                                            | 131 552                  | 131 552       |       |
| WC026 LANGEBOEG                   | 97 528                   |            |             | 97 528          | 97 528        |             |                                                     |                                 |                              |               |                                            | 87 617                   | 87 617        |       |
| DC2 CAPE WINELANDS DIST MUNICIPAL | 251 295                  |            |             | 251 295         | 251 295       |             |                                                     |                                 |                              |               |                                            | 245 208                  | 245 208       |       |
| WC031 THEEWATERSKLOOF             | 120 101                  |            |             | 120 101         | 110 527       |             |                                                     |                                 |                              |               |                                            | 106 976                  | 101 629       |       |
| WC032 OVERSTRAND                  | 141 896                  |            |             | 141 896         | 141 896       |             |                                                     |                                 |                              |               |                                            | 123 897                  | 123 897       |       |
| WC033 CAPE AGULHAS                | 37 037                   |            |             | 37 037          | 36 727        |             |                                                     |                                 |                              |               |                                            | 33 290                   | 23 497        |       |
| WC034 SWELLENDAAM                 | 39 675                   |            |             | 39 675          | 39 675        |             |                                                     |                                 |                              |               |                                            | 35 471                   | 35 471        |       |
| DC3 OVERBERG DISTRICT MUNICIPAL   | 81 486                   |            |             | 81 486          | 81 486        |             |                                                     |                                 |                              |               |                                            | 77 375                   | 74 719        |       |
| WC041 KANINALEND                  | 33 259                   |            |             | 33 259          | 27 223        |             |                                                     |                                 |                              |               |                                            | 30 553                   | 17 067        |       |
| WC042 HESSEQUA                    | 54 287                   |            |             | 54 287          | 54 287        |             |                                                     |                                 |                              |               |                                            | 48 843                   | 48 843        |       |
| WC043 MOSSEL BAY                  | 119 020                  |            |             | 119 020         | 119 020       |             |                                                     |                                 |                              |               |                                            | 105 409                  | 105 409       |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                    | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22           |       |
|-----------------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|-------------------|-------|
|                                         | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer  | R'000 |
| WC044 GEORGE                            | 193 460                  |            |             | 193 460         | 193 460          | 193 460         |                                                             |                                 |                              |               |                                            | 170 498                  | 170 188           |       |
| WC045 OUDTSHOORN                        | 89 431                   |            |             | 89 431          | 89 431           | 89 431          |                                                             |                                 |                              |               |                                            | 80 955                   | 80 955            |       |
| WC047 BITOU                             | 129 019                  |            |             | 129 019         | 128 022          |                 |                                                             |                                 |                              |               |                                            | 111 953                  | 111 442           |       |
| WC048 KNYSNA                            | 111 170                  |            |             | 111 170         | 107 720          |                 |                                                             |                                 |                              |               |                                            | 98 572                   | 98 572            |       |
| DC4 EDEN DISTRICT MUNICIPALITY          | 172 721                  |            |             | 172 721         | 172 721          |                 |                                                             |                                 |                              |               |                                            | 167 653                  | 166 661           |       |
| WC051 LAINGSBURG                        | 20 139                   |            |             | 20 139          | 19 478           |                 |                                                             |                                 |                              |               |                                            | 18 461                   | 11 358            |       |
| WC052 PRINCE ALBERT                     | 26 548                   |            |             | 26 548          | 26 548           |                 |                                                             |                                 |                              |               |                                            | 24 054                   | 24 054            |       |
| WC053 BEAUFORT WEST                     | 77 265                   |            |             | 77 265          | 77 265           |                 |                                                             |                                 |                              |               |                                            | 69 625                   | 69 279            |       |
| DC5 CENTRAL KAROO DIST MUNICIPAL        | 36 456                   |            |             | 36 456          | 36 456           |                 |                                                             |                                 |                              |               |                                            | 33 268                   | 31 301            |       |
| <b>TOTAL M 004</b>                      |                          |            |             | -               | -                | -               |                                                             |                                 |                              |               |                                            | -                        | -                 |       |
| <b>WC:MUNICIPALITIES</b>                |                          |            |             |                 |                  |                 |                                                             |                                 |                              |               |                                            |                          |                   |       |
| <b>TOTAL LGES</b>                       | <b>87 311</b>            | <b>-</b>   | <b>-</b>    | <b>87 311</b>   | <b>83 937</b>    | <b>-</b>        | <b>-</b>                                                    | <b>-</b>                        | <b>-</b>                     | <b>-</b>      | <b>-</b>                                   | <b>77 999</b>            | <b>76 168 581</b> |       |
|                                         | <b>493</b>               |            |             | <b>493</b>      | <b>761</b>       |                 |                                                             |                                 |                              |               |                                            | <b>135</b>               |                   |       |
| <b>LICENSING</b>                        |                          |            |             | -               | -                | -               |                                                             |                                 |                              |               |                                            | -                        | -                 |       |
| Tshwane Metro Municipality              | 122                      |            |             | 122             | 33               |                 |                                                             |                                 |                              |               |                                            | 36                       | 36                |       |
| <b>MUNICIPAL DISASTER RECOVERY GRNT</b> |                          |            |             | -               | -                | -               |                                                             |                                 |                              |               |                                            |                          |                   |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                       | GRANT ALLOCATION         |            |             |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |       |
|--------------------------------------------|--------------------------|------------|-------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|-------|
|                                            | DORA and other transfers | Roll Overs | Adjustments | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000 |
| EC443 MBIZANANI WINNIE MADIKIZELA -MANDELA |                          |            | 33 806      | 33 806          | 33 806           | 33 806          | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| ETH ETHEKWINI                              |                          |            | 1 534 785   | 1 534 785       | 1 534 785        |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| KZN213 UMZUMBE                             | 9 000                    |            |             | 9 000           | 9 000            |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| DC22                                       |                          |            | 10 100      | 10 100          | 10 100           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| UMGUNGUNDLOVU DIST MUN                     |                          |            |             |                 |                  |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| KZN237 INKOSI ILANGALIBALELE               |                          |            | 76 950      | 76 950          | 76 950           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| KZN238 ALFRED DUMA                         |                          |            | 22 000      | 22 000          | 22 000           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| KZN282 UMHATHUZE LOCAL MUN                 |                          |            | 39 466      | 39 466          | 39 466           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| KZN291 MANDENI                             |                          |            | 17 023      | 17 023          | 17 023           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| KZN292 KWADUKUZA                           |                          |            | 1 271 098   | 1 271 098       | 1 271 098        |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| KZN294 MAPHUMULO                           | 7 000                    |            | (7 000)     | -               | -                |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| DC29 ILEMBE DISTRICT MUNICIPAL             | 10 023                   |            | 4 526       | 14 549          | 14 549           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| WC025 BREEDE VALLEY                        |                          |            | 10 310      | 10 310          | 10 310           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| WC031 THEEWATERSKLOOF                      |                          |            | 11 940      | 11 940          | 11 940           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| WC034 SWELLENDAAM                          |                          |            | 3 553       | 3 553           | 3 553            |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| WC044 GEORGE                               |                          |            | 237 497     | 237 497         | 237 497          |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
| WC045 OUDTSHOORN                           |                          |            | 26 664      | 26 664          | 26 664           |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |
|                                            |                          |            |             | -               | -                |                 | -                                                           |                                 |                              |               |                                            |                          |                  |       |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

| NAME OF MUNICIPALITY                    | GRANT ALLOCATION         |              |                  |                 | TRANSFER         |                 |                                                             |                                 | SPENT                        |               |                                            |                          | 2021/22          |                |
|-----------------------------------------|--------------------------|--------------|------------------|-----------------|------------------|-----------------|-------------------------------------------------------------|---------------------------------|------------------------------|---------------|--------------------------------------------|--------------------------|------------------|----------------|
|                                         | DORA and other transfers | Roll Overs   | Adjustments      | Total Available | Actual Trans-fer | Funds With-held | Re-allocations by National Treasury or National De-partment | Amount received by Municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | DORA and other transfers | Actual Trans-fer | R'000          |
| <b>MUNICIPAL DISASTER RECOVERY GRNT</b> | <b>R'000</b>             | <b>R'000</b> | <b>R'000</b>     | <b>R'000</b>    | <b>R'000</b>     | <b>R'000</b>    | <b>R'000</b>                                                | <b>R'000</b>                    | <b>R'000</b>                 | <b>R'000</b>  | <b>%</b>                                   | <b>R'000</b>             | <b>R'000</b>     | <b>R'000</b>   |
|                                         | 26 023                   | -            | 3 292 718        | 3 318 741       | 3 318 741        | -               | -                                                           | -                               | -                            | -             | -                                          | -                        | -                | -              |
| <b>Total</b>                            | <b>105 636</b>           | <b>-</b>     | <b>6 295 473</b> | <b>111 931</b>  | <b>105 700</b>   | <b>-</b>        | <b>62 130</b>                                               | <b>17 927</b>                   | <b>9 841</b>                 | <b>497</b>    | <b>500 833</b>                             | <b>369</b>               | <b>500 833</b>   | <b>500 833</b> |

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer:

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / overspending of such funds and to allow the department to provide an explanation for the variance

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 1B

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| Departmental Agency or Account             | 2022/23             |            |             |                 |                 | 2021/22                          |                 |
|--------------------------------------------|---------------------|------------|-------------|-----------------|-----------------|----------------------------------|-----------------|
|                                            | TRANSFER ALLOCATION |            |             | TRANSFER        |                 | Final Budget                     | Actual transfer |
|                                            | Adjusted Budget     | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred |                 |
|                                            | R'000               | R'000      | R'000       | R'000           | R'000           | %                                | R'000           |
| Municipal Demarcation Board                | 74 340              | -          | -           | 74 340          | 74 340          | 100%                             | 70 601          |
| Municipal Infrastructure Support Agent     | 400 216             | -          | -           | 400 216         | 400 216         | 100%                             | 628 864         |
| South African Local Government Association | 36 280              | -          | -           | 36 280          | 36 280          | 100%                             | 35 369          |
| <b>TOTAL</b>                               | <b>510 836</b>      | <b>-</b>   | <b>-</b>    | <b>510 836</b>  | <b>510 836</b>  |                                  | <b>734 834</b>  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE IE

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

|                                                 | 2022/23             |            |             |                 |                 | 2021/22                          |                 |
|-------------------------------------------------|---------------------|------------|-------------|-----------------|-----------------|----------------------------------|-----------------|
|                                                 | TRANSFER ALLOCATION |            |             | EXPENDITURE     |                 | Final Budget                     | Actual transfer |
| Foreign government / International organisation | Adjusted Budget     | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred |                 |
|                                                 | R'000               | R'000      | R'000       | R'000           | R'000           | %                                | R'000           |
| <b>Transfers</b>                                |                     |            |             |                 |                 |                                  |                 |
| Commonwealth Local Govt Forum                   | 666                 | -          | -           | 666             | 336             | 50%                              | 648             |
| 316                                             |                     |            |             |                 |                 |                                  |                 |
| <b>Total</b>                                    | <b>666</b>          | <b>-</b>   | <b>-</b>    | <b>666</b>      | <b>336</b>      | <b>-</b>                         | <b>648</b>      |
| <b>316</b>                                      |                     |            |             |                 |                 |                                  |                 |
| <b>Subsidies</b>                                |                     |            |             |                 |                 |                                  |                 |
| <b>Total</b>                                    |                     |            |             |                 |                 |                                  |                 |
| <b>TOTAL</b>                                    | <b>666</b>          | <b>-</b>   | <b>-</b>    | <b>666</b>      | <b>336</b>      | <b>-</b>                         | <b>648</b>      |
| <b>316</b>                                      |                     |            |             |                 |                 |                                  |                 |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE IF

### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

|                                     |                 | 2022/23             |             |                 |                 | 2021/22                          |               |                 |
|-------------------------------------|-----------------|---------------------|-------------|-----------------|-----------------|----------------------------------|---------------|-----------------|
|                                     |                 | TRANSFER ALLOCATION |             |                 | EXPENDITURE     |                                  |               |                 |
| Non-profit institutions             | Adjusted Budget | Roll overs          | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget  | Actual transfer |
|                                     | R'000           | R'000               | R'000       | R'000           | R'000           | %                                | R'000         | R'000           |
| <b>Transfers</b>                    |                 |                     |             |                 |                 |                                  |               |                 |
| South African Cities Network        | 8 508           | -                   | -           | 8 508           | 8 508           | 100%                             | 8 161         | 8 161           |
| Disaster Man Inst of SA             | 94              | -                   | -           | 94              | -               | 0%                               | 95            |                 |
| United Cities & Local Gov of Africa | 7 973           | -                   | -           | 7 973           | -               | 0%                               | 7 769         |                 |
| <b>Total</b>                        | <b>16 575</b>   | <b>-</b>            | <b>-</b>    | <b>16 575</b>   | <b>8 508</b>    |                                  | <b>16 025</b> | <b>8 161</b>    |
| Subsidies                           |                 |                     |             |                 |                 |                                  |               |                 |
| <b>Total</b>                        |                 |                     |             |                 |                 |                                  |               |                 |
| <b>TOTAL</b>                        | <b>16 575</b>   | <b>-</b>            | <b>-</b>    | <b>16 575</b>   | <b>8 508</b>    |                                  | <b>16 025</b> | <b>8 161</b>    |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE IG

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

|                                | 2022/23             |               |              |                 |                 |                                  | 2021/22        |                 |
|--------------------------------|---------------------|---------------|--------------|-----------------|-----------------|----------------------------------|----------------|-----------------|
|                                | TRANSFER ALLOCATION |               |              | EXPENDITURE     |                 |                                  |                |                 |
| Household                      | Adjusted Budget     | Roll overs    | Adjustments  | Total Available | Actual transfer | % of available funds transferred | Final Budget   | Actual transfer |
|                                | R'000               | R'000         | R'000        | R'000           | R'000           | %                                | R'000          | R'000           |
| <b>Transfers</b>               |                     |               |              |                 |                 |                                  |                |                 |
| Leave Gratuity                 | 3 250               |               | 88           | 3 338           | 3 337           | 100%                             | 2 248          | 2 247           |
| PMNT Refund & Rem Act of grace | -                   | 12 865        | -            | 12 865          | 8 939           | 69%                              | 350 000        | 337 165         |
| Non-Employee Bursaries         | 258                 | -             | 1 641        | 1 899           | 1 600           | 84%                              | -              | -               |
| Claims Against the State       | -                   | -             | 50           | 50              | 50              | 100%                             | -              | -               |
| <b>Total</b>                   | <b>3 508</b>        | <b>12 865</b> | <b>1 779</b> | <b>18 152</b>   | <b>13 962</b>   |                                  | <b>352 248</b> | <b>339 412</b>  |
| <b>TOTAL</b>                   | <b>3 508</b>        | <b>12 865</b> | <b>1 779</b> | <b>18 152</b>   | <b>13 926</b>   |                                  | <b>352 248</b> | <b>339 412</b>  |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 1H

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

| Name of organisation                             | Nature of gift, donation or sponsorship                                         | 2022/23    | 2021/22      |
|--------------------------------------------------|---------------------------------------------------------------------------------|------------|--------------|
|                                                  |                                                                                 | R'000      | R'000        |
| <b>Received in kind</b>                          |                                                                                 |            |              |
| Marce Fire Fighting Technology PTY(LTD)          | Surgical Masks x 6000                                                           | -          | 52           |
| United Nations Development Programme             | Appointment of systems Developer                                                | -          | 396          |
| United Nations Development Programme             | Review of disaster Management Institutional Arrangements                        | -          | 750          |
| United Nations Development Programme             | 8 Laptops                                                                       | -          | 450          |
| Commonwealth Local Government Forum              | Financial Support for develop business plan for OR Tambo District Municipality  | -          | 400          |
| Commonwealth Local Government Forum              | Financial Support for develop business plan for Waterberg District municipality | -          | 400          |
| UN Habitat                                       | Sponsor official trip to Cairo                                                  | 40         | -            |
| German IZ                                        | Sponsor official trip to Germany                                                | 273        | -            |
| African Union Commission                         | Sponsor official trip to Mozambique                                             | 19         | -            |
| Esri South Africa                                | Sponsor official trip to United State                                           | 50         | -            |
| Centre for the Study of Violence & Recon         | Sponsored official trip to Ivory Coast                                          | 40         | -            |
| UN Office for Outer Space Training Workshop      | Sponsored official trip to Bonn: Germany                                        | 30         | -            |
| Two Continental Workshop-Disaster Risk Reduction | Sponsored official trip to Dar es Salam: Tanzania                               | 20         | -            |
| <b>Subtotal</b>                                  |                                                                                 | <b>472</b> | <b>2 448</b> |
| <b>TOTAL</b>                                     |                                                                                 | <b>472</b> | <b>2 448</b> |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE II

### STATEMENT OF AID ASSISTANCE RECEIVED

| Name of donor           | Purpose                                 | Opening balance | Revenue | Expenditure | Paid back on / by 31 March | Closing balance |
|-------------------------|-----------------------------------------|-----------------|---------|-------------|----------------------------|-----------------|
|                         |                                         | R'000           | R'000   | R'000       | R'000                      | R'000           |
| <b>Received in cash</b> |                                         |                 |         |             |                            |                 |
| SADC Aid Assistance     | Ethekewini Municipality Disaster Relief | -               | 4 642   | 4 642       | -                          | -               |
| <b>Subtotal</b>         |                                         | -               | 4 642   | 4 642       | -                          | -               |
| <b>TOTAL</b>            |                                         | -               | 4 642   | 4 642       | -                          | -               |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE IJ

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

| Nature of gift, donation or sponsorship<br>(Group major categories but list material items including name of organisation) | 2022/23  | 2021/22  |
|----------------------------------------------------------------------------------------------------------------------------|----------|----------|
|                                                                                                                            | R'000    | R'000    |
| <b>Made in kind</b>                                                                                                        |          |          |
| Bereavement gifts                                                                                                          | 2        | 3        |
| Gifts for International guests                                                                                             | 4        | 2        |
| <b>TOTAL</b>                                                                                                               | <b>6</b> | <b>5</b> |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE IL

## STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

| Name of Grant                             | GRANT ALLOCATION        |            |             | SPENT         |
|-------------------------------------------|-------------------------|------------|-------------|---------------|
|                                           | Division of Revenue Act | Roll overs | Adjustments | Amount        |
|                                           | R'000                   | R'000      | R'000       | R'000         |
| Municipal Systems Improvement Grant (MSG) | 140 331                 | -          | -           | 63 544        |
| <b>TOTAL</b>                              | <b>140 331</b>          | <b>-</b>   | <b>-</b>    | <b>63 544</b> |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

| Nature of liability                                                                                                                     | Opening balance<br>1 April 2022 | Liabilities<br>incurred during<br>the year | Liabilities paid<br>/ cancelled /<br>reduced during<br>the year | Liabilities<br>recoverable<br>(Provide details<br>hereunder) | Closing balance<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------|----------------------------------|
|                                                                                                                                         | R'000                           | R'000                                      | R'000                                                           | R'000                                                        | R'000                            |
| <b>Claims against the department</b>                                                                                                    |                                 |                                            |                                                                 |                                                              |                                  |
| Seriti Institute NPC issued summons to the Department for the payment of retention fee amounting R2,352,926.15 plus interest of 10.25%. | 2 839                           | 241                                        | -                                                               | -                                                            | 3 080                            |
| Pro Rentals including interest at 7.25%                                                                                                 | 12                              | 1                                          | -                                                               | -                                                            | 13                               |
| Maphalala NR                                                                                                                            | 58                              | -                                          | -                                                               | -                                                            | 58                               |
| Sibambene Projects T/A Sibambane Consortium including interest at 10.25%                                                                | -                               | 1 881                                      | -                                                               | -                                                            | 1 881                            |
| Subtotal                                                                                                                                | 2 909                           | 2 123                                      | -                                                               | -                                                            | 5 032                            |
| <b>TOTAL</b>                                                                                                                            | <b>2 909</b>                    | <b>2 123</b>                               | <b>-</b>                                                        | <b>-</b>                                                     | <b>5 032</b>                     |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 4

## CLAIMS RECOVERABLE

| Government entity                                      | Confirmed balance outstanding |            | Unconfirmed balance outstanding |              | Total        |              | Cash-in-transit at year end 2022/23 *                  |        |
|--------------------------------------------------------|-------------------------------|------------|---------------------------------|--------------|--------------|--------------|--------------------------------------------------------|--------|
|                                                        | 31/03/2023                    | 31/03/2022 | 31/03/2023                      | 31/03/2022   | 31/03/2023   | 31/03/2022   | Receipt date up to six (6) working days after year end | Amount |
|                                                        | R'000                         | R'000      | R'000                           | R'000        | R'000        | R'000        |                                                        | R'000  |
| <b>Department</b>                                      |                               |            |                                 |              |              |              |                                                        |        |
| Department of Traditional Affairs                      | -                             | 758        | 1 868                           | 2 599        | 1 868        | 3 357        |                                                        |        |
| Department of Justice                                  | -                             | -          | -                               | 112          | -            | 112          |                                                        |        |
| Department of Small Business                           | -                             | 56         | -                               | -            | -            | 56           |                                                        |        |
| Department of Government Printing Works                | 31                            | -          | -                               | -            | 31           | -            |                                                        |        |
| Gauteng Dept of COGTA                                  | 35                            | -          | -                               | -            | 35           | -            |                                                        |        |
| Pension Fund                                           | -                             | -          | 49                              | -            | 49           | -            |                                                        |        |
| Department of Women, Youth & Persons with disabilities | -                             | -          | 146                             | -            | -            | -            |                                                        |        |
|                                                        |                               |            |                                 |              |              |              |                                                        |        |
| <b>Subtotal</b>                                        | <b>66</b>                     | <b>814</b> | <b>2 063</b>                    | <b>2 711</b> | <b>1 983</b> | <b>3 525</b> |                                                        |        |
| <b>Other Government Entities</b>                       |                               |            |                                 |              |              |              |                                                        |        |
| Municipal Infrastructure Support Agent                 | -                             | -          | 290                             | 290          | 290          | 290          |                                                        |        |
| <b>Subtotal</b>                                        |                               |            | <b>290</b>                      | <b>290</b>   | <b>290</b>   | <b>290</b>   |                                                        |        |
| <b>TOTAL</b>                                           | <b>66</b>                     | <b>814</b> | <b>2 353</b>                    | <b>3 001</b> | <b>2 419</b> | <b>3 815</b> |                                                        |        |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 5

## INTERGOVERNMENT PAYABLES

| GOVERNMENT ENTITY                           | Confirmed balance outstanding |               | Unconfirmed balance outstanding |            | Total         |               | Cash-in-transit at year end 2022/23 *                  |        |
|---------------------------------------------|-------------------------------|---------------|---------------------------------|------------|---------------|---------------|--------------------------------------------------------|--------|
|                                             | 31/03/2023                    | 31/03/2022    | 31/03/2023                      | 31/03/2022 | 31/03/2023    | 31/03/2022    | Payment date up to six (6) working days after year end | Amount |
|                                             | R'000                         | R'000         | R'000                           | R'000      | R'000         | R'000         |                                                        | R'000  |
| <b>DEPARTMENTS</b>                          |                               |               |                                 |            |               |               |                                                        |        |
| <b>Current</b>                              |                               |               |                                 |            |               |               |                                                        |        |
| South African Police Services               | -                             | 27            | 48                              | -          | 48            | 27            |                                                        |        |
| Department of Justice                       | 1 778                         | 12 349        | -                               | -          | 1 778         | 12 349        |                                                        |        |
| Eastern Cape Social Development             | -                             | 18            | -                               | -          | -             | 18            |                                                        |        |
| Department of Public Works & Infrastructure | 3 948                         | 3             | -                               | -          | 3 948         | 3             |                                                        |        |
| Western Cape Government                     | 88                            | 11            | -                               | -          | 88            | 11            |                                                        |        |
| Gauteng Provincial Government Gfleet        | 41                            | 57            | -                               | -          | 41            | 57            |                                                        |        |
| Department of Home Affairs                  | -                             | -             | 384                             | -          | 384           | -             |                                                        |        |
| Government Printing works                   | 25                            | -             | -                               | -          | 25            | -             |                                                        |        |
| <b>Subtotal</b>                             | 5 880                         | 12 465        | 432                             | -          | 6 312         | 12 465        |                                                        |        |
| Total Departments                           | 5 880                         | 12 465        | 432                             | -          | 6 312         | 12 465        |                                                        |        |
| <b>OTHER GOVERNMENT ENTITIES</b>            |                               |               |                                 |            |               |               |                                                        |        |
| <b>Current</b>                              |                               |               |                                 |            |               |               |                                                        |        |
| SITA                                        | 851                           | -             | 2 940                           | -          | 3 791         | -             |                                                        |        |
| <b>Subtotal</b>                             | 851                           | -             | 2 940                           | -          | 3 791         | -             |                                                        |        |
| <b>TOTAL INTERGOVERNMENT PAYABLES</b>       | <b>6 731</b>                  | <b>12 465</b> | <b>3 372</b>                    | <b>-</b>   | <b>10 103</b> | <b>12 465</b> |                                                        |        |

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 8A

### INTERENTITY ADVANCES PAID (NOTE 13)

| ENTITY                                          | Confirmed balance outstanding |              | Unconfirmed balance outstanding |              | TOTAL      |               |
|-------------------------------------------------|-------------------------------|--------------|---------------------------------|--------------|------------|---------------|
|                                                 | 31/3/2023                     | 31/03/2022   | 31/3/2023                       | 31/03/2022   | 31/3/2023  | 31/03/2022    |
|                                                 | R'000                         | R'000        | R'000                           | R'000        | R'000      | R'000         |
| <b>NATIONAL DEPARTMENTS</b>                     |                               |              |                                 |              |            |               |
| Government Communication and Information System | -                             | 3 476        | 15                              | 5 764        | 15         | 9 240         |
| Dept of International Relations (DIRCO)         | 34                            | -            | -                               | -            | 34         | -             |
| <b>Subtotal</b>                                 | <b>34</b>                     | <b>3 476</b> | <b>15</b>                       | <b>5 764</b> | <b>49</b>  | <b>9 240</b>  |
| <b>PUBLIC ENTITIES</b>                          |                               |              |                                 |              |            |               |
| Development Bank of South Africa                | -                             | -            | -                               | 3 583        | -          | 3 583         |
| SANRAL                                          | 31                            | 86           | -                               | -            | 31         | 86            |
| <b>Subtotal</b>                                 | <b>31</b>                     | <b>86</b>    | <b>-</b>                        | <b>3 583</b> | <b>31</b>  | <b>3 669</b>  |
| <b>OTHER ENTITIES</b>                           |                               |              |                                 |              |            |               |
| City of Tshwane                                 | 319                           | -            | -                               | -            | 319        | -             |
| <b>Subtotal</b>                                 | <b>319</b>                    | <b>-</b>     | <b>-</b>                        | <b>-</b>     | <b>319</b> | <b>-</b>      |
| <b>TOTAL</b>                                    | <b>384</b>                    | <b>3 562</b> | <b>15</b>                       | <b>9 347</b> | <b>399</b> | <b>12 909</b> |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE 8B

## INTERENTITY ADVANCES RECEIVED (NOTE 20 AND NOTE 21)

| ENTITY                | Confirmed balance outstanding |            | Unconfirmed balance outstanding |            | TOTAL     |            |
|-----------------------|-------------------------------|------------|---------------------------------|------------|-----------|------------|
|                       | 31/3/2023                     | 31/03/2022 | 31/3/2023                       | 31/03/2022 | 31/3/2023 | 31/03/2022 |
|                       | R'000                         | R'000      | R'000                           | R'000      | R'000     | R'000      |
| <b>OTHER ENTITIES</b> |                               |            |                                 |            |           |            |
| Current               |                               |            |                                 |            |           |            |
| LGSETA                | -                             | -          | 447                             | 71         | 447       | 71         |
| <b>Subtotal</b>       | -                             | -          | 447                             | 71         | 447       | 71         |
| <b>TOTAL</b>          | -                             | -          | 447                             | 71         | 447       | 71         |

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## ANNEXURE II

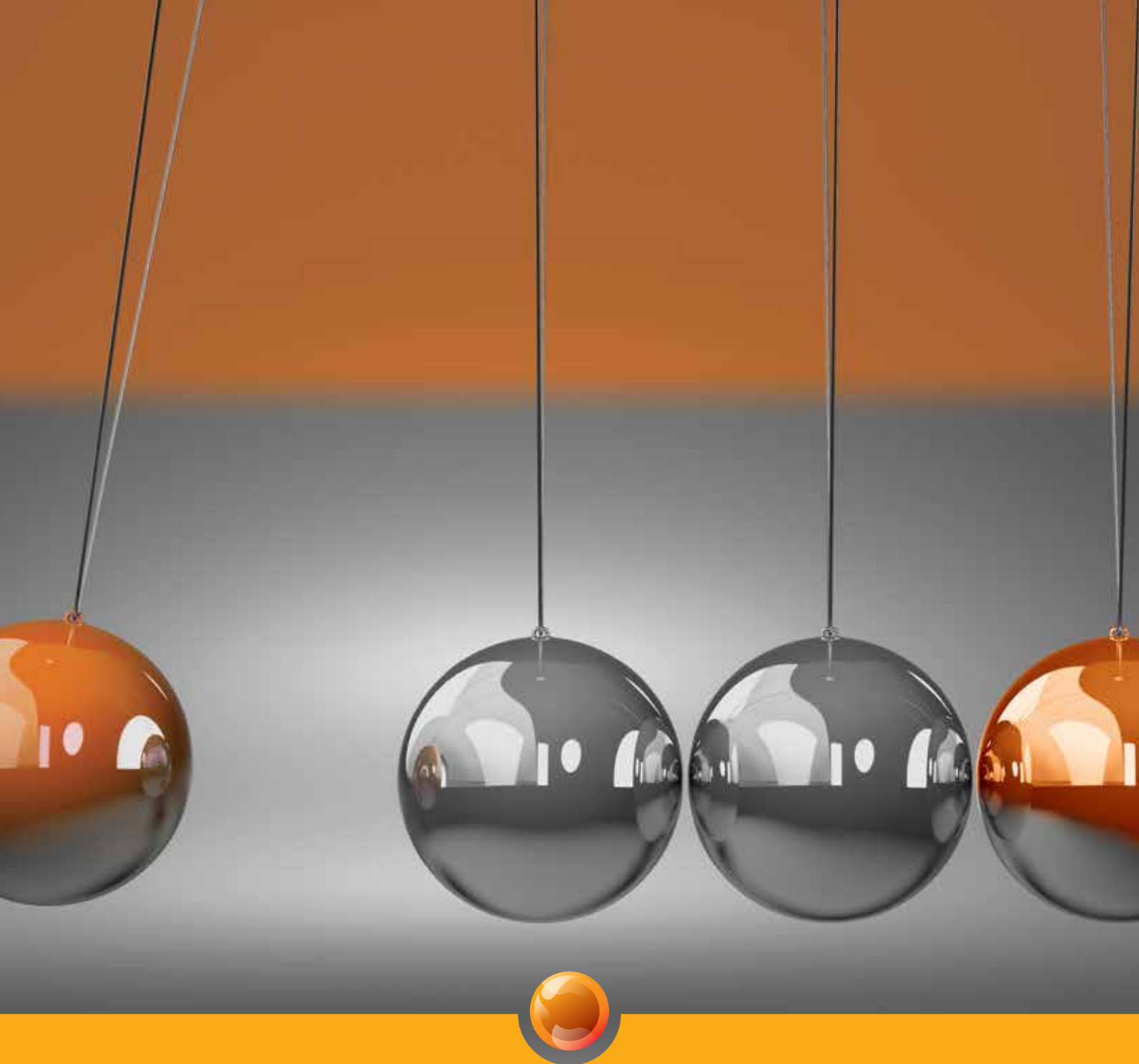
## COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

| Expenditure per economic classification       | 2022/23    |          |          |            |            | 2021/22       |
|-----------------------------------------------|------------|----------|----------|------------|------------|---------------|
|                                               | Q1         | Q2       | Q3       | Q4         | Total      | Total         |
|                                               | R'000      | R'000    | R'000    | R'000      | R'000      | R'000         |
| <b>Compensation of employees</b>              | 163        | -        | -        | 133        | 296        | 46 466        |
| <b>Goods and services</b>                     |            |          |          |            |            |               |
| <i>List all applicable SCOA level 4 items</i> |            |          |          |            |            |               |
| Minor Assets                                  | -          | -        | -        | -          | -          | 2 593         |
| Catering: Departmental Liabilities            | -          | -        | -        | -          | -          | 395           |
| Consult: Business & Advisory Services         | -          | -        | -        | -          | -          | 1 250         |
| Cons: Supplies                                | 163        | -        | -        | 11         | 174        | 32 487        |
| Cons: Sta, print & office supp                | -          | -        | -        | -          | -          | 18            |
| Travel and Subsistence                        | -          | -        | -        | -          | -          | 117           |
| Training and Development                      | -          | -        | -        | -          | -          | 9 553         |
| Operating Payments                            | -          | -        | -        | -          | -          | 53            |
| Property Payments                             | -          | -        | -        | 122        | 122        | -             |
| <b>Transfers and subsidies</b>                |            |          |          |            |            |               |
| <i>List all applicable SCOA level 4 items</i> |            |          |          |            |            |               |
| Other Machinery & Equipment                   |            |          |          |            |            | 195           |
| <b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>    | <b>163</b> | <b>-</b> | <b>-</b> | <b>133</b> | <b>296</b> | <b>46 661</b> |







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